BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of NORTHWEST NATURAL GAS COMPANY For an Order Approving a Corporate Reorganization to Create a Holding Company, Northwest Natural Holdco, in Connection with the Acquisition of Portland General Electric Company by Northwest Natural Holdco.	**DOCKET NO. UG-01____**

NORTHWEST NATURAL GAS COMPANY

EXHIBIT 7 OF BRUCE R. DeBOLT

December 4, 2001

October 5, 2001

Senior Secured Credit Facilities
Commitment Letter

Northwest Natural Gas Company
220 NW Second Avenue
Portland, Oregon 97209

Attention: Bruce R. DeBolt, Senior Vice President and Chief Financial Officer

Ladies and Gentlemen:

You have advised Merrill Lynch & Co. ("ML"), Merrill Lynch Capital Corporation ("Merrill") and Credit Suisse First Boston ("CSFB", together with ML, the "Arrangers" and, together with Merrill, the "Lead Banks") that Northwest Energy Corporation ("XYZ Holdco") has been formed by Northwest Natural Gas Company ("North") for the purpose of acquiring (the "Pilot Acquisition") all the issued and outstanding capital stock of Portland General Electric Company ("Pilot"). In connection therewith, North will merge (the "North Merger") with a wholly owned subsidiary of XYZ Holdco formed for such purpose, North will become a wholly owned subsidiary of XYZ Holdco, and the former holders of the shares of the common stock of North will become the holders of 100% of the shares of the Common Stock of XYZ Holdco. To effect the Pilot Acquisition, XYZ Holdco will purchase all of the shares of the issued and outstanding common stock of Pilot from Enron Corporation (the "Seller"), Pilot will become a wholly owned subsidiary of XYZ Holdco, and the Seller or its designee will become entitled to receive an aggregate of $1,550,000,000 in cash, shares of the Common Stock and Class B Common Stock of XYZ Holdco, and 4,000,000 Income PRIDES of XYZ Holdco. The North Merger, the Pilot Acquisition and the financings described herein are collectively referred to as the "Transaction".

You have also advised us that to finance the Transaction and the related fees and expenses you will require approximately $2,100,000,000 from senior secured credit facilities (such credit facilities, the "Credit Facilities"), comprised of term loan facilities aggregating $1,550,000,000 and a revolving credit facility of $100,000,000 for XYZ Holdco, a $150,000,000 revolving credit facility for North and a $300,000,000 revolving credit facility for Pilot. The revolving credit facilities will also be used to finance the continuing operations of XYZ Holdco, North and Pilot and their respective subsidiaries after the Transaction.

The Arrangers are pleased to advise you that they are willing to act as exclusive lead arrangers and bookrunners for the Credit Facilities.

Furthermore, each Lead Bank is pleased to advise you of its commitment to provide 50% of the entire amount of each of the Credit Facilities upon the terms and subject to the conditions set forth or referred to in this commitment letter (the "Commitment Letter") and in the Summary of Terms and Conditions attached hereto as Exhibits A, B and C (collectively, the "Term Sheets").

It is agreed that the Arrangers will act as sole and exclusive lead arrangers and bookrunners for the Credit Facilities, and they will, in their respective capacities, perform the duties and exercise the authority customarily performed and exercised by them in such roles. You agree that no other agents, co-agents or arrangers will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheets and the Fee Letter referred to below) will be paid in connection with the Credit Facilities unless you and we shall so agree.

We intend to syndicate the Credit Facilities to a group of financial institutions (together with the Lead Banks, the "Lenders") identified by us in consultation with you. The Arrangers intend to commence syndication efforts promptly, and you agree actively to assist the Arrangers in completing a syndication satisfactory to them. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication efforts benefit from your existing lending relationships and the existing lending relationships of Pilot, (b) making senior management and representatives of North and Pilot available to participate in information meetings with potential Lenders, at such times and places as the Arrangers may reasonably request, (c) assistance in the preparation of a Confidential Information Memorandum and other marketing materials to be used in connection with the syndication and (d) the hosting, with the Arrangers, of one or more meetings of prospective Lenders.

The Arrangers will manage all aspects of the syndication, including decisions, upon consultation with you, as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist the Arrangers in their syndication efforts, you agree promptly to prepare and provide to the Arrangers and the Lead Banks all information with respect to North, Pilot and the Transaction, including all financial information and projections (the "Projections"), as we may reasonably request in connection with the arrangement and syndication of the Credit Facilities. You hereby represent and covenant that (a) all written information taken as a whole other than the Projections (the "Information") that has been or will be made available to the Arrangers or the Lead Banks by you or any of your representatives in connection with the Transaction is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the Projections that have been or will be made available to the Arrangers or the Lead Banks by you or any of your representatives in connection with the Transaction have been or will be prepared in good faith based upon assumptions North believes to be reasonable. You agree to supplement the Information and the Projections from time to time until the Closing Date (as defined in the Term Sheets) and, if requested by us, for a reasonable period thereafter necessary to complete the syndication of the Credit Facilities so that the representation and covenant in the preceding sentence remain correct in all material respects. You understand that in arranging and syndicating the Credit Facilities we will not independently verify the accuracy and completeness of the Information and Projections.

As consideration for the Lead Banks' commitments hereunder and the Arrangers' agreements to perform the services described herein, you agree to pay the nonrefundable fees described in the Fee Letter dated the date hereof and delivered herewith (the "Fee Letter").

The Lead Banks' commitments hereunder and the Arrangers' agreements to perform the services described herein are subject to (a) there not occurring after the date hereof any event, development or circumstance that has or could reasonably be expected to have a material adverse effect on the business, operations, property, condition (financial or otherwise) or prospects of XYZ Holdco or XYZ Holdco and its consolidated subsidiaries, taken as a whole, North and its consolidated subsidiaries, taken as a whole, or Pilot and its consolidated subsidiaries, taken as a whole, (b) our not becoming aware after the date hereof of any information or other matter (including any matter relating to financial models and underlying assumptions relating to the Projections) affecting XYZ Holdco, North, Pilot or the Transaction that is inconsistent in a material and adverse manner with any such information or other matter disclosed to us prior to the date hereof, (c) (i) there not having occurred or be continuing a material disruption of or material adverse change in the financial, banking or capital markets that, in our judgment, could reasonably be expected to impair syndication of the Credit Facilities and (ii) the financial, banking and capital market conditions shall have, in our judgment, returned to their condition immediately prior to September 11, 2001, (d) our satisfaction that prior to and during the syndication of the Credit Facilities there shall be no competing offering, placement or arrangement of any debt securities or bank financing by or on behalf of XYZ Holdco, North or Pilot or any affiliate thereof (with exceptions for anticipated financings by North and Pilot to be agreed upon by the Arrangers), (e) the negotiation, execution and delivery on or before the date described in the first paragraph of "Initial Conditions" in the Term Sheets of definitive documentation with respect to the Credit Facilities satisfactory to us and (f) the other conditions set forth or referred to in the Term Sheets.

You agree (a) to indemnify and hold harmless the Arrangers, the Lead Banks, their affiliates and their respective officers, directors, employees, advisors, and agents (each, an "indemnified person") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Credit Facilities, the use of the proceeds thereof, the Transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the willful misconduct or gross negligence of such indemnified person, and (b) to reimburse the Arrangers, the Lead Banks and their affiliates on demand for all out-of-pocket expenses (including due diligence expenses, syndication expenses, consultant's fees and expenses, travel expenses, and reasonable fees, charges and disbursements of counsel) incurred in connection with the Credit Facilities and any related documentation (including this Commitment Letter, the Term Sheets, the Fee Letter and the definitive financing documentation) or the administration, amendment, modification or waiver thereof. No indemnified person shall be liable for any damages arising from the use by unauthorized persons of Information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons or for any special, indirect, consequential or punitive damages in connection with the Credit Facilities.

You agree that, without our prior written consent, neither you nor any of your affiliates or subsidiaries will settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification has been or could be sought under the indemnification provisions hereof (whether or not any other indemnified person is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent (a) includes an unconditional written release of each indemnified person in form and substance satisfactory to the indemnified person from all liability arising out of such claim, action or proceeding and (b) does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified person.

In the event that an indemnified person is requested or required to appear as a witness in any action brought by or on behalf of or against you or any of your subsidiaries or affiliates in which such indemnified person is not named as a defendant, you agree to reimburse such indemnified person for all expenses incurred by it in connection with such indemnified person's appearing and preparing to appear as such a witness, including without limitation, the reasonable fees and expenses of its legal counsel.

You acknowledge that the Arrangers and their affiliates (the term "Arrangers" as used below in this paragraph being understood to include such affiliates) may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the Transaction and otherwise. The Arrangers will not use confidential information obtained from or on behalf of you by virtue of the Transaction or its other relationships with you in connection with the performance by the Arrangers of services for other companies, and the Arrangers will not furnish any such information to other companies. You also acknowledge that the Arrangers have no obligation to use in connection with the Transaction, or to furnish to you, confidential information obtained from other companies.

This Commitment Letter shall not be assignable by you or (subject to our syndication rights described above) us without the prior written consent of the other parties hereto (and any purported non-syndication-related assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the indemnified persons. This Commitment Letter may not be amended or waived except by an instrument in writing signed by you, the Arrangers and the Lead Banks. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into among us with respect to the Credit Facilities and set forth the entire understanding of the parties with respect thereto. This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York.

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter, the Term Sheets or the Fee Letter nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to your officers, agents and advisors who are directly involved in the consideration of this matter, (b) to Pilot and its directors, officers, agents and advisors, and to the Seller and its directors, officers, agents and advisors, and in each case then only in connection with the transactions contemplated hereby and on a confidential need-to-know basis or (c) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (based upon the advice of legal counsel), including, without limitation, the filing of a copy of this Commitment Letter in any public record in which it is required by law to be filed; provided, however, that in the event of any such compulsory legal process you agree to give us prompt prior notice thereof and to cooperate with us in securing a protective order in the event of compulsory disclosure and that any disclosure made pursuant to public filings shall be subject to our prior review. You agree that you will permit us to review and approve any reference to any of us or any of our affiliates in connection with the Credit Facilities or the transactions contemplated hereby contained in any press release or similar public disclosure prior to public release. You agree that we and our affiliates may share information concerning you, Pilot and your and Pilot's respective subsidiaries and affiliates among ourselves solely in connection with the performance of our services hereunder and the evaluation and consummation of the financings and transactions contemplated hereby.

The compensation, reimbursement, indemnification and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the Lead Banks' commitments hereunder.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof and of the Term Sheets and the Fee Letter by returning to us executed counterparts hereof and of the Fee Letter not later than 5:00 p.m., New York City time, on October 6, 2001. The Lead Banks' commitments and the Arrangers' agreements hereunder will expire at such time in the event we have not received such executed counterparts in accordance with the preceding sentence.

The Arrangers and the Lead Banks are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

MERRILL LYNCH & CO.

By: Stephen B. Paras
Name: STEPHEN B PARAS
Title: MANAGING DIRECTOR

MERRILL LYNCH CAPITAL CORPORATION

By: Stephen B. Paras
Name: STEPHEN B PARAS
Title: VICE PRESIDENT

CREDIT SUISSE FIRST BOSTON

By:
Name: James L. Paradise
Title: Director

James S. Finch
Managing Director

Accepted and agreed to as of
the date first written above by:

NORTHWEST NATURAL GAS COMPANY

By: Bruce R DeBolt
Name: BRUCE R DEBOLT
Title: SR VP & CFO

064310-0438-02509-NY02.2093848.15

Exhibit A

SENIOR SECURED CREDIT FACILITIES
Summary of Terms and Conditions

Northwest Energy Corporation ("XYZ Holdco") has been formed by Northwest Natural Gas Company ("North") for the purpose of acquiring (the "Pilot Acquisition") all the issued and outstanding capital stock of Portland General Electric Company ("Pilot"). In connection therewith, North will merge (the "North Merger") with a wholly owned subsidiary of XYZ Holdco formed for such purpose, North will become a wholly owned subsidiary of XYZ Holdco, and the former holders of the shares of the common stock of North will become the holders of 100% of the shares of Common Stock of XYZ Holdco.

To effect the Pilot Acquisition, XYZ Holdco will purchase all of the shares of the issued and outstanding common stock of Pilot from Enron Corp. (the "Seller"), Pilot will become a wholly owned subsidiary of XYZ Holdco, and the Seller or its designee will become entitled to receive an aggregate of $1,550,000,000 in cash, shares of the Common Stock and Class B Common Stock of XYZ Holdco and 4,000,000 Income PRIDES ("Prides") of XYZ Holdco, all as set forth in the Stock Purchase Agreement, dated as of October 5, 2001, among the Seller and one of its subsidiaries, XYZ Holdco and North (the "Stock Purchase Agreement").

The North Merger, the Pilot Acquisition and the financing described herein are collectively referred to as the "Transaction".

I. PARTIES

Borrower:	XYZ Holdco (the "Borrower").
Joint Arrangers and Joint Bookrunners:	Merrill Lynch & Co. and Credit Suisse First Boston (in such capacity, the "Arrangers").
Administrative Agent:	CSFB (in such capacity, the "Administrative Agent").
Syndication Agent:	A bank to be named satisfactory to the Arrangers (in such capacity, the "Syndication Agent").
Co-Documentation Agents:	To be determined.
Lenders:	A syndicate of banks, financial institutions and other entities, including Merrill Lynch Capital Corporation and Credit Suisse First Boston, arranged by the Arrangers (collectively, the "Lenders").

II. TYPES AND AMOUNTS OF CREDIT FACILITIES

A. Term Facilities

Type and Amount:

Term Facilities (the "Term Facilities") in an aggregate amount of $1,550,000,000 (the loans thereunder, the "Term Loans") as follows:

Tranche A Term Facility: six-year term loan facility (the "Tranche A Term Facility") in an aggregate amount equal to $300,000,000 (the loans thereunder, the "Tranche A Term Loans"). The Tranche A Term Loans shall be repayable in quarterly installments (each of which payable in any year being equal in amount) until the date that is six years after the Closing Date (as defined below), with the aggregate amount payable in each year following the Closing Date equal to the amount set forth opposite such year below:

Year	Amount
1	$7,500,000
2	30,000,000
3	30,000,000
4	75,000,000
5	75,000,000
6	82,500,000

provided that, the final installment shall be equal to the remaining unpaid principal amount of the Tranche A Term Loans.

Tranche B Term Facility: seven and one-half-year term loan facility (the "Tranche B Term Facility") in an aggregate amount equal to $500,000,000 (the loans thereunder, the "Tranche B Term Loans"). The Tranche B Term Loans shall be repayable in nominal quarterly installments for the first six years, and the remaining principal amount thereof shall be repayable in six substantially equal quarterly installments in amounts to be agreed upon until the date that is seven and one-half years after the Closing Date.

Tranche C Term Facility: eight and one-half-year term loan facility (the "Tranche C Term Facility") in an aggregate amount equal to $300,000,000 (the loans thereunder, the "Tranche C Term Loans"). The Tranche C Term Loans shall be repayable in nominal quarterly installments for the first seven and one-half years, and the remaining principal amount thereof shall be repayable in four substantially equal quarterly installments in amounts to be agreed upon until the date that is eight and one-half years after the Closing Date.

Capital Markets Interim Loan Facility: one-year term loan facility (the "Interim Loan Facility") in an aggregate amount equal to $450,000,000 (the "Interim Loans"). The Interim Loans will be payable in one installment on the date that is one year after the Closing Date.

Availability:	The Term Loans shall be made in a single drawing on the Closing Date.
Purpose:	The proceeds of the Term Loans shall be used to finance the Transaction and to pay related fees and expenses.

B. Revolving Facility

Type and Amount:	Six-year revolving credit facility (the "Revolving Facility"; together with the Term Facilities, the "Credit Facilities") in the amount of $100,000,000 (the loans thereunder, the "Revolving Loans"; together with the Term Loans, the "Loans").
Availability:	The Revolving Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the sixth anniversary thereof (the "Revolving Termination Date").
Maturity:	The Revolving Termination Date.
Purpose:	The proceeds of the Revolving Loans shall be used to pay all or a portion of the expenses incurred by the Borrower in connection with the Transaction, to finance the working capital needs of the Borrower and its subsidiaries in the ordinary course of business and to provide commercial paper backup.

