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February 1, 2006

Carole J. Washburn, Executive Secretary  
Washington Utilities and  
Transportation Commission  
1300 S. Evergreen Park Drive, S.W.  
P. O. Box 47250  
Olympia, WA 98504-7250

Attention: Supervisor of Utility Finance

Ladies and Gentlemen:

Re: Docket UG-011173

Please refer to your file in Docket UG-011173 regarding the Company's issuance and sale of 750,000 additional shares of its Common Stock under the terms of the Dividend Reinvestment and Stock Purchase Plan.

Enclosed for filing in this Docket is the Company's fifth Report of Securities Issued prepared pursuant to paragraph 2a. of the Commission's Order in this Docket dated September 26, 2001.

Sincerely,

  
C. J. Rue

CJR:lmw  
Encl.

RECEIVED  
RECORDS MANAGEMENT  
06 FEB -6 AM 8:06  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RECEIVED  
RECORDS MANAGEMENT

STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

06 FEB - 6 AM 8:07

In the Matter of the Application of  
NORTHWEST NATURAL GAS COMPANY  
for an Order Establishing Compliance with  
Chapter 80.08 RCW

Docket UG-011173

Fifth Report of Securities Issued

On August 23, 2001, Northwest Natural Gas Company (the Company) filed an Application with the Washington Utilities and Transportation Commission (the Commission) under the provisions of RCW Chapter 80.08.040 for an Order establishing compliance with the requirements of that statute in connection with the Company's offering, issuance and sale pursuant to the terms of its Dividend Reinvestment and Stock Purchase Plan (the Plan) of not to exceed 750,000 additional shares of its authorized but unissued Common Stock of a par value of \$3-1/6 per share. On September 26, 2001, the Commission issued its Order Establishing Compliance With RCW 80.08.040 in the above-entitled matter. An additional 750,000 shares have been authorized for issuance under the Plan under Docket UG-050890.

Original issue shares purchased by common shareholders under the Plan with reinvested dividends and with optional cash payments in amounts up to \$50,000 per calendar year are priced at the average of the high and low trading prices, as reported on the New York Stock Exchange, on the Investment Date. Beginning on December 15, 2005, the Company began purchasing shares on the open market for purchases under the Plan. The price for shares purchased on the open market is the average price (including brokerage fees) paid by the Purchasing Representative to obtain them.

During 2005, the Company issued and sold in this Docket an aggregate of 113,925 original issue shares of its Common Stock and 1,830 shares purchased on the open market pursuant to the Plan at various prices as more fully set forth herein. Of such shares, 90,329 were sold through reinvestment by participants of their dividends, while the remaining 25,426 shares were sold to participants who elected to make optional cash payments. Certificates for the 115,755 shares were issued at various times to American Stock Transfer & Trust Company, custodial agent. Such fully paid shares are held by the transfer agent in individual participants' Plan Accounts until such participants request that certificates be issued or that the shares be sold.

Through December 31, 2005, the Company had issued and sold in this Docket 632,928 shares of its Common Stock, had received aggregate cash proceeds in the amount of \$18,787,304 from sales of 631,098 shares and had issued certificates for 632,928 shares to its agent.

Pursuant to paragraph 2a. of the Commission's Order in this Docket, the following detailed information is filed for the year 2005.

(A) The number of shares sold on each investment date, the prices at which such shares were sold, and the gross proceeds received by the Company from such sales during 2005 in this Docket:

Dividend Reinvestment

| <u>Date</u>       | <u>Price</u> | <u>Shares Sold</u> | <u>Gross Proceeds</u> |
|-------------------|--------------|--------------------|-----------------------|
| February 15, 2005 | \$ 36.45     | 22,208             | \$809,481.60          |
| May 13, 2005      | \$ 36.15     | 22,184             | \$801,951.60          |
| August 15, 2005   | \$ 37.025    | 21,560             | \$798,259.00          |
| November 15, 2005 | \$ 34.74     | 24,377             | \$846,856.98          |

