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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:

Enclosed herewith for filing in Docket No. UG-050522 is the Company's First Report of Security Transactions in connection with its issuance and sale of up to \$50,000,000 in principal amount of Medium-Term Notes, Series B, during 2005.

This filing is made pursuant to Commission's Order No. 1 in this Docket dated April 27, 2005.

Sincerely,


C. J. Rue

CJR:lmw
Encl.

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RECORDS MANAGEMENT
06 FEB -6 AM 8:05
STATE OF WASH
UTIL. AND TRANSP
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION 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
\$50,000,000 Principal Amount of
Medium-Term Notes, Series B

Docket UG-050522

First and Final Report of
Security Transactions

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

On March 30, 2005, Northwest Natural Gas Company (the Company) filed a statement of planned securities issuance 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 \$50,000,000 aggregate principal amount of its Medium-Term Notes, Series B, consisting of Secured Notes and Unsecured Notes. The proposed offering related to the first issuance from the Company's Shelf Registration of \$160,000,000 aggregate principal amount of its Medium-Term Notes, Series B, consisting of Secured Notes and Unsecured Notes, filed with the Commission as an informational filing in Docket UG-040405.

On April 27, 2005, the Commission entered its Order in this Docket establishing compliance with the requirements of RCW 80.08.040. In its Order Granting Application in Docket UG-930502, dated May 12, 1993, the Commission authorized the Company to execute and deliver to Bankers Trust Company and Stanley Burg, as Trustees for the Secured Notes, its Twentieth Supplemental Indenture to the Company's Mortgage and Deed of Trust dated as of July 1, 1946. In the Commission's Order Granting Application dated May 15, 1991, in Docket UG-910435, the Commission authorized the Company to execute and deliver its indenture with Bankers Trust Company, as Trustee for the Unsecured Notes.

Pursuant to the Commission's Order Granting Application in Docket UG-930502, on June 18, 1993, the Company executed and delivered to Bankers Trust Company and Stanley Burg, Trustees, its Twentieth Supplemental Indenture dated as of June 1, 1993. The Company's Indenture,

dated as of June 1, 1991, was executed and delivered to Bankers Trust on June 12, 1991, pursuant to the Commission's authorization in Docket UG-910435.

During 2005, the Company issued and sold through its selling Agents, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC and J. P. Morgan Securities Inc., \$50,000,000 aggregate principal amount of its Medium-Term Notes in this Docket, as follows:

<u>Principal Amount Sold in this Docket</u>	<u>Interest Rate</u>	<u>Type of Note</u>	<u>Date of Issue</u>	<u>Maturity Date</u>
\$40,000,000	4.70%	Secured	June 21, 2005	June 22, 2015
\$10,000,000	5.25%	Secured	June 21, 2005	June 21, 2035

The following statements are filed in compliance with the Commission's Order in this Docket.

(a)	Principal amount of Medium-Term Notes Sold during 2005 in this Docket	\$50,000,000
	Less: Discount	0
	Agent's commission	325,000
	Expenses actually and necessarily incurred and allocated to the MTNs in this Docket as detailed in this Report	<u>22,974</u>
	Net proceeds to be accounted for	<u>\$49,652,026</u>

(b) Disposition of Net Proceeds

The total net proceeds of \$49,652,026 received from the sale of Medium-Term Notes, Series B, in this Docket during 2005 were made part of the general treasury funds of the Company and were applied to reduce short-term debt, provide cash for investments in utility plant and the redemption of maturing 6.34% Series B Medium-Term Notes, the 6.38% Series B Medium-Term Notes and the 6.45% Series B Medium-Term Notes.


(c) Statement of Fees and Expenses

The expenses actually and necessarily incurred by the Company in 2005 in connection with the issuance and sale in this Docket of \$50,000,000 principal amount of its Medium-Term Notes, Series B, in direct comparison with the estimates thereof, were as follows:

<u>Item</u>	(a) <u>Estimate*</u>	(b) <u>Medium-Term Notes Sold in this Docket during 2005</u>	(c) <u>Accumulative Total</u>
Principal Amount	\$160,000,000	\$50,000,000	\$50,000,000
Less Discount	None	0	0
Gross Proceeds	<u>160,000,000</u>	<u>\$50,000,000</u>	<u>\$50,000,000</u>
Securities & Exchange Commission registration fee	15,870	873	873
State Commission fee	800		
Oregon Public Utility Commission		5	5
Washington Utilities and Transportation Commission		-	-
Fee for recording indenture	None	-	-
Printing and engraving expenses	5,000	402	402
Trustee's or Registrar's fees	20,000	-	-
Counsel fees and expenses	75,000	15,163	15,163
Accountants' fees	40,000	1,195	1,195
Bond Rating Agency fee	105,000	5,215	5,215
Miscellaneous expense	7,380		
Postage		85	85
Other		<u>36</u>	<u>36</u>
Subtotal	<u>269,050</u>	<u>22,974</u>	<u>22,974</u>
Agent's Commission	<u>1,200,000</u>	<u>325,000</u>	<u>325,000</u>
Net Amount Realized	<u>\$158,530,950</u>	<u>\$49,652,026</u>	<u>\$49,652,026</u>

* Note: The estimates of expenses in column (a) were for the issuance of the full \$160 million of notes under the program as filed with the Commission in the informational filing Docket UG-040405. The actual expenses shown in columns (b) and (c) as incurred for this report are total amounts expended for the Medium-Term Notes sold. It represents the amounts allocated to the notes in this Docket in proportion to the notes sold or to be sold under the entire offering. For use in ratemaking proceedings, the Company routinely allocates a portion of all expenses to each issue when calculating an all-in cost of funds.


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



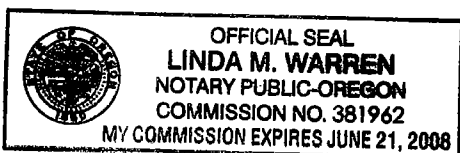
C. J. Rue
Secretary of Northwest Natural Gas Company

(S E A L)

Subscribed and sworn to before me this 1st day of February 2006.



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



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