III. CERTAIN PAYMENT PROVISIONS

Fees and Interest Rates:	As set forth on Annex I.

Optional Prepayments and Commitment Reductions:	Loans may be prepaid and commitments may be reduced by the Borrower in minimum amounts to be agreed upon. Optional prepayments of the Term Loans shall be applied first to the Interim Loans and, then, to the Tranche A Term Loans, the Tranche B Term Loans and the Tranche C Term Loans ratably and to the installments thereof ratably in accordance with the then outstanding amounts thereof and may not be reborrowed. Notwithstanding the foregoing, so long as any Tranche A Term Loans are outstanding, each holder of Tranche B Term Loans and Tranche C Term Loans shall have the right to refuse all or any portion of such prepayment allocable to its Tranche B Term Loans and Tranche C Term Loans, as the case may be, and the amount so refused will be applied to prepay the Tranche A Term Loans.
Mandatory Prepayments and Commitment Reductions:	The following amounts shall be applied to prepay the Term Loans and reduce the Revolving Facility: (i) 100% of the net proceeds of any sale or issuance of equity or equity-linked securities (with exceptions to be agreed upon, including amounts received by the Borrower upon the settlement of the Prides) by the Borrower (but only so long as the Leverage Ratio (as defined in Annex V) is equal to or greater than 3.5 to 1.0) or any incurrence of indebtedness or issuance of preferred stock (with exceptions to be agreed upon, including the issuance of commercial paper) after the Closing Date by the Borrower; (ii) 100% of the net proceeds of any sale or other disposition (including as a result of casualty or condemnation, but excluding insurance proceeds used to remediate environmental issues) by the Borrower or any of its subsidiaries of any assets (except for the sale of inventory in the ordinary course of business and certain other dispositions to be agreed on) and subject to a 364-day reinvestment right, provided that the amount of such net proceeds from the sale or other disposition of assets by any of the Borrower's subsidiaries shall be limited to the portion thereof that shall remain after such net proceeds are first (x) applied to prepay any indebtedness of such subsidiary in accordance with any mandatory prepayment or redemption provisions thereof or (y) in accordance with the terms and conditions thereof, deposited as collateral

security for any indebtedness to obtain the release of such assets from any lien thereon securing such indebtedness and that shall be able (after receipt of any governmental approvals now or hereafter required) to be paid as a dividend by such subsidiary to the Borrower (the Borrower agreeing to use its best efforts to cause such dividend to be so paid to the extent permitted by law and consistent with regulatory orders); and

(iii) Until the earlier of (a) a maximum leverage test (to be defined) is achieved and (b) the date upon which the corporate rating of the Borrower is at least BBB- by Standard & Poor's and Baa3 by Moody's, 100% of excess cash flow (to be defined as (w) Parent Operating Cash Flow (as defined in Annex V) minus (x) the sum of the following paid in cash by the Borrower: interest, preferred and Prides dividends and scheduled and voluntary principal payments minus (y) taxes paid or payable) for each fiscal year of the Borrower (commencing with the fiscal year following the fiscal year in which the Closing Date occurs) minus permitted common dividends paid in cash by the Borrower.

All such amounts shall be applied, first, to the prepayment of the Term Loans until all the Term Loans have been repaid in full and, thereafter, to the permanent reduction of the Revolving Facility. Each such prepayment of the Term Loans shall be applied first to the Interim Loans and, then, to the Tranche A Term Loans, the Tranche B Term Loans and the Tranche C Term Loans ratably and to the installments thereof ratably in accordance with the then outstanding amounts thereof and may not be reborrowed, provided, however, that (i) in the case of the first $150,000,000 of net proceeds of the issuance of equity, such $150,000,000 shall be applied first to the Tranche A Term Loans (to be applied to the remaining installments thereof ratably in accordance with the then outstanding amounts thereof) and any additional net proceeds of the issuance of equity shall be applied in the order described above and (ii) in the case of the first $450,000,000 of net proceeds of the issuance of senior notes, such $450,000,000 shall be applied first to the Interim Loan Facility and any additional net proceeds of the issuance of senior notes shall be applied in the order described above. Notwithstanding the foregoing, so long as any Tranche A Term Loans are outstanding, each holder of.Tranche B Term Loans and Tranche C Term Loans shall have the individual right to refuse all or any portion of such prepayment allocable to its

Tranche B Term Loans and Tranche C Term Loans, as the case may be, and the amount so refused will be applied to prepay the Tranche A Term Loans. The Revolving Loans shall be prepaid to the extent they exceed the amount of the Revolving Facility.

IV. COLLATERAL

The obligations of the Borrower in respect of the Credit Facilities shall be secured by a perfected first priority security interest in substantially all of the assets of the Borrower, including all issued and outstanding common stock of North and Pilot.

V. CERTAIN CONDITIONS

Initial Conditions:

The availability of the Credit Facilities shall be conditioned upon satisfaction of, among other things, the following conditions precedent (the date upon which all such conditions shall be satisfied, the "Closing Date") on or before the date which is twelve months after the earlier of (i) December 8, 2001 and (ii) the date upon which the Arrangers shall make interim allocations to institutions designated as managing agents for the Credit Facilities:

(a) The Borrower shall have executed and delivered satisfactory definitive financing documentation with respect to the Credit Facilities (the "Credit Documentation") containing the terms set forth in this Term Sheet.

(b) The capital structure of the Borrower, North and Pilot after the Transaction shall be as described on Annexes II, III and IV, respectively, except for such changes therein that are Satisfactory.

(c) The Pilot Acquisition shall have been consummated pursuant to the Stock Purchase Agreement, the North Merger shall have been consummated pursuant to the Agreement and Plan of Merger and Reorganization, dated as of October 5, 2001, ("Plan of Merger") among North, XYZ Holdco and one of their subsidiaries, and no provision of either thereof shall have been waived, amended, supplemented or otherwise modified in a manner that is adverse to the Borrower, North, Pilot or the Lenders without the consent of the Arrangers. The fees and expenses incurred in connection with the Transaction and the financing thereof shall have been paid to the extent due.

(d) Each of North and Pilot shall have entered into a credit agreement providing for a revolving credit facility of at least $150,000,000 (in the case of North) and $300,000,000 (in the case of Pilot), on substantially the terms and conditions set forth in Exhibits B and C, respectively, to the Commitment Letter to which this Term Sheet is attached (the "Commitment Letter"), and all conditions precedent to borrowing under such credit agreements shall have been satisfied.

(e) The Borrower shall have entered into a tax-sharing agreement with North and Pilot in substantially the form of the draft thereof dated 10/3/01 delivered to the Arrangers.

(f) The Lenders, the Administrative Agent and the Arrangers shall have received all fees required to be paid and all expenses for which invoices have been presented and are required to be paid on or before the Closing Date.

(g) All governmental and third party approvals necessary in connection with the Transaction shall have been obtained and become final, shall be in full force and effect and shall be Satisfactory (as defined below).

(h) The Borrower shall have delivered (i) audited consolidated financial statements of each of North and Pilot for the three most recent fiscal years ended prior to the Closing Date as to which such financial statements are available and (ii) unaudited interim consolidated financial statements of each of North and Pilot for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and each of the foregoing which is delivered subsequent to the date of the Commitment Letter shall be Satisfactory.

(i) The Borrower shall have delivered a Satisfactory pro forma consolidated balance sheet of the Borrower as at the date of the most recent consolidated balance sheet delivered pursuant to the preceding paragraph, adjusted to give effect to the consummation of the Transaction as if it had occurred on such date.

(j) The ratio of the Borrower's consolidated total debt to its consolidated EBITDA (in each case calculated on a pro forma basis after giving effect to the consummation of the Transaction) shall not exceed an amount to be agreed upon.

(k) The Borrower shall have delivered Satisfactory projections based on reasonable assumptions through its 2011 fiscal year.

(l) The Lenders shall have received a solvency certificate from the chief financial officer of the Borrower that shall affirmatively document the solvency of the Borrower, North and Pilot after giving effect to the Transaction and the other transactions contemplated hereby.

(m) The Arrangers shall have determined that no governmental entity (i) has taken prior to the Closing Date or will take after the Closing Date any action or (ii) has failed to take prior to the Closing Date or will fail to take after the Closing Date any requested action that, in any case, affects the rates, rate plans or tariffs which Pilot or North is authorized to charge to its customers, or creates a material liability for Pilot or North, and that is not Satisfactory.

(n) There shall not exist any effective or threatened legal, regulatory or contractual restriction on the ability of North or Pilot to make any distribution by means of a dividend to the Borrower except restrictions that are Satisfactory.

(o) The Lenders shall have received such legal opinions (including opinions (i) from counsel to the Borrower and its subsidiaries, and (ii) from such special and local counsel as may be required by the Arrangers), documents and other instruments as are customary for transactions of this type or as they may reasonably request.

(p) The Borrower shall have obtained ratings for the Credit Facilities of at least BB from Standard & Poor's and Ba2 from Moody's.

On-Going Conditions:

The making of each extension of credit shall be conditioned upon (a) the accuracy of all representations and warranties in the Credit Documentation (including, without limitation, the material adverse change and litigation representations) and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit. As used herein and in the Credit Documentation a "material adverse change" shall mean any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the Transaction, (b) the business, property, operations, condition (financial or otherwise) or prospects of the Borrower or the Borrower and its subsidiaries taken as a whole or (c) the validity or enforceability of any of the Credit Documentation or the rights and remedies of the Administrative Agent and the Lenders thereunder.

"Satisfactory":

For purposes of this Term Sheet, the terms "Satisfactory" and "Satisfied" shall be understood to mean that the Arrangers have determined in their sole discretion, acting reasonably, that the governmental approval, order, action or inaction, capital structure, financial statement, financial projection or dividend restriction to which such term is being applied has not resulted and could not reasonably be expected to result in or, in the case of any such financial statements or financial projections, do not reflect, the Borrower being unable to comply with the terms of, or to perform its obligations under, the Credit Documentation or in the Borrower being unable to achieve, by an amount or amounts which the Arrangers, in their sole discretion, acting reasonably, determine to be material, for or as at the end of any period of four consecutive fiscal quarters reflected therein the results of operations, financial position or cash flows described in the projections dated October 5, 2001, as updated from time to time with the consent of the Borrower and the Arrangers, and identified as the "Final Base Projections" (the "Base Projections"). For purposes of the foregoing sentence it shall be understood that, in evaluating any governmental approval, order or action which involves a material condition that is to be satisfied subsequent to the Closing Date, the Arrangers shall be entitled to conclude that such condition will not be satisfied if there is a reasonable likelihood that the Borrower and/or its subsidiaries will be unable to satisfy such condition.

VI. CERTAIN DOCUMENTATION MATTERS

The Credit Documentation shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Lenders, including, without limitation:

Representations and Warranties:	Financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; corporate existence; compliance with law; corporate power and authority; enforceability of Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; no burdensome restrictions; taxes; Federal Reserve regulations; ERISA; PUHCA; Investment Company Act; subsidiaries; environmental matters; solvency; accuracy of disclosure; and creation and perfection of security interests.
Affirmative Covenants:	Delivery of financial statements, reports, accountants' letters, annual budgets, officers' certificates and other information reasonably requested by the Lenders; use of commercially reasonably efforts to complete issuance of common stock of the Borrower; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; further assurances (including, without limitation, with respect to security interests in after-acquired capital stock); and agreement to obtain within 60 days after the Closing Date interest rate protection for at least 40% of the Borrower's term indebtedness for three years on terms and conditions satisfactory to the Arrangers. No later than five business days after the Closing Date the Borrower shall have prepared (i) a registration statement (including the financial statements to be included therein) for a public offering of its common stock yielding net proceeds of at least $150,000,000 and shall have filed such registration statement with the Securities and Exchange Commission and (ii) a registration statement or an offering memorandum (including the financial statements to be included therein) for a public offering or a private placement of its senior notes yielding net proceeds of at least $450,000,000 and, in the case of any such registration statement, shall have filed such registration statement with the Securities and Exchange Commission.
Financial Covenants:	See Annex V.

Negative Covenants:

Limitations on: indebtedness, including guarantee obligations; liens; mergers, consolidations, liquidations and dissolutions; sales of assets; issuance of capital stock of subsidiaries to third parties; leases; dividends; payments (other than dividends) in respect of capital stock; investments, loans and advances; payments and modifications of debt instruments; transactions with affiliates; sale and leasebacks; changes in fiscal year; negative pledge clauses and clauses restricting subsidiary distributions; changes in lines of business; and changes in passive holding company status of the Borrower.

The dividend covenant will permit the Borrower to pay annual dividends on common stock in an amount equal to the lesser of (a) a scheduled amount to be agreed upon for each fiscal year (which amount will be increased ratably on terms to be agreed upon if the Borrower issues additional common equity after the Closing Date) and (b) Parent Operating Cash Flow (as defined in Annex V) minus the sum of (x) the sum of the following paid in cash by the Borrower: interest, preferred and Prides dividends and scheduled and voluntary principal payments (y) taxes paid or payable for such fiscal year. The dividend covenant will permit the Borrower to pay dividends on preferred stock and Prides in amounts and on terms to be agreed upon. No dividend shall be paid so long as any default or event of default shall have occurred and be continuing or would result therefrom.

Events of Default:

Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a three-business-day grace period; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain covenants, to a 30-day grace period after notice thereof); cross-default to indebtedness in excess of $10,000,000; bankruptcy events; certain ERISA events; judgments (in the aggregate amount equal to or exceeding $10,000,000); actual or asserted invalidity of any security document or security interest; and a change of control (the definition of which is to be agreed).

Voting:

Amendments and waivers with respect to the Credit Documentation shall require the approval of Lenders holding not less than a majority of the aggregate amount of the Term Loans, Revolving Loans and unused commitments under the Credit Facilities, except that (a) the consent of each Lender directly affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of amortization or final maturity of any Loan, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof and (iii) increases in the amount or extensions of the expiry date of any Lender's commitment and (b) the consent of 100% of the Lenders shall be required with respect to (i) modifications to any of the voting percentages and (ii) releases of all or substantially all of the collateral. In addition, "class" voting requirements will apply to modifications affecting certain payment matters.

Assignments and Participations: The Lenders shall be permitted to assign and sell participations in their Loans and commitments, subject, in the case of assignments (other than to another Lender or to an affiliate of a Lender), to the consent of the Administrative Agent and the Arrangers and, so long as no event of default shall have occurred and be continuing, the Borrower (which consent in each case shall not be unreasonably withheld). Non-pro rata assignments shall be permitted. In the case of partial assignments (other than to another Lender or to an affiliate of a Lender), the minimum assignment amount shall be $5,000,000 (in the case of the Revolving Facility, the Interim Facility and the Tranche A Term Facility) or $1,000,000 (in the case of the Tranche B Term Facility and the Tranche C Term Facility), in each case unless otherwise agreed by the Borrower and the Administrative Agent and the Arrangers. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to certain matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required as described under "Voting" above. Pledges of Loans in accordance with applicable law shall be permitted without restriction.

Yield Protection: The Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax (excluding Lender income taxes), capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto.

Expenses and Indemnification:	The Borrower shall pay (a) all reasonable out-of-pocket expenses of the Administrative Agent and the Arrangers associated with the syndication of the Credit Facilities and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) and (b) all out-of-pocket expenses of the Administrative Agent, the Arrangers and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Credit Documentation. The Administrative Agent, the Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent they are found by a final, non-appealable judgment of a court to arise from the gross negligence or willful misconduct of the indemnified party.
Governing Law and Forum:	State of New York.
Counsel to the Administrative Agent and the Arrangers:	Simpson Thacher & Bartlett.

INTEREST AND CERTAIN FEES

Interest Rate Options:

The Borrower may elect that the Loans comprising each borrowing bear interest at a rate per annum equal to (i) the ABR plus the Applicable Margin or (ii) the Eurodollar Rate plus the Applicable Margin.

As used herein:

"ABR" means the highest of (i) the rate of interest publicly announced by the Administrative Agent as its prime rate in effect at its principal office in New York City (the "Prime Rate") and (ii) the federal funds effective rate from time to time plus 0.5%.

