

C. J. Rue
Secretary
Tel: 503.220.2411
Fax: 503.220.2584
Toll Free: 1.800.422.4012
e-mail: cjr@nwnatural.com



February 3, 2005

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:

This letter is provided for filing in Docket No. UG-040418, the Company's First and Final Report of Security Transactions with respect to the proposed issuance and sale of up to 1,500,000 shares of its Common Stock.

This letter is provided pursuant to the Commission's Order No. 01 in this Docket, dated March 12, 2004.

Sincerely,


C. J. Rue

CJR:lmw
Encl.

RECEIVED
RECORDS SECTION
05 FEB - 7 AM 9:36
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RECEIVED
 RECORDS SECTION
 05 FEB - 7 AM 9:37
 STAFF OF WASH
 UTIL. AND TRANSP
 COMMISSION

 In the Matter of the Request of)
)
 NORTHWEST NATURAL GAS COMPANY)
)
 for an Order Establishing Compliance)
 with RCW 80.08.040 With Respect to the)
 Proposed Issuance and Sale of up to)
 1,500,000 Shares of its Common Stock)

Docket UG-040418

First and Final Report of
 Security Transactions

On March 2, 2004, Northwest Natural Gas Company (the Company) filed an application with the Washington Utilities and Transportation Commission (the Commission) seeking an order establishing compliance with chapter RCW 80.08.040 in connection with the Company's proposed offering, issuance and sale of up to 1,500,000 authorized but unissued shares of its Common Stock, \$3-1/6 par value, and rights appurtenant thereto, through a negotiated public offering involving one or more underwriters. On March 12, 2004, the Commission entered its Order in this Docket establishing compliance with the requirements of RCW 80.08.040 and authorizing the Company to issue and sell up to 1,500,000 shares of its Common Stock through a negotiated public offering.

Pursuant to the Commission's authorization, on April 5, 2004, the Company issued and sold 1,290,000 shares of its common stock to A.G. Edwards & Sons, Inc., Edward D. Jones & Co., L.P., Janney Montgomery Scott LLC, Stifel, Nicolaus & Company Incorporated and Wells Fargo Securities, LLC, as representatives of several underwriters, at a price to the Company of \$29.99 per share, resulting in total proceeds, before expenses, of \$38,687,100. The underwriters initially offered the Common Stock to the public at a price of \$31.00 per share.

The following statements are filed in compliance with the Commission's Order No. 01, dated March 12, 2004, in this Docket.

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

Gross Proceeds Received:

1,290,000 shares sold at \$31.00 per share	\$39,990,000
Expenses actually and necessarily incurred as detailed in this Report	<u>1,526,863</u>
Net proceeds to be accounted for	<u>\$38,463,137</u>

(B) Disposition of Net Proceeds

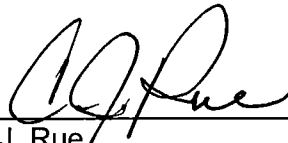
The net proceeds of \$38,463,137 received from the sale of Common Stock were used primarily to fund, in part, NW Natural's utility construction program and the repayment of short-term indebtedness incurred to provide interim financing for such program by about \$29 million.

(C) Statement of Fees and Expenses

The expenses actually and necessarily incurred by the Company in connection with the issuance and sale of 1,290,000 shares of Common Stock in this Docket were as follows:

	Estimated	Actual Total
Par Value of Common Stock Plus Premium	\$40,000,000	\$39,990,000
Less discount	0	0
Gross Proceeds	\$40,000,000	\$39,990,000
Underwriters' Commissions	1,500,000	1,302,900
Securities and Exchange Commission Registration Fee	3,950	3,964
State mortgage registration tax	None	None
New York Stock Exchange fee	170,000	4,200
Fees to State Regulatory Authorities		
Washington Utilities and Transmission Commission		30
Public Utility Commission of Oregon	200	100
Fees for recording indenture	None	None
United States document tax	None	None
Printing and Engraving Expenses	20,000	27,861
Trustee's or Registrar's fees	None	3,500
Counsel Fees	100,000	
Thelen Reid & Priest--Fees and Expenses		144,362
Stoel Rives LLP		806
Accountants' Fees	10,000	
PricewaterhouseCoopers LLP		17,265
Bond Rating Agency Fees	None	-
Miscellaneous Expenses	1,800	
Freight and Postage		647
Other (incl. travel)		21,228
Total commissions and expenses	<u>1,805,950</u>	<u>1,526,863</u>
Net Amount Realized	<u>\$38,194,050</u>	<u>\$38,463,137</u>

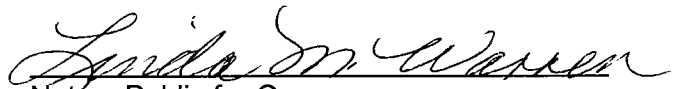
IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 3rd day of February 2005.



C. J. Rue
Secretary of Northwest Natural Gas Company

(S E A L)

Subscribed and sworn to before me this 3rd day of February 2005.



Notary Public for Oregon
My Commission Expires 6/21/08