Optional Cash Payments

|                    |           |                |                       |
|--------------------|-----------|----------------|-----------------------|
| January 14, 2005   | \$ 33.12  | 2,698          | \$89,357.76           |
| February 15, 2005  | \$ 36.45  | 2,002          | \$72,972.90           |
| March 15, 2005     | \$ 36.47  | 1,676          | \$61,123.72           |
| April 15, 2005     | \$ 35.115 | 1,829          | \$64,225.33           |
| May 13, 2005       | \$ 36.15  | 2,343          | \$84,699.45           |
| June 15, 2005      | \$ 36.975 | 2,102          | \$77,721.45           |
| July 15, 2005      | \$ 38.18  | 2,359          | \$90,054.82           |
| August 15, 2005    | \$ 37.025 | 1,521          | \$56,315.02           |
| September 15, 2005 | \$ 36.94  | 1,930          | \$71,284.55           |
| October 14, 2005   | \$ 34.24  | 3,046          | \$ 104,295.04         |
| November 15, 2005  | \$ 34.74  | 2,090          | \$ 172,606.60         |
| December 15, 2005  | \$ 35.33  | <u>1,830</u>   | <u>\$ 0</u>           |
| Grand Total        |           | <u>115,755</u> | <u>\$4,101,205.82</u> |

(B) Summary of the proceeds and expenses of the sales

Gross Proceeds Received:

|   |                       |
|---|-----------------------|
| 113,925 shares sold at various prices                                 | \$4,101,205.82        |
| 1,830 shares sold (open market purchases)                             | 0                     |
| Expenses actually and necessarily incurred as detailed in this Report | <u>61,636.11</u>      |
| Net proceeds to be accounted for                                      | <u>\$4,039,569.71</u> |

(C) The net proceeds of \$4,039,569.71 received from the sales of Common Stock during 2005 in this Docket were made part of the general treasury funds of the Company and were used to finance in part its continuing utility construction program.


(D) The expenses actually and necessarily incurred in connection with the issuance and sale of shares of Common Stock during 2005 in this Docket were as follows:

|  | <u>Estimated</u> <sup>(a)</sup> | <u>Actual Amount</u><br>2005 | <u>Accumulative</u><br><u>Total</u> |
|--|---------------------------------|------------------------------|-------------------------------------|
| Par Value of Common Stock Issued                       | \$ 2,374,995                    | \$ 360,762                   | \$1,998,477                         |
| Plus Premium   | <u>16,375,005</u>               | <u>3,740,444</u>             | <u>16,788,827</u>                   |
| Gross Proceeds   | <u>\$18,750,000</u>             | <u>\$4,101,206</u>           | <u>\$18,787,304</u>                 |
| Securities and Exchange Commission<br>Registration Fee | 4,700                           | 3,152                        | 7,774                               |
| New York Stock Exchange Listing Fee                    | 2,625                           | 2,625                        | 5,250                               |
| Printing and Engraving Expenses                        | 15,000                          |                              |                                     |
| American Mail-Well                                     |                                 | -                            | 949                                 |
| R. R. Donnelly   |                                 | 9,117                        | 9,117                               |
| Miscellaneous  |                                 | -                            | 2,008                               |
| Administration Costs                                   | 10,000                          | -                            |                                     |
| Counsel Fees   | 20,000                          |                              |                                     |
| Thelen Reid & Priest LLP--Fees and Expenses            |                                 | 29,681                       | 59,919                              |
| Stoel Rives LLP  |                                 | 1,216                        | 1,216                               |
| Accountants' Fees                                      | 15,000                          |                              |                                     |
| PricewaterhouseCoopers LLP                             |                                 | 2,100                        | 2,371                               |
| Miscellaneous Expense                                  | 7,675                           |                              |                                     |
| Freight and Postage                                    |                                 | 24                           | 18,373                              |
| American Stock Transfer & Trust                        |                                 | 13,571                       | 22,914                              |
| Other  | <u>          </u>               | <u>150</u>                   | <u>150</u>                          |
| Total Deductions                                       | <u>75,000</u>                   | <u>61,636</u>                | <u>130,041</u>                      |
| Net Amount Realized                                    | <u>\$18,675</u>                 | <u>\$4,039,570</u>           | <u>\$18,657,263</u>                 |

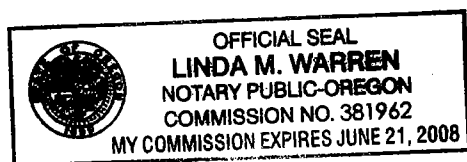
(a) Based upon sale of the Common Stock over a four-year period

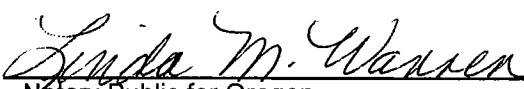
IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 1<sup>st</sup> day of February 2006.

(S E A L)

  
\_\_\_\_\_  
C. J. Rue  
Secretary of Northwest Natural Gas Company

Subscribed and sworn to before me this 1<sup>st</sup> day of February 2006.



  
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Linda M. Warren  
Notary Public for Oregon  
My Commission Expires 6/21/08