"Applicable Margin" means (I) at any time after the Interim Loans shall have been paid in full: (A) with respect to Revolving Loans and Tranche A Term Loans, (i) 1.75%, in the case of ABR Loans and (ii) 2.75%, in the case of Eurodollar Loans; (B) with respect to Tranche B Term Loans, (i) 2.25%, in the case of ABR Loans and (ii) 3.25%, in the case of Eurodollar Loans; and (C) with respect to Tranche C Term Loans, (i) 2.50%, in the case of ABR Loans and (ii) 3.50%, in the case of Eurodollar Loans; or (II) at any time before the Interim Loans shall have been paid in full: with respect to each Loan listed above, the foregoing margin otherwise applicable thereto plus 0.25%; and with respect to Interim Loans, (i) 2.00%, in the case of ABR Loans and (ii) 3.00%, in the case of Eurodollar Loans. The foregoing margins shall be determined in accordance with the pricing grid attached hereto as Annex I-A after the later of (i) completion of two full fiscal quarters after the Closing Date and (ii) payment in full of the Interim Loans.

"Eurodollar Rate" means the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two, three or six months (as selected by the Borrower) appearing on Page 3750 of the Telerate screen.

Interest Payment Dates:

In the case of Loans bearing interest based upon the ABR ("ABR Loans"), quarterly in arrears.

	In the case of Loans bearing interest based upon the Eurodollar Rate ("Eurodollar Loans"), on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.
Commitment Fees:	The Borrower shall pay a commitment fee calculated at a rate per annum equal to 0.375% on the average daily unused portion of the Revolving Facility, payable quarterly in arrears. The foregoing commitment fee shall be determined in accordance with the pricing grid attached hereto as Annex I-A after the later of (i) completion of two full fiscal quarters after the Closing Date and (ii) payment in full of the Interim Loans.
Default Rate:	At any time when the Borrower is in default in the payment of any amount of principal due under the Credit Facilities, such amount shall bear interest at 2% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to ABR Loans.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.

Standard & Poor's/Moody's rating of the Credit Facilities*	Applicable Margin for Eurodollar Loans/ABR Loans that are Revolving Loans and Tranche A Term Loans	Applicable Margin for Eurodollar Loans/ABR Loans that are Tranche B Term Loans	Applicable Margin for Eurodollar Loans/ABR Loans that are Tranche C Term Loans	Commitment Fee
BBB- and Baa3	2.00% / 1.00%	3.00% / 2.00%	3.25% / 2.25%	0.25%
BB+ and Ba1	2.50% / 1.50%	3.25% / 2.25%	3.50% / 2.50%	0.375%
BB and Ba2	2.75% / 1.75%	3.25% / 2.25%	3.50% / 2.50%	0.375%

* In the event of a split rating, the lower rating will govern.

CAPITAL STRUCTURE OF THE BORROWER

Project Tahoe

Common Equity of $0; Add-On Equity Offering of $150 in 2004

Pro Forma Opening HoldCo Balance Sheet

(Dollars in Millions, Except Per Share Data)

$1,800 Million Offer Price
No Goodwill Amortization
Forgiveness of Enron Merger Receivable
Enron Guarantee of CA Receivables

Pro Forma Opening HoldCo Balance Sheet

	Pro Forma 2002	%
Subsidiary Debt	$1,604.3	40.0%
HoldCo Revolver	60.0	1.5%
Term Loan A	300.0	7.5%
Term Loan B	500.0	12.5%
Term Loan C	300.0	7.5%
Senior Notes	450.0	11.2%
Total Holdco Debt	1,610.0	40.2%
Total Debt	3,214.3	80.2%
Feline Prides	200.0	5.0%
Preferred Stock	63.2	1.6%
Common Equity to Enron	50.0	1.2%
Common Equity	479.5	12.0%
Total Capitalization	**$4,006.9**	100.0%

CAPITAL STRUCTURE OF NORTH

Project Tahoe

Common Equity of $0; Add-On Equity Offering of $150 in 2004

Pro Forma Opening North Balance Sheet

(Dollars in Millions, Except Per Share Data)

$1,800 Million Offer Price
No Goodwill Amortization
Forgiveness of Enron Merger Receivable
Enron Guarantee of CA Receivables

Pro Forma Opening North Balance Sheet

	Pro Forma 2002	%
Revolving Credit Facility	$15.7	1.5%
Short Term Debt	32.4	3.1%
Existing Long Term Debt	494.7	46.9%
Total Debt	542.8	
Preferred Stock	33.2	3.1%
Common Equity	479.5	45.4%
Total Capitalization	**$1,055.4**	100.0%

CAPITAL STRUCTURE OF PILOT

Project Tahoe

Common Equity of $0; Add-On Equity Offering of $150 in 2004

Pro Forma Opening Pilot Balance Sheet

(Dollars in Millions, Except Per Share Data)

$1,800 Million Offer Price
No Goodwill Amortization
Forgiveness of Enron Merger Receivable
Enron Guarantee of CA Receivables

Pro Forma Opening Pilot Balance Sheet

	Pro Forma 2002	%
Revolving Credit Facility	$165.1	8.2%
Long Term Debt	896.4	44.2%
Total Debt	1,061.5	
Preferred Stock	30.0	1.5%
Common Equity	934.3	46.1%
Total Capitalization	**$2,025.8**	100.0%

FINANCIAL COVENANTS

Financial Covenants:

The financial covenants that will be included in the Credit Documentation are listed below. For the covenants described in paragraphs (a) and (b) below, initial covenant levels shall be agreed upon and for purposes of calculating such initial covenant levels, EBITDA shall be computed at a discount of 15% on last twelve months' EBITDA projected for the first fiscal quarter ending after the Closing Date.

(a) Interest Coverage. On a consolidated basis for the Borrower and its subsidiaries, a minimum ratio of (i) EBITDA to (ii) interest expense. The initial covenant level shall be calculated as described above, and the covenant levels will step up over time in amounts to be agreed upon.

(b) Leverage. On a consolidated basis for the Borrower and its subsidiaries, a maximum ratio of (i) total debt to (ii) EBITDA (the "Leverage Ratio"). The initial covenant level shall be calculated as described above, and the covenant levels will step down over time in amounts to be agreed upon.

(c) Minimum Net Worth. On a consolidated basis for the Borrower and its subsidiaries, a minimum net worth (including, among other things, common equity and the 4,000,000 Prides). The initial covenant level shall be an amount equal to 85% of the consolidated net worth of the Borrower and its subsidiaries on the Closing Date, and the covenant levels will step up over time in amounts to be agreed upon.

(d) Fixed Charge Coverage. For the Borrower only on an unconsolidated basis, a minimum ratio of (i) Parent Operating Cash Flow minus taxes paid or payable to (ii) Corporate Charges, where

"Parent Operating Cash Flow" is equal to cash dividends and tax sharing payments received by the Borrower from North and Pilot plus any other cash payments (other than payments constituting reimbursement of expenses paid by the Borrower on behalf of North or Pilot or draws under the North and Pilot working capital revolving facilities) received by the Borrower (net of expenses incurred in connection with such payments), and

"Corporate Charges" are equal to Borrower interest expense plus taxes due and payable plus all scheduled payments of principal.

The initial covenant level shall be agreed upon, and the covenant levels will step up over time in amounts to be agreed upon.

(e) Capital Expenditures. Capital expenditures by the Borrower's subsidiaries will be limited to (i) those permitted or required by law, regulation or order which North or Pilot, as the case may be, is entitled to include in its rate base and recover from customers and (ii) those not covered by clause (i) in an aggregate amount for any year following the Closing Date not to exceed an amount to be agreed upon in any one year (with carryover rights to be agreed upon).

Exhibit B

SENIOR REVOLVING FACILITY
Summary of Terms and Conditions

Northwest Energy Corporation ("XYZ Holdco") has been formed by Northwest Natural Gas ("North") for the purpose of acquiring (the "Pilot Acquisition") all the issued and outstanding capital stock of Portland General Electric Company ("Pilot"). In connection therewith, North will merge (the "North Merger") with a wholly owned subsidiary of XYZ Holdco formed for such purpose, North will become a wholly owned subsidiary of XYZ Holdco, and the former holders of the shares of the common stock of North will become the holders of 100% of the shares of Common Stock of XYZ Holdco.

To effect the Pilot Acquisition, XYZ Holdco will purchase all of the shares of the issued and outstanding common stock of Pilot from Enron Corp. (the "Seller"), Pilot will become a wholly owned subsidiary of XYZ Holdco, and the Seller or its designee will become entitled to receive an aggregate of $1,550,000,000 in cash, shares of the Common Stock and Class B Common Stock of XYZ Holdco and 4,000,000 Income PRIDES ("Prides") of XYZ Holdco, all as set forth in the Stock Purchase Agreement, dated as of October 5, 2001, among the Seller and one of its subsidiaries, XYZ Holdco and North (the "Stock Purchase Agreement").

The North Merger, the Pilot Acquisition and the financing described herein are collectively referred to as the "Transaction".

I. PARTIES

Borrower:	North (the "Borrower"). On the Closing Date (as defined below) the North Merger shall be consummated, and the surviving corporation of the North Merger shall thereafter be the Borrower.
Guarantors:	Each of the Borrower's direct and indirect domestic material subsidiaries (the "Guarantors"; the Borrower and the Guarantors, collectively, the "Loan Parties").
Joint Arrangers and Joint Bookrunners:	Merrill Lynch & Co. and Credit Suisse First Boston (in such capacity, the "Arrangers").
Administrative Agent:	A bank to be named satisfactory to the Arrangers (in such capacity, the "Administrative Agent").

Syndication Agent: A bank to be named satisfactory to the Arrangers (in such capacity, the "Syndication Agent").

Co-Documentation Agents: To be determined.

Lenders: A syndicate of banks, financial institutions and other entities, including Merrill Lynch Capital Corporation and Credit Suisse First Boston, arranged by the Arrangers (collectively, the "Lenders").

II. TYPE AND AMOUNT OF REVOLVING FACILITY

Type and Amount: Five-year revolving credit facility (the "Revolving Facility") in the amount of $150,000,000 (the loans thereunder, the "Revolving Loans" or "Loans").

Letters of Credit: A portion of the Revolving Facility not in excess of an amount to be determined shall be available for the issuance of letters of credit (the "Letters of Credit") by the Administrative Agent (in such capacity, the "Issuing Lender"). No Letter of Credit shall have an expiration date after the earlier of (a) one year after the date of issuance and (b) five business days prior to the Revolving Termination Date (as defined below), provided that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above).

Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Loans) on the same business day. To the extent that the Borrower does not so reimburse the Issuing Lender, the Lenders under the Revolving Facility shall be irrevocably and unconditionally obligated to reimburse the Issuing Lender on a pro rata basis.

Availability: The Revolving Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the fifth anniversary thereof (the "Revolving Termination Date").

Swingline Loans: A portion of the Revolving Facility not in excess of an amount to be determined shall be available for swingline loans (the "Swingline Loans") from the Administrative Agent (in such capacity, the "Swingline Lender") on same-day notice. Any such Swingline Loans will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender under the Revolving Facility shall acquire, under certain circumstances, an irrevocable and unconditional pro rata participation in each Swingline Loan.

Competitive Loans:	The Borrower shall have the option to request that the Lenders bid for loans ("Competitive Loans") bearing interest at an absolute rate or a margin over the eurodollar rate, with specified maturities ranging from 7 to 360 days. Each Lender shall have the right, but not the obligation, to submit bids at its discretion. The Borrower, by notice given four business days in advance in the case of eurodollar rate bids and one business day in advance in the case of absolute rate bids, shall specify the proposed date of borrowing, the interest period, the amount of the Competitive Loan and the maturity date thereof, the interest rate basis to be used by the Lenders in bidding and such other terms as the Borrower may specify. The Administrative Agent shall advise the Lenders of the terms of the Borrower's notice, and, subject to acceptance by the Borrower, bids shall be allocated to each Lender in ascending order from the lowest bid to the highest bid acceptable to the Borrower. While Competitive Loans are outstanding, the available commitments under the Revolving Facility shall be reduced by the aggregate amount of such Competitive Loans.
Maturity:	The Revolving Termination Date.
Purpose:	The proceeds of the Revolving Loans shall be used for general corporate purposes of the Borrower and its subsidiaries.
Clean-down:	The outstanding principal amount of all Revolving Loans may not exceed an amount to be determined for at least 20 consecutive days during each period of twelve consecutive months following the Closing Date unless the senior unsecured non-credit enhanced indebtedness of XYZ Holdco is rated at least BBB- from Standard & Poor's and Baa3 from Moody's.

III. CERTAIN PAYMENT PROVISIONS

Fees and Interest Rates:	As set forth on Annex I.
Optional Prepayments and	

Commitment Reductions:

Loans may be prepaid and commitments may be reduced by the Borrower in minimum amounts to be agreed upon, provided, that Competitive Loans may not be prepaid without the consent of the relevant Lender.

IV. CERTAIN CONDITIONS

Initial Conditions:

The availability of the Revolving Facility shall be conditioned upon satisfaction of, among other things, the following conditions precedent (the date upon which all such conditions shall be satisfied, the "Closing Date") on or before the date which is twelve months after the earlier of (i) December 8, 2001 and (ii) the date upon which the Arrangers shall make interim allocations to institutions designated as managing agents for the Revolving Facility:

(a) Each Loan Party shall have executed and delivered satisfactory definitive financing documentation with respect to the Revolving Facility (the "Credit Documentation") containing the terms set forth in this Term Sheet.

(b) The capital structure of each Loan Party after the Transaction shall be as set forth on Annex II, except for such changes therein that are Satisfactory.

(c) The Pilot Acquisition shall have been consummated pursuant to the Stock Purchase Agreement, the North Merger shall have been consummated pursuant to the Agreement and Plan of Merger and Reorganization, dated as of October 5, 2001("Plan of Merger") among North, XYZ Holdco and one of their subsidiaries and no provision of either thereof shall have been waived, amended, supplemented or otherwise modified in a manner that is adverse to the Borrower, XYZ Holdco, Pilot or the Lenders without the consent of the Arrangers. The fees and expenses incurred in connection with the Transaction and the financing thereof shall have been paid to the extent due.

(d) Holdings shall have entered into a credit agreement providing for credit facilities of at least $1,650,000,000 in the aggregate, on the terms and conditions set forth in Exhibit A to the Commitment Letter to which this Term Sheet is attached (the "Commitment Letter") and all conditions precedent to borrowing under such credit agreement shall have been satisfied.

(e) Holdings shall have entered into a tax-sharing agreement with North and Pilot in substantially the form of the draft thereof dated 10/3/01 delivered to the Arrangers.

(f) The Lenders, the Administrative Agent and the Arrangers shall have received all fees required to be paid, and all expenses for which invoices have been presented and are required to be paid, on or before the Closing Date.

(g) All governmental and third party approvals necessary in connection with the Transaction shall have been obtained and become final, shall be in full force and effect and shall be Satisfactory (as defined below).

(h) The Borrower shall have delivered (i) audited consolidated financial statements of the Borrower for the three most recent fiscal years ended prior to the Closing Date as to which such financial statements are available and (ii) unaudited interim consolidated financial statements of the Borrower for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and each of the foregoing which is delivered subsequent to the date of the Commitment Letter shall be Satisfactory.

(i) The Borrower shall have delivered a Satisfactory pro forma consolidated balance sheet of the Borrower as at the date of the most recent consolidated balance sheet delivered pursuant to the preceding paragraph, adjusted to give effect to the consummation of the Transaction as if it had occurred on such date.

(j) The Borrower shall have delivered Satisfactory projections based on reasonable assumptions through its 2007 fiscal year.

(k) The Arrangers shall have determined that no governmental entity (i) has taken prior to the Closing Date or will take after the Closing Date any action or (ii) has failed to take prior to the Closing Date or will fail to take after the Closing Date any requested action that, in any case, affects the rates, rate plans or tariffs which the Borrower is authorized to change to its customers, or creates a material liability for the Borrower, and that is not Satisfactory.

(l) The Lenders shall have received such legal opinions (including opinions (i) from counsel to the Borrower and its subsidiaries and (ii) from such special and local counsel as may be required by the Arrangers), documents and other instruments as are customary for transactions of this type or as they may reasonably request.

(m) The Borrower shall have obtained ratings for the Revolving Facility of at least BBB- from Standard & Poor's and Baa3 from Moody's.

