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January 30, 2009

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

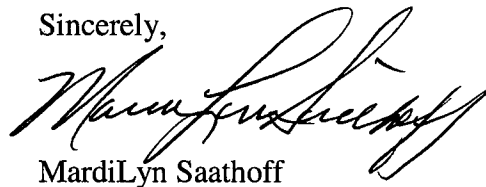
Attention: Supervisor of Utility Finance

Ladies and Gentlemen:

Re: Docket UG-061700

Pursuant to the Commission's Order Establishing Compliance with RCW 80.08.040 in Docket UG-061700, in connection with the issuance and sale of the Company's Common Stock to its employees under the Employee Stock Purchase Plan, we enclose herewith the third Report of Security Transactions, for the year ended December 31, 2008.

Sincerely,


MardiLyn Saathoff

MLS:kva
Encl.

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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application 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 an Additional 200,000 Shares of its Common Stock Pursuant to the Employee Stock Purchase Plan))))))))))))	Docket UG-061700 Third Report of Security Transactions
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This Report is filed pursuant to the Commission’s Order Establishing Compliance with RCW 80.08.040 in Docket UG-061700 dated November 13, 2006, in which the Commission determined that the Company had complied with the requirements of RCW 80.08.040 in connection with the issuance and sale of up to 200,000 shares of its Common Stock pursuant to the terms of its Employee Stock Purchase Plan, as amended (the Plan). Reference is also made to the Commission’s Order in Docket UG-001244 for which a separate report has been filed. During 2008, no shares were subscribed or issued under the new Docket UG-061700.

No proceeds have been received from the sale of Common Stock authorized in this Docket UG-061700.

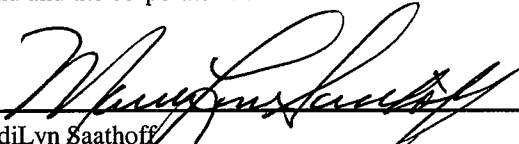
Expenses incurred in connection with the registration of the Common Stock reported herein during the year ended December 31, 2008 and the accumulative total in this Docket, were as follows:

	<u>Estimated</u> ⁽¹⁾	Actual Amount <u>2008</u>	Accumulative <u>Total</u>
Gross Proceeds	\$6,800,000 ⁽²⁾	\$0	\$0
Underwriter’s Commissions	None	-	-
Securities & Exchange Commission registration fee	750	-	743
State Mortgage Registration Tax	None	-	-
New York Stock Exchange fee	1,000	-	5,000
State Commission fee	None	-	-
Fees for recording indenture	None	-	-
Printing and engraving expenses	900	-	834
Trustee’s or Registrar’s fees	None	-	-
Counsel’s fees	3,000	-	19,400
Accountants’ fees	1,500	-	0
Bond Rating Agency fee	None	-	0
Miscellaneous expenses	<u>2,000</u>	<u>-</u>	<u>20</u>
Total estimated expenses	<u>9,150</u>	<u>-</u>	<u>25,997</u>
Net amount realized	<u>\$6,790,850</u>	-	<u>(\$25,997)</u>

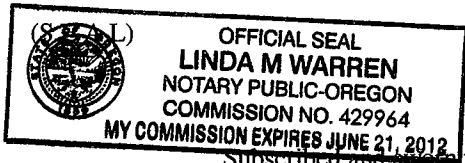
¹ Estimated expenses expected to be incurred over a five-year period.

² Based on 85 percent of the estimated market value of \$23.00 per share.

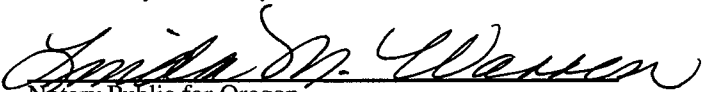
IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 30th day of January 2009.



MardiLyn Saathoff
Chief Governance Officer and Corporate Secretary



Subscribed and sworn to before me this 30th day of January 2009.



Linda M. Warren
Notary Public for Oregon
My Commission Expires 6/21/12