On-Going Conditions:

The making of each extension of credit shall be conditioned upon (a) the accuracy of all representations and warranties in the Credit Documentation (including, without limitation, the material adverse change and litigation representations) and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit. As used herein and in the Credit Documentation a "material adverse change" shall mean any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the Transaction, (b) the business, property, operations, condition (financial or otherwise) or prospects of the Borrower or the Borrower and its subsidiaries taken as a whole or (c) the validity or enforceability of any of the Credit Documentation or the rights and remedies of the Administrative Agent and the Lenders thereunder.

"Satisfactory":

For purposes of this Term Sheet, the terms "Satisfactory" and "Satisfied" shall be understood to mean that the Arrangers have determined in their sole discretion, acting reasonably, that the governmental approval, order, action or inaction, capital structure, financial statement, financial projection or dividend restriction to which such term is being applied has not resulted and could not reasonably be expected to result in or, in the case of any such financial statements or financial projections, do not reflect the Borrower being unable to comply with the terms of, or to perform its obligations under, the Credit Documentation or in the Borrower being unable to achieve, by an amount or amounts which the Arrangers, in their sole discretion, acting reasonably, determine to be material, for or as at the end of any period of four consecutive fiscal quarters reflected therein the results of operations, financial position or cash flows described in the projections dated October 5, 2001, as updated from time to time with the consent of the Borrower and the Arrangers, and identified as the "Final

Base Projections" (the "Base Projections"). For purposes of the foregoing sentence it shall be understood that, in evaluating any governmental approval, order or action which involves a material condition that is to be satisfied subsequent to the Closing Date, the Arrangers shall be entitled to conclude that such condition will not be satisfied if there is a reasonable likelihood the Borrower and/or its subsidiaries will be unable to satisfy such condition.

V. CERTAIN DOCUMENTATION MATTERS

The Credit Documentation shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Lenders, including, without limitation:

Representations and Warranties:	Financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; corporate existence; compliance with law; corporate power and authority; enforceability of Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; no burdensome restrictions; taxes; Federal Reserve regulations; ERISA; PUHCA; Investment Company Act; subsidiaries; environmental matters; and accuracy of disclosure.
Affirmative Covenants:	Delivery of financial statements, reports, accountants' letters, annual budgets, officers' certificates and other information requested by the Lenders; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; and further assurances.
Financial Covenants:	See Annex III.
Negative Covenants:	Limitations on: indebtedness, including guarantee obligations; liens; mergers, consolidations, liquidations and dissolutions; sales of assets; leases; dividends and other payments in respect of capital stock; capital expenditures; investments, loans and advances; transactions with

affiliates; sale and leasebacks; changes in fiscal year; and changes in lines of business.

Events of Default:	Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a three-business-day grace period; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain covenants, to a 30-day grace period after notice thereof); cross-default to indebtedness in excess of $10,000,000; bankruptcy events; certain ERISA events; judgments (in an aggregate amount equal to or exceeding $10,000,000); actual or asserted invalidity of any guarantee; and a change of control (the definition of which is to be agreed).
Voting:	Amendments and waivers with respect to the Credit Documentation shall require the approval of Lenders holding not less than a majority of the aggregate amount of the Revolving Loans, participations in Letters of Credit and Swingline Loans and unused commitments under the Revolving Facility, except that (a) the consent of each Lender directly affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of amortization or final maturity of any Loan, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof and (iii) increases in the amount or extensions of the expiry date of any Lender's commitment and (b) the consent of 100% of the Lenders shall be required with respect to (i) modifications to any of the voting percentages and (ii) releases of all or substantially all of the Guarantors.
Assignments and Participations:	The Lenders shall be permitted to assign and sell participations in their Loans and commitments, subject, in the case of assignments (other than to another Lender or to an affiliate of a Lender), to the consent of the Administrative Agent and the Arrangers and, so long as no event of default shall have occurred and be continuing, the Borrower (which consent in each case shall not be unreasonably withheld). In the case of partial assignments (other than to another Lender or to an affiliate of a Lender), the minimum assignment amount shall be $5,000,000, unless otherwise agreed by the Borrower and the Administrative Agent and the Arrangers. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to certain matters with respect

to which the affirmative vote of the Lender from which it purchased its participation would be required as described under "Voting" above. Pledges of Loans in accordance with applicable law shall be permitted without restriction.

Yield Protection:	The Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax (excluding Lender income taxes), capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto and any prepayment of a Competitive Loan.
Expenses and Indemnification:	The Borrower shall pay (a) all reasonable out-of-pocket expenses of the Administrative Agent and the Arrangers associated with the syndication of the Revolving Facility and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) and (b) all out-of-pocket expenses of the Administrative Agent, the Arrangers and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Credit Documentation. The Administrative Agent, the Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent they are found by a final, non-appealable judgment of a court to arise from the gross negligence or willful misconduct of the indemnified party.
Governing Law and Forum:	State of New York.
Counsel to the Administrative Agent and the Arrangers:	Simpson Thacher & Bartlett.

INTEREST AND CERTAIN FEES

Interest Rate Options:	The Borrower may elect that the Loans (other than Competitive Loans) comprising each borrowing bear interest at a rate per annum equal to (i) the ABR plus the Applicable Margin or (ii) the Eurodollar Rate plus the Applicable Margin; provided, that all Swingline Loans shall bear interest based upon the ABR. As used herein: "ABR" means the highest of (i) the rate of interest publicly announced by the Administrative Agent as its prime rate in effect at its principal office in New York City (the "Prime Rate") and (ii) the federal funds effective rate from time to time plus 0.5%. "Applicable Margin" means (i) 0%, in the case of ABR Loans and (ii) 1.00%, in the case of Eurodollar Loans. The foregoing margins shall be determined in accordance with a ratings-based pricing grid to be agreed upon after two full fiscal quarters shall have been completed after the Closing Date. "Eurodollar Rate" means the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two, three or six months (as selected by the Borrower) appearing on Page 3750 of the Telerate screen.
Interest Payment Dates:	In the case of Loans bearing interest based upon the ABR ("ABR Loans"), quarterly in arrears. In the case of Loans bearing interest based upon the Eurodollar Rate ("Eurodollar Loans"), on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.
Facility Fees:	The Borrower shall pay a facility fee calculated at the rate of 0.25% per annum on the aggregate commitments under the Revolving Facility, payable quarterly in arrears. The foregoing facility fee shall be determined in accordance with a ratings-based pricing grid to be agreed upon after two full fiscal quarters shall have been completed after the Closing Date.

Letter of Credit Fees:	The Borrower shall pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility on the face amount of each such Letter of Credit. Such fee shall be shared ratably among the Lenders participating in the Revolving Facility and shall be payable quarterly in arrears. A fronting fee equal to 0.125% per annum on the face amount of each Letter of Credit shall be payable quarterly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account.
Default Rate:	At any time when the Borrower is in default in the payment of any amount of principal due under the Revolving Facility, such amount shall bear interest at 1% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 1% above the rate applicable to ABR Loans.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.

FINANCIAL COVENANTS

Financial Covenants:

The following are the financial covenants that will be included in the Credit Documentation:

(a) Debt to Capitalization. A maximum ratio of (i) total debt and preferred equity to (ii) total debt, preferred equity and common equity. The initial covenant level shall be agreed upon and for the purposes of calculating such initial covenant level the equity component shall be 90% of shareholder's equity (common and preferred) of the Borrower on the Closing Date, and the covenant levels will step down over time in amounts to be agreed upon.

(b) Interest Coverage. A minimum ratio of (i) EBITDA to (ii) interest expense and all preferred dividends. The initial covenant level shall be agreed upon and for the purposes of calculating such initial covenant level EBITDA shall be computed at a discount of 15% on last twelve months' EBITDA projected for the first fiscal quarter ending after the Closing Date, and the covenant levels will step up over time in amounts to be agreed upon.

Exhibit C

SENIOR REVOLVING FACILITY
Summary of Terms and Conditions

Northwest Energy Corporation ("XYZ Holdco") has been formed by Northwest Natural Gas ("North") for the purpose of acquiring (the "Pilot Acquisition") all the issued and outstanding capital stock of Portland General Electric Company ("Pilot"). In connection therewith, North will merge (the "North Merger") with a wholly owned subsidiary of XYZ Holdco formed for such purpose, North will become a wholly owned subsidiary of XYZ Holdco, and the former holders of the shares of the common stock of North will become the holders of 100% of the shares of Common Stock of XYZ Holdco.

To effect the Pilot Acquisition, XYZ Holdco will purchase all of the shares of the issued and outstanding common stock of Pilot from Enron Corp. (the "Seller"), Pilot will become a wholly owned subsidiary of XYZ Holdco, and the Seller or its designee will become entitled to receive an aggregate of $1,550,000,000 in cash, shares of the Common Stock and Class B Common Stock of XYZ Holdco and 4,000,000 Income PRIDES ("Prides") of XYZ Holdco, all as set forth in the Stock Purchase Agreement, dated as of October 5, 2001, among the Seller and one of its subsidiaries, XYZ Holdco and North (the "Stock Purchase Agreement").

The North Merger, the Pilot Acquisition and the financing described herein are collectively referred to as the "Transaction".

I. PARTIES

Borrower:	Pilot (the "Borrower").
Guarantors:	Each of the Borrower's direct and indirect domestic material subsidiaries (the "Guarantors"; the Borrower and the Guarantors, collectively, the "Loan Parties").
Joint Arrangers and Joint Bookrunners:	Merrill Lynch & Co. and Credit Suisse First Boston (in such capacity, the "Arrangers").
Administrative Agent:	A bank to be named satisfactory to the Arrangers (in such capacity, the "Administrative Agent").
Syndication Agent:	A bank to be named satisfactory to the Arrangers (in such capacity, the "Syndication Agent").
Co-Documentation Agents:	To be determined.

Lenders: A syndicate of banks, financial institutions and other entities, including Merrill Lynch Capital Corporation and Credit Suisse First Boston, arranged by the Arrangers (collectively, the "Lenders").

II. TYPE AND AMOUNT OF REVOLVING FACILITY

Type and Amount: Five-year revolving credit facility (the "Revolving Facility") in the amount of $300,000,000 (the loans thereunder, the "Revolving Loans" or "Loans").

Letters of Credit: A portion of the Revolving Facility not in excess of an amount to be determined shall be available for the issuance of letters of credit (the "Letters of Credit") by the Administrative Agent (in such capacity, the "Issuing Lender"). No Letter of Credit shall have an expiration date after the earlier of (a) one year after the date of issuance and (b) five business days prior to the Revolving Termination Date (as defined below), provided that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above).

Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Loans) on the same business day. To the extent that the Borrower does not so reimburse the Issuing Lender, the Lenders under the Revolving Facility shall be irrevocably and unconditionally obligated to reimburse the Issuing Lender on a pro rata basis.

Availability: The Revolving Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the fifth anniversary thereof (the "Revolving Termination Date").

Swingline Loans: A portion of the Revolving Facility not in excess of an amount to be determined shall be available for swingline loans (the "Swingline Loans") from the Administrative Agent (in such capacity, the "Swingline Lender") on same-day notice. Any such Swingline Loans will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender under the Revolving Facility shall acquire, under certain circumstances, an irrevocable and unconditional pro rata participation in each Swingline Loan.

Competitive Loans:	The Borrower shall have the option to request that the Lenders bid for loans ("Competitive Loans") bearing interest at an absolute rate or a margin over the eurodollar rate, with specified maturities ranging from 7 to 360 days. Each Lender shall have the right, but not the obligation, to submit bids at its discretion. The Borrower, by notice given four business days in advance in the case of eurodollar rate bids and one business day in advance in the case of absolute rate bids, shall specify the proposed date of borrowing, the interest period, the amount of the Competitive Loan and the maturity date thereof, the interest rate basis to be used by the Lenders in bidding and such other terms as the Borrower may specify. The Administrative Agent shall advise the Lenders of the terms of the Borrower's notice, and, subject to acceptance by the Borrower, bids shall be allocated to each Lender in ascending order from the lowest bid to the highest bid acceptable to the Borrower. While Competitive Loans are outstanding, the available commitments under the Revolving Facility shall be reduced by the aggregate amount of such Competitive Loans.
Maturity:	The Revolving Termination Date.
Purpose:	The proceeds of the Revolving Loans shall be used for general corporate purposes of the Borrower and its subsidiaries.
Clean-down:	The outstanding principal amount of all Revolving Loans may not exceed an amount to be determined for at least 20 consecutive days during each period of twelve consecutive months following the Closing Date unless the senior unsecured non-credit enhanced indebtedness of XYZ Holdco is rated at least BBB- from Standard & Poor's and Baa3 from Moody's.

III. CERTAIN PAYMENT PROVISIONS

Fees and Interest Rates:	As set forth on Annex I.
Optional Prepayments and Commitment Reductions:	Loans may be prepaid and commitments may be reduced by the Borrower in minimum amounts to be agreed upon, provided, that Competitive Loans may not be prepaid without the consent of the relevant Lender.

IV. CERTAIN CONDITIONS

Initial Conditions:

The availability of the Revolving Facility shall be conditioned upon satisfaction of, among other things, the following conditions precedent (the date upon which all such conditions shall be satisfied, the "Closing Date") on or before the date which is twelve months after the earlier of (i) December 8, 2001 and (ii) the date upon which the Arrangers shall make interim allocations to institutions designated as managing agents for the Revolving Facility:

(a) Each Loan Party shall have executed and delivered satisfactory definitive financing documentation with respect to the Revolving Facility (the "Credit Documentation") containing the terms set forth in this Term Sheet.

(b) The capital structure of each Loan Party after the Transaction shall be as set forth on Annex II, except for such changes therein that are Satisfactory.

(c) The Pilot Acquisition shall have been consummated pursuant to the Stock Purchase Agreement, the North Merger shall have been consummated pursuant to the Agreement and Plan of Merger and Reorganization, dated as of October 5, 2001("Plan of Merger") among North, XYZ Holdco and one of their subsidiaries and no provision of either thereof shall have been waived, amended, supplemented or otherwise modified in a manner that is adverse to the Borrower, XYZ Holdco, North or the Lenders without the consent of the Arrangers. The fees and expenses incurred in connection with the Transaction and the financing thereof shall have been paid to the extent due.

(d) Holdings shall have entered into a credit agreement providing for credit facilities of at least $1,650,000,000 in the aggregate, on the terms and conditions set forth in Exhibit A to the Commitment Letter to which this Term Sheet is attached (the "Commitment Letter") and all conditions precedent to borrowing under such credit agreement shall have been satisfied.

(e) Holdings shall have entered into a tax-sharing agreement with North and Pilot in substantially the form of the draft thereof dated 10/3/01 delivered to the Arrangers.

(f) The Lenders, the Administrative Agent and the Arrangers shall have received all fees required to be paid, and all expenses for which invoices have been presented and are required to be paid, on or before the Closing Date.

(g) All governmental and third party approvals necessary in connection with the Transaction shall have been obtained and become final, shall be in full force and effect and shall be Satisfactory (as defined below).

(h) The Borrower shall have delivered (i) audited consolidated financial statements of the Borrower for the three most recent fiscal years ended prior to the Closing Date as to which such financial statements are available and (ii) unaudited interim consolidated financial statements of the Borrower for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and each of the foregoing which is delivered subsequent to the date of the Commitment Letter shall be Satisfactory.

(i) The Borrower shall have delivered a Satisfactory pro forma consolidated balance sheet of the Borrower as at the date of the most recent consolidated balance sheet delivered pursuant to the preceding paragraph, adjusted to give effect to the consummation of the Transaction as if it had occurred on such date.

(j) The Borrower shall have delivered Satisfactory projections based on reasonable assumptions through its 2007 fiscal year.

(k) The Arrangers shall have determined that no governmental entity (i) has taken prior to the Closing Date or will take after the Closing Date any action or (ii) has failed to take prior to the Closing Date or will fail to take after the Closing Date any requested action that, in any case, affects the rates, rate plans or tariffs which the Borrower is authorized to change to its customers, or creates a material liability for the Borrower, and that is not Satisfactory.

(l) The Lenders shall have received such legal opinions (including opinions (i) from counsel to the Borrower and its subsidiaries and (ii) from such special and local counsel as may be required by the Arrangers), documents and other instruments as are customary for transactions of this type or as they may reasonably request.

(m) The Borrower shall have obtained ratings for the Revolving Facility of at least BBB- from Standard & Poor's and Baa3 from Moody's.

On-Going Conditions:	The making of each extension of credit shall be conditioned upon (a) the accuracy of all representations and warranties in the Credit Documentation (including, without limitation, the material adverse change and litigation representations) and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit. As used herein and in the Credit Documentation a "material adverse change" shall mean any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the Transaction, (b) the business, property, operations, condition (financial or otherwise) or prospects of the Borrower or the Borrower and its subsidiaries taken as a whole or (c) the validity or enforceability of any of the Credit Documentation or the rights and remedies of the Administrative Agent and the Lenders thereunder.
"Satisfactory":	For purposes of this Term Sheet, the terms "Satisfactory" and "Satisfied" shall be understood to mean that the Arrangers have determined in their sole discretion, acting reasonably, that the governmental approval, order, action or inaction, capital structure, financial statement, financial projection or dividend restriction to which such term is being applied has not resulted and could not reasonably be expected to result in or, in the case of any such financial statements or financial projections, do not reflect the Borrower being unable to comply with the terms of, or to perform its obligations under, the Credit Documentation or in the Borrower being unable to achieve, by an amount or amounts which the Arrangers, in their sole discretion, acting reasonably, determine to be material, for or as at the end of any period of four consecutive fiscal quarters reflected therein the results of operations, financial position or cash flows described in the projections dated October 5, 2001, as updated from time to time with the consent of the Borrower and the Arrangers, and identified as the "Final Base Projections" (the "Base Projections"). For purposes of the foregoing sentence it shall be understood that, in evaluating any governmental approval, order or action which involves a material condition that is to be satisfied

subsequent to the Closing Date, the Arrangers shall be entitled to conclude that such condition will not be satisfied if there is a reasonable likelihood the Borrower and/or its subsidiaries will be unable to satisfy such condition.

V. CERTAIN DOCUMENTATION MATTERS

The Credit Documentation shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Lenders, including, without limitation:

Representations and Warranties:	Financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; corporate existence; compliance with law; corporate power and authority; enforceability of Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; no burdensome restrictions; taxes; Federal Reserve regulations; ERISA; PUHCA; Investment Company Act; subsidiaries; environmental matters; and accuracy of disclosure.
Affirmative Covenants:	Delivery of financial statements, reports, accountants' letters, annual budgets, officers' certificates and other information requested by the Lenders; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; and further assurances.
Financial Covenants:	See Annex III.
Negative Covenants:	Limitations on: indebtedness, including guarantee obligations; liens; mergers, consolidations, liquidations and dissolutions; sales of assets; leases; dividends and other payments in respect of capital stock; capital expenditures; investments, loans and advances; transactions with affiliates; sale and leasebacks; changes in fiscal year; and changes in lines of business.
Events of Default:	Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a three-business-day

grace period; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain covenants, to a 30-day grace period after notice thereof); cross-default to indebtedness in excess of $10,000,000; bankruptcy events; certain ERISA events; judgments (in an aggregate amount equal to or exceeding $10,000,000); actual or asserted invalidity of any guarantee; and a change of control (the definition of which is to be agreed).

Voting:

Amendments and waivers with respect to the Credit Documentation shall require the approval of Lenders holding not less than a majority of the aggregate amount of the Revolving Loans, participations in Letters of Credit and Swingline Loans and unused commitments under the Revolving Facility, except that (a) the consent of each Lender directly affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of amortization or final maturity of any Loan, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof and (iii) increases in the amount or extensions of the expiry date of any Lender's commitment and (b) the consent of 100% of the Lenders shall be required with respect to (i) modifications to any of the voting percentages and (ii) releases of all or substantially all of the Guarantors.

Assignments and Participations:

The Lenders shall be permitted to assign and sell participations in their Loans and commitments, subject, in the case of assignments (other than to another Lender or to an affiliate of a Lender), to the consent of the Administrative Agent and the Arrangers and, so long as no event of default shall have occurred and be continuing, the Borrower (which consent in each case shall not be unreasonably withheld). In the case of partial assignments (other than to another Lender or to an affiliate of a Lender), the minimum assignment amount shall be $5,000,000, unless otherwise agreed by the Borrower and the Administrative Agent and the Arrangers. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to certain matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required as described under "Voting" above. Pledges of Loans in accordance with applicable law shall be permitted without restriction.

Yield Protection:	The Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax (excluding Lender income taxes), capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto and any prepayment of a Competitive Loan.
Expenses and Indemnification:	The Borrower shall pay (a) all reasonable out-of-pocket expenses of the Administrative Agent and the Arrangers associated with the syndication of the Revolving Facility and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) and (b) all out-of-pocket expenses of the Administrative Agent, the Arrangers and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Credit Documentation. The Administrative Agent, the Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent they are found by a final, non-appealable judgment of a court to arise from the gross negligence or willful misconduct of the indemnified party.
Governing Law and Forum:	State of New York.
Counsel to the Administrative Agent and the Arrangers:	Simpson Thacher & Bartlett.

INTEREST AND CERTAIN FEES

Interest Rate Options:	The Borrower may elect that the Loans (other than Competitive Loans) comprising each borrowing bear interest at a rate per annum equal to (i) the ABR plus the Applicable Margin or (ii) the Eurodollar Rate plus the Applicable Margin; provided, that all Swingline Loans shall bear interest based upon the ABR. As used herein: "ABR" means the highest of (i) the rate of interest publicly announced by the Administrative Agent as its prime rate in effect at its principal office in New York City (the "Prime Rate") and (ii) the federal funds effective rate from time to time plus 0.5%. "Applicable Margin" means (i) 0%, in the case of ABR Loans and (ii) 1.00%, in the case of Eurodollar Loans. The foregoing margins shall be determined in accordance with a ratings-based pricing grid to be agreed upon after two full fiscal quarters shall have been completed after the Closing Date. "Eurodollar Rate" means the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two, three or six months (as selected by the Borrower) appearing on Page 3750 of the Telerate screen.
Interest Payment Dates:	In the case of Loans bearing interest based upon the ABR ("ABR Loans"), quarterly in arrears. In the case of Loans bearing interest based upon the Eurodollar Rate ("Eurodollar Loans"), on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.
Facility Fees:	The Borrower shall pay a facility fee calculated at the rate of 0.25% per annum on the aggregate commitments under the Revolving Facility, payable quarterly in arrears. The foregoing facility fee shall be determined in accordance with a ratings-based pricing grid to be agreed upon after two full fiscal quarters shall have been completed after the Closing Date.

Letter of Credit Fees:	The Borrower shall pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility on the face amount of each such Letter of Credit. Such fee shall be shared ratably among the Lenders participating in the Revolving Facility and shall be payable quarterly in arrears. A fronting fee equal to 0.125% per annum on the face amount of each Letter of Credit shall be payable quarterly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account.
Default Rate:	At any time when the Borrower is in default in the payment of any amount of principal due under the Revolving Facility, such amount shall bear interest at 1% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 1% above the rate applicable to ABR Loans.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.

FINANCIAL COVENANTS

Financial Covenants:

The following are the financial covenants that will be included in the Credit Documentation:

(a) Debt to Capitalization. A maximum ratio of (i) total debt and preferred equity to (ii) total debt, preferred equity and common equity. The initial covenant level shall be agreed upon and for the purposes of calculating such initial covenant level the equity component shall be 90% of shareholder's equity (common and preferred) of the Borrower on the Closing Date, and the covenant levels will step down over time in amounts to be agreed upon.

(b) Interest Coverage. A minimum ratio of (i) EBITDA to (ii) interest expense and all preferred dividends. The initial covenant level shall be agreed upon and for the purposes of calculating such initial covenant level EBITDA shall be computed at a discount of 15% on last twelve months' EBITDA projected for the first fiscal quarter ending after the Closing Date, and the covenant levels will step up over time in amounts to be agreed upon.

Project Tahoe

The "Base Projections"

Project Tahoe

Pro Forma Opening Balance Sheet of HoldCo

(Dollars in Millions, Except Per Share Data)

	Pro Forma 2002	%
Subsidiary Debt	$1,559.8	39.3%
HoldCo Revolver	60.0	1.5%
Term Loan A	150.0	3.8%
Term Loan B	500.0	12.6%
Term Loan C	300.0	7.6%
Senior Notes	450.0	11.4%
Total HoldCo Debt	1,460.0	36.8%
Total Debt	3,019.8	76.2%
Feline Prides	200.0	5.0%
Preferred Stock	63.2	1.6%
Common Equity to Enron	200.0	5.0%
Common Equity	481.2	12.1%
Total Capitalization	**$3,964.1**	100.0%

Project Tahoe

Pro Forma Opening Balance Sheet of NW Natural

(Dollars in Millions, Except Per Share Data)

	Pro Forma 2002	%
Short Term Debt	$46.3	4.4%
Long Term Debt	493.9	46.8%
Total Debt	540.2	51.2%
Preferred Stock	33.2	3.1%
Common Equity	481.2	45.6%
Total Capitalization	**$1,054.6**	100.0%

Project Tahoe

Pro Forma Opening Balance Sheet of PGE

(Dollars in Millions, Except Per Share Data)

	Pro Forma 2002	%
Short Term Debt	$123.1	6.2%
Long Term Debt	896.4	45.0%
Total Debt	1,019.5	51.2%
Preferred Stock	30.0	1.5%
Common Equity	940.8	47.3%
Total Capitalization	**$1,990.3**	100.0%

Consolidated HoldCo

Pro Forma Financial Ratios

(Dollars in Millions, Except Per Share Data)

	Pro Forma Projected FYE December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capitalization										
Cash	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$25.2
Total Debt	3,019.8	2,947.9	2,909.6	2,645.6	2,534.9	2,398.5	2,267.1	2,138.5	2,001.7	1,870.9
Net Debt	3,009.8	2,937.9	2,899.6	2,635.6	2,524.9	2,388.5	2,257.1	2,128.5	1,991.7	1,845.7
Feline Prides and Accrued Feline Prides Dividend	200.0	203.0	206.0	203.0	200.0	0.0	0.0	0.0	0.0	0.0
Preferred Stock	63.2	62.4	60.1	57.8	55.5	53.2	50.9	48.6	46.3	44.0
Acquisition Common Equity	200.0	200.0	200.0	344.0	344.0	344.0	344.0	344.0	344.0	344.0
Common Equity	481.2	545.2	617.0	703.3	806.5	1,119.8	1,232.9	1,341.5	1,457.2	1,580.2
Total Capitalization	$3,964.1	$3,958.5	$3,992.7	$3,953.7	$3,940.8	$3,915.4	$3,894.9	$3,872.5	$3,849.1	$3,839.1
Interest Coverage Ratios										
Total Interest Expense	221.8	221.8	216.0	211.0	201.0	191.7	180.7	169.6	158.3	146.1
EBIT	$365.4	$397.5	$424.7	$454.4	$474.1	$474.1	$463.3	$442.4	$442.0	$440.5
vs Total Interest Expense	1.6x	1.8x	2.0x	2.2x	2.4x	2.5x	2.6x	2.6x	2.8x	3.0x
EBITDA	$635.5	$688.1	$723.9	$751.4	$748.5	$745.5	$741.2	$729.1	$738.0	$746.0
vs Total Interest Expense	2.9x	3.1x	3.4x	3.6x	3.7x	3.9x	4.1x	4.3x	4.7x	5.1x
EBITDA - Capital Expenditures	$397.1	$435.7	$418.8	$518.2	$512.1	$505.9	$498.8	$480.2	$482.8	$484.1
vs Total Interest Expense	1.8x	2.0x	1.9x	2.5x	2.5x	2.6x	2.8x	2.8x	3.0x	3.3x
Leverage Ratios										
Total Debt / Total Capitalization	76.2%	74.5%	72.9%	66.9%	64.3%	61.3%	58.2%	55.2%	52.0%	48.7%
Common Equity / Total Capitalization	17.2%	18.8%	20.5%	26.5%	29.2%	37.4%	40.5%	43.5%	46.8%	50.1%
Total Debt / EBITDA	4.8x	4.3x	4.0x	3.5x	3.4x	3.2x	3.1x	2.9x	2.7x	2.5x
Net Debt / EBITDA	4.7x	4.3x	4.0x	3.5x	3.4x	3.2x	3.0x	2.9x	2.7x	2.5x
FFO	$274.6	$360.0	$388.2	$407.3	$408.8	$437.3	$446.5	$448.8	$463.1	$477.3
FFO / Total Debt	9.1%	12.2%	13.3%	15.4%	16.1%	18.2%	19.7%	21.0%	23.1%	25.5%
FFO / Net Debt	9.1%	12.3%	13.4%	15.5%	16.2%	18.3%	19.8%	21.1%	23.3%	25.9%
FFO + Total Interest / Total Interest	2.2x	2.6x	2.8x	2.9x	3.0x	3.3x	3.5x	3.6x	3.9x	4.3x

Project Tahoe

Transaction Structure and Assumptions

(Dollars in Millions, Except Per Share Data)

Transaction Assumptions [a]

NWN Share Price		$24.20
PGE Share Price		Private
Offer Price	*$1,800.0 U.S. Dollars*	$1,800.0
Exchange Ratio		NM
PGE Shares Outstanding		1.0
Options Outstanding		0.0
Total Shares & Options Outstanding		1.0
Gross Offer Value		1,800.0
Less: Option Proceeds @	$0.0	0.0
Net Offer Value		1,800.0
Plus: Debt Outstanding at 30-Jun-01		1,050.0
Plus: Preferred Stock		29.0
Less: Cash		(1.0)
Enterprise Value		$2,878.0

Sources and Uses of Funds

Uses:			
Purchase Price of Common Equity		$1,800.0	96.8%
Refinance PGE Debt		0.0	0.0%
Purchase of Preferred Equity		0.0	0.0%
Refinance NWN Debt		0.0	0.0%
Transaction Expenses		60.0	3.2%
Total Uses:		1,860.0	100.0%
Sources:			
Existing Cash Balances		0.0	0.0%
HoldCo Revolving Credit Facility		60.0	3.2%
Term Loan A [b]		150.0	8.1%
Term Loan B		500.0	26.9%
Term Loan C		300.0	16.1%
Senior Notes [c]		450.0	24.2%
Non-tax Deductible FELINE PRIDES to	7.50%	200.0	10.8%
Common Equity to Enron		50.0	2.7%
Common Equity Offering to Public [b]		150.0	8.1%
Total Sources:		$1,860.0	100.0%

Acquiror Shares & Options Outstanding at 12/31/01

	Shares	%
NWN Shares Outstanding	25.222	74.7%
NWN Equity Offering	6.455	19.1%
NWN Shares to Pilot	2.066	6.1%
Pro Forma NWN Shares	33.743	-
Treasury Stock Method Adjustments for Warrants	0.000	0.0%
NWN Management Options	0.416	1.2%
Treasury Stock Method Adjustment for Mgt. Options	(0.384)	(1.1%)
Feline Prides	7.185	21.3%
Treasury Stock Method Adjustment for Feline Prides	(7.185)	(21.3%)
Underlying Preferred Shares	0.000	0.0%
Pro Forma Shares with Conversion of Pfd & Warrants	33.775	100.0%

Calculation of Goodwill

Price Paid for Equity (net of option proceeds)	1,800.0
Less: Book Value	(940.8)
Plus: Merger Receivable + Expenses	77.1
Less: Overfunded Pension Asset	(119.8)
New Goodwill	816.5

Summary Multiples

Net Offer Value as Multiple of:	2001	2002	Enterprise Value as Multiple of:	2001	2002
Net Income to Common	17.8x	15.9x	Standalone EBITDA	7.6x	6.0x
Cash Flow	7.4	6.5	Standalone EBIT	14.0	10.9

(a) Assumes transaction occurs as of December 31, 2002.
(b) Assumes $150 million of common equity is issued at close to reduce the Term Loan A
(c) Assumes Senior Notes are issued at close to refinance Capital Markets Tranche.

Project Tahoe

Pro Forma Opening Balance Sheet

(Dollars in Millions, Except Per Share Data)

	NWN Dec-2002	PGE Dec-2002	Transaction Adjustments	Financing Adjustments	Pro Forma Dec-2002
Cash	$5.0	$5.0			$10.0
Net Working Capital	74.7	131.5			206.2
Net PP&E	977.3	1,930.9			2,908.2
New Goodwill	0.0	0.0	$816.5		816.5
Other Assets	160.4	591.1	154.7		906.2
Total Assets	**$1,217.4**	**$2,658.5**	**$971.2**		**$4,847.1**
Merger Receivable	0.0	0.0	$52.0		52.0
Other Liabilities	$162.8	$668.2			831.0
Subsidiary Debt	540.2	1,019.5		$0.0	$1,559.8
HoldCo Revolver	0.0	0.0		60.0	60.0
Term Loan A [a]	0.0	0.0		150.0	150.0
Term Loan B	0.0	0.0		500.0	500.0
Term Loan C	0.0	0.0		300.0	300.0
Senior Notes	0.0	0.0		450.0	450.0
Feline Prides	0.0	0.0		200.0	200.0
Preferred Stock	33.2	30.0	0.0		63.2
Acquisition Common Equity [a]	0.0	0.0		200.0	200.0
Common Equity	481.2	940.8	(940.8)		481.2
Total Liabilities and Equity	**$1,217.4**	**$2,658.5**	**($888.8)**	**$1,860.0**	**$4,847.1**

(a) Assumes $150 million of common equity is issued at close to reduce the Term Loan A.

Consolidated HoldCo

Pro Forma Income Statement

(Dollars in Millions, Except Per Share Data)

	Pro Forma Projected FYE December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net Revenue										
NWN	$277.6	$287.1	$302.2	$326.5	$337.0	$347.7	$358.9	$370.3	$382.2	$394.5
PGE	789.1	816.8	840.5	857.1	855.5	854.3	851.0	857.9	865.6	872.3
Total Net Sales	1,066.7	1,103.9	1,142.7	1,183.6	1,192.5	1,202.0	1,209.9	1,228.2	1,247.8	1,266.8
EBITDA										
NWN	161.5	168.0	179.6	199.5	206.4	213.2	220.6	227.9	235.6	243.6
PGE	483.2	504.1	518.3	525.9	517.1	509.8	500.6	501.2	502.4	502.4
Synergies at HoldCo	(9.2)	16.0	26.0	26.0	25.0	22.5	20.0	0.0	0.0	0.0
Total EBITDA + Synergies at HoldCo	$635.5	$688.1	$723.9	$751.4	$748.5	$745.5	$741.2	$729.1	$738.0	$746.0
Depreciation and Amortization										
Existing NWN Depreciation	51.4	53.8	56.8	60.7	62.8	65.4	68.2	71.0	74.0	77.0
Existing PGE Depreciation	162.3	167.8	173.4	178.9	184.5	190.0	195.7	201.7	208.0	214.5
Non-Goodwill Amortization	56.5	69.0	69.0	57.3	27.2	16.0	14.0	14.0	14.0	14.0
Total Depreciation and Amortization	270.2	290.6	299.1	297.0	274.5	271.4	277.9	286.7	296.0	305.5
EBIT	$365.4	$397.5	$424.7	$454.4	$474.1	$474.1	$463.3	$442.4	$442.0	$440.5
Existing NWN Interest Expense	34.5	34.5	33.9	41.0	41.5	42.4	43.1	43.3	44.3	43.9
Existing PGE Interest Expense	69.1	69.1	66.1	62.3	59.6	58.5	57.6	56.5	55.2	53.9
HoldCo Revolver Interest Expense	3.1	3.1	2.0	1.0	0.0	0.0	0.0	0.0	0.4	0.4
TermLoanAInterestExpense	10.0	10.0	9.4	4.4	0.0	0.0	0.0	0.0	0.0	0.0
Term Loan B Interest Expense	36.2	36.2	35.9	33.8	30.2	21.4	11.7	3.5	0.0	0.0
Term Loan C Interest Expense	22.5	22.5	22.3	22.0	23.2	22.9	22.7	21.3	14.4	4.4
Senior Notes Interest Expense @ 9.25%	41.6	41.6	41.6	41.6	41.6	41.6	41.6	41.6	41.6	41.6
Unused Revolver Commitment Fee @ 0.375%	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Interest Income and Other	4.2	4.2	4.2	4.2	4.2	4.2	3.3	2.7	1.7	0.9
Net Interest Expense / (Income)	221.5	221.5	215.7	210.7	200.7	191.4	180.4	169.3	158.0	145.5
Pretax Income	143.9	176.1	209.1	243.7	273.4	282.7	282.9	273.1	284.0	294.9
Taxes	56.5	69.1	82.2	96.1	108.1	111.8	111.7	107.8	112.0	116.2
Extraordinary Item (After Tax) and Other Net Income	2.5	14.5	3.0	3.1	3.2	2.8	2.8	2.8	2.8	2.8
Feline Prides Interest Expense @ 7.50%	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	0.0	0.0	0.0	0.0	0.0
Subsidiary Preferred Stock Dividend	(4.7)	(4.6)	(4.5)	(4.4)	(4.1)	(4.0)	(3.8)	(3.7)	(3.5)	(3.3)
Net Income to Common	$70.2	$101.8	$110.4	$131.3	$149.4	$169.7	$170.2	$164.5	$171.3	$178.3

Consolidated HoldCo

Pro Forma Balance Sheet

(Dollars in Millions, Except Per Share Data)

	Pro Forma Projected FYE December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cash	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$25.2
Net Working Capital	206.2	206.6	208.1	209.6	212.6	215.6	218.6	221.6	224.7	227.9
Net PP&E	2,908.2	2,937.1	3,010.0	3,001.7	2,988.9	2,971.2	2,947.9	2,922.1	2,893.5	2,862.0
New Goodwill	816.5	816.5	816.5	816.5	816.5	816.5	816.5	816.5	816.5	816.5
Other Assets and Deferred Charges	906.2	833.2	758.9	699.5	674.1	654.1	646.7	639.9	634.8	631.6
Total Assets	**$4,847.1**	**$4,803.4**	**$4,803.5**	**$4,737.2**	**$4,702.1**	**$4,667.4**	**$4,639.7**	**$4,610.1**	**$4,579.4**	**$4,563.1**
Merger Receivable	52.0	35.6	17.2	5.8	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities	831.0	809.3	793.7	777.8	761.4	752.0	744.8	737.6	730.4	724.0
Subsidiary Debt	$1,559.8	$1,527.7	$1,516.2	$1,465.8	$1,457.4	$1,450.7	$1,444.8	$1,438.0	$1,429.8	$1,420.9
HoldCo Revolver	60.0	32.0	28.1	0.0	0.0	0.0	0.0	0.0	11.7	0.0
Term Loan A (b)	150.0	146.3	131.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Term Loan B	500.0	495.0	490.0	438.8	339.5	212.8	90.2	0.0	0.0	0.0
Term Loan C	300.0	297.0	294.0	291.0	288.0	285.0	282.0	250.5	110.2	0.0
Senior Notes	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0
Feline Prides	200.0	200.0	200.0	200.0	200.0	0.0	0.0	0.0	0.0	0.0
Accrued Feline PRIDE Dividend Liabilities	0.0	3.0	6.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Stock	63.2	62.4	60.1	57.8	55.5	53.2	50.9	48.6	46.3	44.0
Acquisition Common Equity (a)	200.0	200.0	200.0	344.0	344.0	344.0	344.0	344.0	344.0	344.0
Common Equity	481.2	545.2	617.0	703.3	806.5	1,119.8	1,232.9	1,341.5	1,457.2	1,580.2
Total Liabilities and Equity	**$4,847.1**	**$4,803.4**	**$4,803.5**	**$4,737.2**	**$4,702.1**	**$4,667.4**	**$4,639.7**	**$4,610.2**	**$4,579.4**	**$4,563.1**

Consolidated HoldCo

Pro Forma Cash Flow Statement

(Dollars in Millions, Except Per Share Data)

	Pro Forma Projected FYE December 31,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net Income	$101.8	$110.4	$131.3	$149.4	$169.7	$170.2	$164.5	$171.3	$178.3
Common Dividends	(44.0)	(45.3)	(52.6)	(54.1)	(65.1)	(66.4)	(65.6)	(65.8)	(65.8)
Depreciation	221.6	230.2	239.6	247.3	255.4	263.9	272.7	282.0	291.5
Other Amortization	73.5	73.5	61.9	31.7	20.5	17.6	17.0	16.0	15.5
Change in Working Capital	(0.4)	(1.5)	(1.5)	(3.0)	(3.0)	(3.0)	(3.0)	(3.1)	(3.2)
Capital Expenditures	(252.4)	(305.0)	(233.2)	(236.4)	(239.6)	(242.5)	(248.9)	(255.3)	(261.9)
(Acquisitions) / Disposals	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Regulatory Receipts	8.9	9.4	1.2	(5.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)
Merger Receivable	(16.4)	(18.4)	(11.4)	(5.8)	(0.0)	0.0	0.0	0.0	0.0
Decommissioning Trust Inflow	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)
Feline Pride Adjustment	3.0	3.0	(3.0)	(3.0)	0.0	0.0	0.0	0.0	0.0
Issuance / (Purchase) of Preferred Equity	(0.8)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
Change in Deferred Charges and Other Assets	(11.3)	(4.5)	0.2	2.1	9.8	2.3	2.3	1.6	1.1
Conversion of Feline Prides	0.0	0.0	0.0	0.0	(200.0)	0.0	0.0	0.0	0.0
Net Proceeds from Issuance (Redemption) of Stock	6.1	6.7	151.5	7.9	208.8	9.3	9.7	10.1	10.6
Free Cash Flow	**71.9**	**38.4**	**263.9**	**110.8**	**136.4**	**131.4**	**128.6**	**136.8**	**145.9**
Subsidiary Debt (Paydown) / Borrowing	(32.1)	(11.5)	(50.4)	(8.4)	(6.7)	(5.8)	(6.8)	(8.3)	(8.9)
Free Cash Flow After Subsidiary Debt (Paydown) / Borrowing	**39.8**	**26.9**	**213.5**	**102.4**	**129.6**	**125.6**	**121.8**	**128.6**	**137.1**
Required Term Loan A (Paydown) / Borrowing	(3.8)	(15.0)	(15.0)	0.0	0.0	0.0	0.0	0.0	0.0
Required Term Loan B (Paydown) / Borrowi	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(90.2)	0.0	0.0
Required Term Loan C (Paydown) / Borrowing	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(140.3)	(110.2)
Beginning Cash Balance	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Required Minimum Cash Balance	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Cash Available for Optional Debt Paydown	**28.0**	**3.9**	**190.5**	**94.4**	**121.6**	**117.6**	**28.5**	**(11.7)**	**15.2**
Optional HoldCo Revolver (Paydown) / Borrowing	(28.0)	(3.9)	(28.1)	0.0	0.0	0.0	0.0	11.7	0.0
Optional Term Loan A (Paydown) / Borrowing	0.0	0.0	(116.3)	0.0	0.0	0.0	0.0	0.0	0.0
Optional Term Loan B (Paydown) / Borrowing	0.0	0.0	(46.2)	(94.4)	(121.6)	(117.6)	0.0	0.0	0.0
Optional Term Loan C (Paydown) / Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	(28.5)	0.0	0.0
Increase in Cash Blance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.2
Ending Cash Balance	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	25.2

Consolidated HoldCo

Pro Forma Financial Ratios

(Dollars in Millions, Except Per Share Data)

	Pro Forma Projected FYE December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capitalization										
Cash	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0	$25.2
Total Debt	3,019.8	2,947.9	2,909.6	2,645.6	2,534.9	2,398.5	2,267.1	2,138.5	2,001.7	1,870.9
Net Debt	3,009.8	2,937.9	2,899.6	2,635.6	2,524.9	2,388.5	2,257.1	2,128.5	1,991.7	1,845.7
Feline Prides and Accrued Feline Prides Dividend	200.0	203.0	206.0	203.0	200.0	0.0	0.0	0.0	0.0	0.0
Preferred Stock	63.2	62.4	60.1	57.8	55.5	53.2	50.9	48.6	46.3	44.0
Acquisition Common Equity	200.0	200.0	200.0	344.0	344.0	344.0	344.0	344.0	344.0	344.0
Common Equity	481.2	545.2	617.0	703.3	806.5	1,119.8	1,232.9	1,341.5	1,457.2	1,580.2
Total Capitalization	$3,964.1	$3,958.5	$3,992.7	$3,953.7	$3,940.8	$3,915.4	$3,894.9	$3,872.5	$3,849.1	$3,839.1
Interest Coverage Ratios										
Total Interest Expense	221.8	221.8	216.0	211.0	201.0	191.7	180.7	169.6	158.3	146.1
EBIT	$365.4	$397.5	$424.7	$454.4	$474.1	$474.1	$463.3	$442.4	$442.0	$440.5
vs Total Interest Expense	1.6x	1.8x	2.0x	2.2x	2.4x	2.5x	2.6x	2.6x	2.8x	3.0x
EBITDA	$635.5	$688.1	$723.9	$751.4	$748.5	$745.5	$741.2	$729.1	$738.0	$746.0
vs Total Interest Expense	2.9x	3.1x	3.4x	3.6x	3.7x	3.9x	4.1x	4.3x	4.7x	5.1x
EBITDA - Capital Expenditures	$397.1	$435.7	$418.8	$518.2	$512.1	$505.9	$498.8	$480.2	$482.8	$484.1
vs Total Interest Expense	1.8x	2.0x	1.9x	2.5x	2.5x	2.6x	2.8x	2.8x	3.0x	3.3x
Leverage Ratios										
Total Debt / Total Capitalization	76.2%	74.5%	72.9%	66.9%	64.3%	61.3%	58.2%	55.2%	52.0%	48.7%
Common Equity / Total Capitalization	17.2%	18.8%	20.5%	26.5%	29.2%	37.4%	40.5%	43.5%	46.8%	50.1%
Total Debt / EBITDA	4.8x	4.3x	4.0x	3.5x	3.4x	3.2x	3.1x	2.9x	2.7x	2.5x
Net Debt / EBITDA	4.7x	4.3x	4.0x	3.5x	3.4x	3.2x	3.0x	2.9x	2.7x	2.5x
FFO	$274.6	$360.0	$388.2	$407.3	$408.8	$437.3	$446.5	$448.8	$463.1	$477.3
FFO / Total Debt	9.1%	12.2%	13.3%	15.4%	16.1%	18.2%	19.7%	21.0%	23.1%	25.5%
FFO / Net Debt	9.1%	12.3%	13.4%	15.5%	16.2%	18.3%	19.8%	21.1%	23.3%	25.9%
FFO + Total Interest / Total Interest	2.2x	2.6x	2.8x	2.9x	3.0x	3.3x	3.5x	3.6x	3.9x	4.3x

Northwest Natural

Income Statement

(Dollars in Millions, Except Per Share Data)

		FYE December 31,										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential and Commercial Net Revenue	$278.7	$295.9	$304.9	$313.3	$321.9	$330.8	$340.1	$349.6	$359.6	$369.8	$380.4	$391.4
Industrial and Transportation Net Revenue	46.8	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1
Demand Charges	(67.3)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)	(71.0)
Other Revenue, Net	(0.8)	(0.4)	0.6	1.7	8.2	23.6	24.8	26.0	27.2	28.4	29.7	31.0
Total Net Revenue	**$257.4**	**$267.6**	**$277.6**	**$287.1**	**$302.2**	**$326.5**	**$337.0**	**$347.7**	**$358.9**	**$370.3**	**$382.2**	**$394.5**
Operations & Maintenance	77.7	80.0	82.3	84.6	86.9	89.3	91.7	94.9	98.1	101.4	104.9	108.5
Taxes other than Income Tax	28.4	31.3	33.8	34.5	35.7	37.7	38.9	39.6	40.2	41.0	41.7	42.4
EBITDA	**$151.3**	**$156.3**	**$161.5**	**$168.0**	**$179.6**	**$199.5**	**$206.4**	**$213.2**	**$220.6**	**$227.9**	**$235.6**	**$243.6**
Depreciation and Amortization	47.4	49.9	51.4	53.8	56.8	60.7	62.8	65.4	68.2	71.0	74.0	77.0
EBIT	**103.9**	**106.4**	**110.1**	**114.2**	**122.8**	**138.8**	**143.6**	**147.8**	**152.4**	**156.9**	**161.6**	**166.6**
Interest Income @ 3.00%	0.0	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Interest Expense on ST Debt and Revolving Facility	3.7	3.3	3.0	2.8	3.3	3.5	3.8	4.1	4.3	4.7	5.1	5.5
Interest Expense on Long Term Debt	27.1	29.7	32.6	33.5	35.1	37.4	37.6	38.1	38.6	38.4	39.0	38.2
Facility Fee	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
AFUDC	0.0	(0.3)	(1.3)	(2.2)	(4.8)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Interest Expense / (Income)	31.2	32.9	34.6	34.3	33.8	40.8	41.4	42.2	43.0	43.2	44.2	43.8
Pretax Income	72.7	73.5	75.5	79.9	89.0	98.0	102.2	105.6	109.4	113.7	117.4	122.8
Taxes	26.8	27.1	27.8	29.5	33.1	36.7	38.4	39.7	41.2	42.9	44.3	46.5
Net Income	**$45.9**	**$46.5**	**$47.7**	**$50.4**	**$55.9**	**$61.3**	**$63.9**	**$65.9**	**$68.3**	**$70.8**	**$73.1**	**$76.3**
Storage Service - net	0.1	0.9	1.4	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Other Income - net	3.9	1.1	1.1	1.1	1.2	1.3	1.4	1.0	1.0	1.0	1.0	1.0
Preferred Stock Dividend	(2.5)	(2.4)	(2.4)	(2.3)	(2.2)	(2.2)	(2.1)	(2.1)	(2.0)	(2.0)	(1.9)	(1.8)
Net Income to Common	**$47.4**	**$46.1**	**$47.8**	**$51.0**	**$56.8**	**$62.2**	**$65.0**	**$66.6**	**$69.1**	**$71.6**	**$74.0**	**$77.3**

Northwest Natural

Balance Sheet

(Dollars in Millions, Except Per Share Data)

		FYE December 31,										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assets												
Cash and Equivalents	$5.5	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0
Net Working Capital	30.5	76.7	74.7	75.1	76.6	78.1	81.1	84.1	87.1	90.1	93.2	96.4
Net PP&E	926.0	947.2	977.3	1,018.9	1,110.0	1,125.2	1,141.4	1,158.1	1,175.1	1,192.6	1,210.3	1,228.4
Other Assets	165.6	162.4	160.4	153.1	153.5	152.2	150.9	142.1	140.8	139.5	138.2	136.9
Total Assets	**$1,127.6**	**$1,191.3**	**$1,217.4**	**$1,252.1**	**$1,345.1**	**$1,360.5**	**$1,378.4**	**$1,389.3**	**$1,408.0**	**$1,427.2**	**$1,446.7**	**$1,466.7**
Liabilities and Shareholders' Equity												
Other Liabilities	163.5	161.4	162.8	164.6	168.7	172.6	176.8	181.0	185.2	189.4	193.6	198.8
Short Term Debt	56.3	74.7	46.3	65.2	66.4	71.8	79.3	83.0	90.2	98.2	106.2	114.4
Existing Long Term Debt	420.8	454.4	493.9	493.4	547.9	547.9	547.9	547.9	547.9	547.9	547.9	547.9
Preferred Stock	34.8	34.0	33.2	32.4	31.6	30.8	30.0	29.2	28.4	27.6	26.8	26.0
Shareholders' Equity	452.3	466.9	481.2	496.5	530.5	537.4	544.5	548.2	556.4	564.1	572.2	579.7
Total Liabilities and Shareholders' Equity	**$1,127.6**	**$1,191.3**	**$1,217.4**	**$1,252.1**	**$1,345.1**	**$1,360.5**	**$1,378.4**	**$1,389.3**	**$1,408.0**	**$1,427.2**	**$1,446.7**	**$1,466.7**

Northwest Natural

Cash Flow Statement

(Dollars in Millions, Except Per Share Data)

	FYE December 31,										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net Income	$46.1	$47.8	$51.0	$56.8	$62.2	$65.0	$66.6	$69.1	$71.6	$74.0	$77.3
Common Dividends	(31.5)	(33.4)	(35.7)	(22.7)	(55.3)	(57.9)	(62.9)	(60.9)	(63.9)	(65.9)	(69.9)
Depreciation	49.9	51.4	53.8	56.8	60.7	62.8	65.4	68.2	71.0	74.0	77.0
Change in Net Working Capital	(46.2)	2.0	(0.4)	(1.5)	(1.5)	(3.0)	(3.0)	(3.0)	(3.0)	(3.1)	(3.2)
Capital Expenditures	(84.0)	(83.4)	(97.3)	(149.8)	(77.8)	(80.9)	(84.0)	(87.1)	(90.4)	(93.6)	(97.0)
Change in Other	1.1	3.4	9.1	3.7	5.2	5.5	13.0	5.5	5.5	5.5	6.5
(Acquisitions) / Disposals	12.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Issuance / (Purchase) of Preferred Stock	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Free Cash Flow	(52.5)	(11.2)	(18.4)	(55.6)	(5.5)	(7.4)	(3.8)	(7.1)	(8.1)	(8.0)	(8.1)
(Payment)/Borrowing of Short Term Debt and Revolver	18.4	(28.3)	18.9	1.1	5.5	7.4	3.8	7.1	8.1	8.0	8.1
(Payment)/Borrowing of Existing Long Term Debt	33.6	39.5	(0.5)	54.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Flow after Debt Service	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Beginning Cash Balance	5.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Ending Cash Balance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Northwest Natural

Financial Ratios

(Dollars in Millions, Except Per Share Data)

	FYE December 31,										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capitalization											
Cash	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0
Total Debt	529.1	540.2	558.6	614.3	619.7	627.2	630.9	638.1	646.1	654.1	662.2
Net Debt	524.1	535.2	553.7	609.3	614.8	622.2	626.0	633.1	641.1	649.1	657.3
Common Equity	466.9	481.2	496.5	530.5	537.4	544.5	548.2	556.4	564.1	572.2	579.7
Preferred Stock	34.0	33.2	32.4	31.6	30.8	30.0	29.2	28.4	27.6	26.8	26.0
Total Capitalization	$1,029.9	$1,054.6	$1,087.5	$1,176.4	$1,187.9	$1,201.6	$1,208.3	$1,222.8	$1,237.8	$1,253.1	$1,267.9
Interest Coverage Ratios											
Total Interest Expense	$33.0	$35.7	$36.3	$38.4	$40.8	$41.3	$42.2	$42.9	$43.2	$44.2	$43.8
EBIT	$106.4	$110.1	$114.2	$122.8	$138.8	$143.6	$147.8	$152.4	$156.9	$161.6	$166.6
vs Total Interest Expense	3.2x	3.1x	3.1x	3.2x	3.4x	3.5x	3.5x	3.5x	3.6x	3.7x	3.8x
EBITDA	$156.3	$161.5	$168.0	$179.6	$199.5	$206.4	$213.2	$220.6	$227.9	$235.6	$243.6
vs Total Interest Expense	4.7x	4.5x	4.6x	4.7x	4.9x	5.0x	5.1x	5.1x	5.3x	5.3x	5.6x
EBITDA - Capital Expenditures	$72.3	$78.1	$70.7	$29.8	$121.7	$125.5	$129.2	$133.5	$137.5	$142.0	$146.6
vs Total Interest Expense	2.2x	2.2x	1.9x	0.8x	3.0x	3.0x	3.1x	3.1x	3.2x	3.2x	3.4x
FFO	$95.7	$97.9	$102.6	$108.8	$122.7	$127.6	$131.8	$137.1	$142.4	$147.8	$154.1
FFO / Total Debt	18.1%	18.1%	18.4%	17.7%	19.8%	20.3%	20.9%	21.5%	22.0%	22.6%	23.3%
FFO + Total Interest / Total Interest	3.9x	3.7x	3.8x	3.8x	4.0x	4.1x	4.1x	4.2x	4.3x	4.3x	4.5x
Leverage Ratios											
Total Debt / Total Capitalization	51.4%	51.2%	51.4%	52.2%	52.2%	52.2%	52.2%	52.2%	52.2%	52.2%	52.2%
Total Debt / EBITDA	3.4x	3.3x	3.3x	3.4x	3.1x	3.0x	3.0x	2.9x	2.8x	2.8x	2.7x

Income Statement

(Dollars in Millions, Except Per Share Data)

		FYE December 31,										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating Revenues												
Residential	$448.2	$458.6	$475.3	$484.5	$495.5	$510.4	$525.7	$541.5	$557.7	$574.5	$591.7	$609.4
Commercial	387.6	384.6	402.7	415.3	428.9	441.8	455.1	468.7	482.8	497.3	512.2	527.5
Industrial	207.8	184.1	201.9	208.3	215.7	222.2	228.8	235.7	242.8	250.0	257.5	265.3
Tariff Revenues	1,043.6	1,027.3	1,079.9	1,108.0	1,140.2	1,174.4	1,209.6	1,245.9	1,283.3	1,321.8	1,361.4	1,402.3
Revenue Adjustments	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Retail @ 01 Base Rates	1,057.6	1,027.3	1,079.9	1,108.0	1,140.2	1,174.4	1,209.6	1,245.9	1,283.3	1,321.8	1,361.4	1,402.3
Power Cost Adjustment	-	43.3	(43.3)	(128.8)	(106.9)	(90.5)	(72.4)	(52.5)	(30.6)	(6.6)	19.7	48.4
Customer Refund		0.0	0.0	0.0	0.0	0.0	(6.8)	(34.6)	(65.2)	(86.5)	(107.7)	(131.0)
Cumulative Gross Rate Increase	-	84.6	511.6	493.2	507.5	513.7	508.0	523.2	538.9	555.1	571.7	588.9
Elasticity Effect			(8.4)	(10.6)	(10.6)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)
Net Retail Revenues	1,057.6	1,155.2	1,539.8	1,461.7	1,530.2	1,586.8	1,627.6	1,671.3	1,715.7	1,773.1	1,834.5	1,897.9
Other Revenue	24.0	18.9	16.0	16.3	16.6	17.0	17.3	17.7	18.0	18.4	18.7	19.1
Total Operating Revenues After Rate Increase	$1,081.6	$1,174.1	$1,555.8	$1,478.0	$1,546.8	$1,603.8	$1,644.9	$1,689.0	$1,733.7	$1,791.5	$1,853.2	$1,917.0
Operating Expenses												
Retail Net Variable Power Costs	313.0	573.0	766.7	661.3	706.3	746.6	789.4	834.7	882.7	933.6	987.6	1,044.7
Power Cost Deferral	0.0	(86.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Production and distribution	126.0	127.5	133.8	136.5	139.2	142.0	144.8	147.7	150.7	153.7	156.8	159.9
Administrative and other	121.6	121.4	122.8	125.3	127.8	130.3	132.9	135.6	138.3	141.1	143.9	146.8
Overhead Allocation Charge	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	7.7	7.7	7.7	7.7
Taxes other than income taxes	64.7	66.3	74.8	72.4	73.1	73.5	73.7	73.9	74.2	74.7	75.4	76.1
Total Operating Expenses	640.7	817.6	1,113.5	1,010.8	1,061.8	1,107.9	1,156.2	1,207.3	1,253.6	1,310.8	1,371.3	1,435.1
Net Operating Income	440.9	356.5	442.3	467.3	485.1	495.9	488.7	481.6	480.1	480.7	481.9	481.9
Investment & Other Income (excl TOLI for 2001on)	6.7	21.0	28.4	24.3	20.7	17.5	15.9	15.7	8.0	8.0	8.0	8.0
Wholesale Margin - Short-term	23.0	0.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Wholesale Margin - Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Income	29.7	21.0	40.9	36.8	33.2	30.0	28.4	28.2	20.5	20.5	20.5	20.5
EBITDA	470.6	377.5	483.2	504.1	518.3	525.9	517.1	509.8	500.6	501.2	502.4	502.4
Depreciation (Including Intangible)	135.0	140.8	162.3	167.8	173.4	178.9	184.5	190.0	195.7	201.7	208.0	214.5
Amortization												
- Merger Obligation	(16.6)											
- SCE Termination	(16.9)											
- DSM Refinancing	11.2	11.2	11.2	11.2	11.2	11.2	11.2	-	-	-	-	-
- DSM Refinancing Balancing Account	2.1	-										
- Trojan / FASB 109	28.9	8.6	9.3	9.3	9.3	9.3	-	-	-	-	-	-
- SB1149 - deferral /amortization		(7.6)	1.6	2.0	2.0	2.0	2.0	2.0	-	-	-	-
- Decommissioning	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
- Energy Efficiency	7.7	6.8	3.8	3.8	3.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0
- Power Cost Deferral			23.9	28.7	28.7	20.0	-	-	-	-	-	-
- Y2K Cost		1.7	5.2									
- Coyote Springs Credit		(2.9)	(8.8)									
- Misc Other Amortizations		(1.2)	(3.7)									
- Other	(1.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total	29.2	30.6	56.5	69.0	69.0	57.3	27.2	16.0	14.0	14.0	14.0	14.0
EBIT	306.4	206.1	264.4	267.3	275.9	289.6	305.5	303.8	290.9	285.5	280.4	273.9
Total Interest Charges	72.1	66.5	70.9	69.0	65.9	62.2	59.5	58.4	57.4	56.3	55.0	53.7
Pretax Income	234.3	139.6	193.5	198.4	210.0	227.4	246.0	245.4	233.5	229.2	225.4	220.2
Income Taxes	95.7	46.5	77.7	79.7	84.5	91.7	99.3	99.1	94.2	92.4	90.8	88.7
Extraordinary Item (After Tax)	0.0	10.5	0.0	11.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	138.6	103.6	115.8	130.3	125.5	135.8	146.7	146.3	139.3	136.8	134.5	131.5
Preferred Dividend Requirement	2.3	2.3	2.3	2.3	2.3	2.2	2.0	1.9	1.8	1.7	1.6	1.5
Net Income Available for Common Stock	136.3	101.3	113.5	127.9	123.2	133.6	144.6	144.4	137.5	135.1	133.0	130.0

Cash Flow Statement

(Dollars in Millions, Except Per Share Data)

			FYE December 31,										
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net Income		138.6	103.6	115.8	130.3	125.5	135.8	146.7	146.3	139.3	136.8	134.5	131.5
Depreciation		135.0	140.8	162.3	167.8	173.4	178.9	184.5	190.0	195.7	201.7	208.0	214.5
Non Utility Depreciation		2.4	-	-	-	-	-	-	-	-	-	-	-
Amortization of ITC		(2.7)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Regulatory Amortization													
- Merger Obligation		(16.6)	-	-	-	-	-	-	-	-	-	-	-
- SCE Termination		(16.9)	-	-	-	-	-	-	-	-	-	-	-
- DSM Refinancing		11.2	11.2	11.2	11.2	11.2	11.2	11.2	0.0	-	-	-	-
- DSM Refinancing Balancing Account		2.1	-	-	-	-	-	-	-	-	-	-	-
- Trojan / FASB 109		28.9	8.6	9.3	9.3	9.3	9.3	-	-	-	-	-	-
- SB1149 - deferral /amortization		-	(7.6)	1.6	2.0	2.0	2.0	2.0	2.0	-	-	-	-
- Decommissioning		14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
- Energy Efficiency		7.7	6.8	3.8	3.8	3.8	0.8	-	-	-	-	-	-
- Power Cost Deferral (3 yr amrt)		-	-	23.9	28.7	28.7	20.0	-	-	-	-	-	-
- Y2K Cost		-	1.7	5.2	-	-	-	-	-	-	-	-	-
- Coyote Springs Credit		-	(2.9)	(8.8)	-	-	-	-	-	-	-	-	-
- Misc Other Amortizations		-	(1.2)	(3.7)	-	-	-	-	-	-	-	-	-
- Other		(1.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Regulatory Amortization		29.2	30.6	56.5	69.0	69.0	57.3	27.2	16.0	14.0	14.0	14.0	14.0
Debt Reacquisition Amortization		2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	1.5	-
Non Cash Interest													
- Merger Receivable Interest Income	18.3	3.9	6.2	5.0	3.7	2.2	1.0	0.2	0.0	0.0	0.0	0.0	0.0
Merger Interest Effect		(3.9)	(6.2)	(5.0)	(3.7)	(2.2)	(1.0)	(0.2)	(0.0)	-	-	-	-
- SCE Interest Income		3.0	3.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SCE Interest Effect		(3.0)	(3.0)	(1.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Regulatory Receipts (Payments)													
Merger Adjustment	97.9	18.3	19.2	19.6	20.1	20.6	12.4	6.0	0.0	0.0	0.0	0.0	0.0
SCE Adjustment		32.0	32.0	29.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DSM Refinancing		(4.0)	(3.5)	(2.9)	(2.3)	(2.3)	(2.3)	(2.3)	2.2	-	-	-	-
DSM Conservation Bond Repayment		(7.2)	(7.7)	(8.3)	(8.9)	(8.9)	(8.9)	(8.9)	(2.2)	-	-	-	-
Total Regulatory Receipts (Payments)		39.1	39.9	37.9	8.9	9.4	1.2	(5.2)	-	-	-	-	-
Misc. Investments		(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)
COLI Income		(4.9)											
FASB 133 cummulative affect & Extraord		-	(10.5)	-	(11.6)	-	-	-	-	-	-	-	-
Deferred Taxes		(0.1)	(3.2)	(5.1)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)
Power Cost Deferral Expenditure		-	(86.0)	-	-	-	-	-	-	-	-	-	-
Interest on Deferral		-	-	(6.7)	(4.9)	(2.8)	(0.8)	-	-	-	-	-	-
Increase (Decrease) in Power Cost Deferral		-	43.3	(43.3)	-	-	-	-	-	-	-	-	-
Misc. Deferred Credits		(11.8)	2.5	2.8	3.0	-	-	-	-	-	-	-	-
Net Cash from Operations		316.7	248.7	311.0	349.9	363.4	362.6	344.1	343.5	340.2	343.7	347.0	349.0
Utility Capital Expenditures		(173.0)	(203.7)	(152.0)	(152.1)	(152.2)	(152.2)	(152.3)	(152.3)	(155.4)	(158.5)	(161.7)	(164.9)
Non Utility Capital Expenditures		(1.3)	-	-	-	-	-	-	-	-	-	-	-
AFDC Debt		0.0	(2.8)	(2.9)	(3.0)	(3.1)	(3.2)	(3.2)	(3.3)	0.0	0.0	0.0	0.0
Decommissioning Trust Inflow		(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)
Decommissioning Expenditures		(44.8)	(40.0)	(17.1)	(9.9)	(3.2)	(3.2)	(4.1)	(3.7)	(3.7)	(3.7)	(3.8)	(3.8)
Decommissioning Trust Drawdown		44.8	40.0	17.1	9.9	3.2	3.2	4.1	3.7	3.7	3.7	3.8	3.8
Cash Received from Asset Sales		27.0	17.8	-	-	-	-	-	-	-	-	-	-
Net Cash from Investing		(161.4)	(202.7)	(169.0)	(169.2)	(169.3)	(169.4)	(169.6)	(169.7)	(169.4)	(172.5)	(175.7)	(179.0)
Common Dividends Paid		(239.3)	(101.3)	(113.5)	(127.9)	(123.2)	(133.6)	(155.1)	(159.9)	(154.5)	(153.1)	(152.0)	(150.0)
Preferred Dividends Paid		(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.2)	(2.0)	(1.9)	(1.8)	(1.7)	(1.6)	(1.5)
Preferred Equity Issued (Redeemed)		0.0	0.0	0.0	0.0	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
COLI Loan Issued (sold)		(86.4)	-	-	-	-	-	-	-	-	-	-	-
Net Cash from Financing		(328.0)	(103.6)	(115.8)	(130.3)	(127.0)	(137.3)	(158.7)	(163.3)	(157.8)	(156.3)	(155.0)	(153.0)
Free Cash Flow Before Debt Service		(172.7)	(57.7)	26.2	50.5	67.1	55.9	15.8	10.5	12.9	14.9	16.3	17.0
Required (Payment) for Revolving Credit Facility			-	-	-	-	-	-	-	-	-	-	-
Required (Payment) for LTD			100.0	-	-	-	-	-	-	-	-	-	-
Minimum Cash Balance			(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Beginning Cash		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Increase (Decrease) in Revolving Credit Facility		172.7	(42.3)	(26.2)	(50.5)	(67.1)	(5.6)	0.0	0.0	0.0	0.0	0.0	0.0
Increase in Dividend due to excess Cash			0.0	0.0	0.0	0.0	(50.3)	(15.8)	(10.5)	(12.9)	(14.9)	(16.3)	(17.0)
Ending Cash		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Portland General Electric

Balance Sheet Statement

(Dollars in Millions, Except Per Share Data)

		FYE December 31,										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assets												
Cash and Cash Equivalents	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Current Assets	718.0	718.0	718.0	718.0	718.0	718.0	718.0	718.0	718.0	718.0	718.0	718.0
Other Property and Investments												
Merger Receivable	79.6	66.6	52.0	35.6	17.2	5.8	0.0	0.0	0.0	0.0	0.0	0.0
SCE Receivable	57.5	28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning Trust	32.8	7.9	5.1	9.5	20.7	32.2	43.4	55.2	67.5	80.2	93.2	106.7
Contracts Rec.	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Non Utility Property	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
Other	0.7	4.1	7.4	10.8	14.1	17.5	20.8	24.2	27.5	30.9	34.3	37.6
Total Other Property and Investments	191.0	127.5	84.9	76.2	72.4	75.9	84.6	99.8	115.4	131.5	147.9	164.7
Deferred Charges												
Decomissioning	189.6	174.4	160.1	145.9	131.5	116.7	101.6	86.0	70.0	53.6	36.8	19.5
FASB 109 Def. Tax	135.9	135.9	135.9	135.9	135.9	135.9	135.9	135.9	135.9	135.9	135.9	135.9
Conservation Investment	53.7	46.0	37.7	28.8	19.9	11.0	2.2	0.0	0.0	0.0	0.0	0.0
Energy Efficiency	19.0	12.2	8.4	4.6	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Power Cost Deferral	-	86.0	68.8	45.1	19.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Y2K Cost Deferral	8.0	6.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Debt Reacquisition Costs	21.3	19.1	16.9	14.7	12.5	10.3	8.1	5.9	3.7	1.5	0.0	0.0
Other Deferred Charges	78.7	88.2	77.3	77.6	66.4	55.1	53.2	51.2	51.2	51.3	51.3	51.4
Total Deferred Debits	506.2	568.0	506.2	453.7	387.3	330.2	302.0	280.1	262.0	243.4	225.1	207.9
Property, Plant & Equipment												
Gross PP&E	3,422.5	3,600.5	3,755.5	3,910.6	4,065.9	4,221.3	4,376.8	4,538.9	4,700.8	4,865.8	5,034.0	5,205.4
Accumulated Depreciation	(1,532.3)	(1,662.4)	(1,824.7)	(1,992.5)	(2,165.9)	(2,344.8)	(2,529.3)	(2,725.8)	(2,928.0)	(3,136.3)	(3,350.8)	(3,571.8)
Net PP&E	1,890.2	1,938.1	1,930.9	1,918.2	1,900.0	1,876.5	1,847.5	1,813.1	1,772.8	1,729.5	1,683.2	1,633.6
Total Assets	3,310.4	3,356.7	3,245.0	3,171.1	3,082.8	3,005.6	2,957.1	2,916.0	2,873.2	2,827.4	2,779.2	2,729.2
Liabilities and Shareholders' Equity												
Current Liabilities	586.5	586.5	586.5	586.5	586.5	586.5	586.5	586.5	586.5	586.5	586.5	586.5
Other Liabilities												
Misc. Deferred Credits	80.1	78.4	68.7	71.7	71.7	71.7	71.7	71.7	71.7	71.7	71.7	71.7
Decommisioning Liab.	217.6	177.6	160.4	150.5	147.4	144.2	140.1	136.4	132.7	129.0	125.2	121.4
Conservation Bond	53.7	46.0	37.7	28.8	19.9	11.0	2.2	0.0	0.0	0.0	0.0	0.0
Power Cost Deferral		43.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income Taxes	387.3	384.1	379.0	373.4	367.7	362.0	356.4	350.7	345.0	339.4	333.7	328.0
Deferred ITC	26.4	24.4	22.3	20.3	18.3	16.3	14.2	12.2	10.2	8.1	6.1	4.1
Total Other Liabilities	765.1	753.7	668.2	644.7	625.0	605.2	584.6	571.0	559.6	548.2	536.8	525.2
Debt												
Revolving Credit Facility	191.6	149.3	123.1	72.7	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Debt	796.4	896.4	896.4	896.4	896.4	846.1	830.2	819.7	806.8	791.9	775.7	758.7
Total Debt	988.0	1,045.7	1,019.5	969.1	902.0	846.1	830.2	819.7	806.8	791.9	775.7	758.7
Total Liabilities	2,339.6	2,385.9	2,274.2	2,200.3	2,113.5	2,037.8	2,001.3	1,977.2	1,952.9	1,926.6	1,898.9	1,870.4
Preferred Stock	30.0	30.0	30.0	30.0	28.5	27.0	25.5	24.0	22.5	21.0	19.5	18.0
Shareholders' Equity												
Common Stock	640.2	640.2	640.2	640.2	640.2	640.2	640.2	640.2	640.2	640.2	640.2	640.2
Retained Earnings	300.6	300.6	300.6	300.6	300.6	300.6	290.1	274.6	257.6	239.6	220.6	200.6
Total Stockholders' Equity	940.8	940.8	940.8	940.8	940.8	940.8	930.3	914.8	897.8	879.8	860.8	840.8
Total Stockholder's Equity & Liabilities	3,310.4	3,356.7	3,245.0	3,171.1	3,082.8	3,005.6	2,957.1	2,916.0	2,873.2	2,827.4	2,779.2	2,729.2

Portland General Electric

Pro Forma Financial Ratios

(Dollars in Millions, Except Per Share Data)

	FYE December 31,										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capitalization											
Cash	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0
Total Debt	1,091.7	1,057.2	997.9	921.9	857.1	832.4	819.7	806.8	791.9	775.7	758.7
Net Debt	1,086.7	1,052.2	992.9	916.9	852.1	827.4	814.7	801.8	786.9	770.7	753.7
Common Equity	940.8	940.8	940.8	940.8	940.8	930.3	914.8	897.8	879.8	860.8	840.8
Preferred Stock	30.0	30.0	30.0	28.5	27.0	25.5	24.0	22.5	21.0	19.5	18.0
Total Capitalization	$2,062.5	$2,028.0	$1,968.7	$1,891.2	$1,824.9	$1,788.2	$1,758.5	$1,727.1	$1,692.7	$1,656.0	$1,617.5
Interest Coverage Ratios											
Total Interest Expense	$66.7	$71.1	$69.1	$66.1	$62.3	$59.6	$58.5	$57.6	$56.5	$55.2	$53.9
EBIT	$206.1	$264.4	$267.3	$275.9	$289.6	$305.5	$303.8	$290.9	$285.5	$280.4	$273.9
vs Total Interest Expense	3.1x	3.7x	3.9x	4.2x	4.6x	5.1x	5.2x	5.1x	5.1x	5.1x	5.1x
EBITDA	$377.5	$483.2	$504.1	$518.3	$525.9	$517.1	$509.8	$500.6	$501.2	$502.4	$502.4
vs Total Interest Expense	5.7x	6.8x	7.3x	7.8x	8.4x	8.7x	8.7x	8.7x	8.9x	9.1x	9.3x
EBITDA - Capital Expenditures	$173.8	$331.1	$352.0	$366.1	$373.7	$364.9	$357.5	$345.3	$342.7	$340.8	$337.5
vs Total Interest Expense	2.6x	4.7x	5.1x	5.5x	6.0x	6.1x	6.1x	6.0x	6.1x	6.2x	6.3x
FFO	$248.7	$311.0	$349.9	$363.4	$362.6	$344.1	$343.5	$340.2	$343.7	$347.0	$349.0
FFO / Total Debt	22.8%	29.4%	35.1%	39.4%	42.3%	41.3%	41.9%	42.2%	43.4%	44.7%	46.0%
FFO + Total Interest / Total Interest	4.7x	5.4x	6.1x	6.5x	6.8x	6.8x	6.9x	6.9x	7.1x	7.3x	7.5x
Leverage Ratios											
Total Debt / Total Capitalization	52.9%	52.1%	50.7%	48.7%	47.0%	46.5%	46.6%	46.7%	46.8%	46.8%	46.9%
Total Debt + Pfd / Total Capitalization	54.4%	53.6%	52.2%	50.3%	48.4%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
Total Debt / EBITDA	2.9x	2.2x	2.0x	1.8x	1.6x	1.6x	1.6x	1.6x	1.6x	1.5x	1.5x
Net Debt / EBITDA	2.9x	2.2x	2.0x	1.8x	1.6x	1.6x	1.6x	1.6x	1.6x	1.5x	1.5x

HoldCo

Analysis of Cash Flow Available for Fixed Charge Coverage

(Dollars in Millions, Except Per Share Data)

	Projected FYE December 31,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Parent Cash Flow:									
Dividends from NWN	$35.7	$22.7	$55.3	$57.9	$62.9	$60.9	$63.9	$65.9	$69.9
Dividends from PGE	127.9	123.2	133.6	155.1	159.9	154.5	153.1	152.0	150.0
Tax Payment to HoldCo from NWN	29.5	33.1	36.7	38.4	39.7	41.2	42.9	44.3	46.5
Tax Payment to HoldCo from PGE	79.7	84.5	91.7	99.3	99.1	94.2	92.4	90.8	88.7
Cash Inflow from NWN Add-on Equity Offering	-	-	144.0	-	-	-	-	-	-
Cash Inflow from NWN Share Issuances	6.1	6.7	7.5	7.9	8.8	9.3	9.7	10.1	10.6
Projected Synergies	16.0	26.0	26.0	25.0	22.5	20.0	-	-	-
Total Parent Operating Cash Flow [1]	295.0	296.2	494.9	383.6	392.8	380.1	361.9	363.1	365.9
Parent Charges:									
HoldCo Tax Liability	(69.1)	(82.2)	(96.1)	(108.1)	(111.8)	(111.7)	(107.8)	(112.0)	(116.2)
HoldCo Interest Expense	(113.7)	(111.4)	(103.2)	(95.3)	(86.3)	(76.4)	(66.8)	(56.8)	(46.8)
HoldCo Term Loan A,B & C Required Principal Repayment	(11.8)	(23.0)	(23.0)	(8.0)	(8.0)	(8.0)	(93.2)	(140.3)	(110.2)
Corporate Charges [1]	(194.5)	(216.6)	(222.3)	(211.4)	(206.1)	(196.1)	(267.8)	(309.0)	(273.2)
Parent Fixed Charge Coverage [1]	**1.52x**	**1.37x**	**2.23x**	**1.81x**	**1.91x**	**1.94x**	**1.35x**	**1.18x**	**1.34x**
Merger Receivable	(16.4)	(18.4)	(11.4)	(5.8)	(0.0)	-	-	-	-
Total Required Payments	(211.0)	(235.0)	(233.7)	(217.2)	(206.1)	(196.1)	(267.8)	(309.0)	(273.2)
Cash Flow Available for Dividends and Optional Debt Repayment	**$84.0**	**$61.2**	**$261.1**	**$166.5**	**$186.8**	**$184.0**	**$94.2**	**$54.1**	**$92.6**
Cash Feline PRIDES Dividend	(12.0)	(12.0)	(18.0)	(18.0)	-	-	-	-	-
Cash Dividend Paid to HoldCo Public Shareholder	(44.0)	(45.3)	(52.6)	(54.1)	(65.1)	(66.4)	(65.6)	(65.8)	(65.8)
HoldCo Term Loan A,B & C Optional Principal Repayment	-	-	(162.4)	(94.4)	(121.6)	(117.6)	(28.5)	-	-
HoldCo Revolving Credit Facility (Repayment)/Borrowing	(28.0)	(3.9)	(28.1)	-	-	-	-	11.7	(11.7)
Cash Outflow after Dividends and Optional Debt Repayment	(294.9)	(296.2)	(494.9)	(383.6)	(392.8)	(380.1)	(361.9)	(363.1)	(350.7)

[1] As defined in the HoldCo Senior Secured Credit Facilities Summary of Terms and Conditions