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May 31, 2011

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

Attention: Supervisor of Utility Finance

Re: 2010 Annual Securities Transaction Report for Dockets UG-011173, UG-030290, UG-061700, UG-070940, UG-090273, and UG-091004.

Ladies and Gentlemen:

This filing is submitted in accordance and in compliance with Washington Administrative Code 480-90-262 with respect to Northwest Natural Gas Company's (the "Company") annual securities transaction report.

Incorporation by Reference.

On January 31, 2011, Company submitted to the Commission a Report of Restated Stock Option Plan, including detailed descriptions and terms of the Company's stock option securities issued during 2010, and hereby incorporated by reference.

Dockets Under Which No Securities Were Issued.

No securities were issued under the following dockets in 2010:

Docket UG-070940 (Revolving Line of Credit)

Docket UG-090273 (Medium-Term Notes)

Docket UG-091004 (Medium-Term Notes)

Correspondingly, there are no proceeds to report, and in the case of Dockets UG-090273 and UG-091004, no expenses to report. However, expenses were incurred for the line of credit authorized under Docket UG-070940; those expenses are disclosed in Section 3 of this Report.

Annual Securities Transaction Report.

(1) Schedule of Securities Issued.

Docket UG-011173, Dividend Reinvestment and Stock Purchase Plan:

During 2010, the Company purchased on the open market an aggregate of 90,041 shares of its Common Stock pursuant to the Dividend Reinvestment and Stock Purchase Plan. Of such shares, 74,217 were sold through reinvestment by participants of their dividends, while the remaining 15,824 shares were sold to participants who elected to make optional cash payments. Book entries for the 90,041 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.

The total cost of shares purchased under the Dividend Reinvestment and Stock Purchase Plan in 2010 was \$4,155,017.55. The price for shares purchased on the open market is the average price (including brokerage fees) paid by the Purchasing Representative to obtain them.

<u>Date</u>	<u>Price</u>	<u>Shares Repurchased</u>
<u>Dividend Reinvestment</u>		
2/15/10	\$42.80	19,931
5/14/10	\$46.77	18,065
8/13/10	\$46.11	18,304
11/15/10	\$49.04	17,917
<u>Optional Cash Payments</u>		
1/15/10	\$43.64	1,182
2/15/10	\$42.80	1,133
3/15/10	\$46.10	1,100
4/15/10	\$47.52	2,728
5/14/10	\$46.77	934
6/15/10	\$45.04	2,070
7/15/10	\$44.87	884
8/13/10	\$46.11	737
9/15/10	\$46.68	1,332
10/15/10	\$50.73	1,182
11/15/10	\$49.04	1,025
12/15/10	\$46.75	1,517
<u>Grand Total</u>		90,041

Docket UG-061700, Employee Stock Purchase Plan:

The Company made its eleventh offering to its employees under the terms and conditions set forth in the Employee Stock Purchase Plan. During 2010, the Company completed an offering to its employees that was made during the period November 1, 2009 through November 30, 2009 (the 2009 Offering) and made a new offering under the Plan during the period November 1, 2010 through November 30, 2010 (the 2010 Offering). The 2009 and 2010 offerings were made at a price determined to be 85% (to the next full penny) of the closing price quoted for the Common Stock on the New York Stock Exchange on the business day before the initial date of the offering.

During the 2009 Offering, the Company offered to its employees not to exceed 190,345 shares of its Common Stock, at a price of \$35.54 per share. The Company received subscriptions for 24,530 shares, of which subscriptions for 871 shares were cancelled. During the 2010 Offering, the Company offered to its employees not to exceed 171,210 shares of its Common Stock, at a price of \$41.90 per share. The Company received subscriptions for 18,936 shares, with no cancellations as of December 31, 2010. Payroll deductions taken by the Company in payment of the subscribed shares are held on behalf of the employee until the shares are to be purchased on the purchase date in December 2011.

Pursuant to the Commission's authorization in this Docket UG-061700 at December 31, 2010, the Company had received from the three offerings subscriptions totaling 53,279 shares, cancellations totaling 5,147 shares of such subscribed shares and cash in the amount of \$1,080,316.11 in full payment for 29,196 of the shares, and had issued certificates or authorized book-entry positions for the 29,196 shares to the respective employee purchasers as follows:

Offering Period	Price	Shares Subscribed			Shares Issued		Balance Subscribed
		Initial	Canceled	Total	Number	Gross Proceeds	
11/1/08 – 11/30/08 ¹	\$43.25	9,813	4,276	5,537	5,537	\$239,475.25	0
11/1/09 – 11/30/09	\$35.54	24,530	871	23,659	23,659	\$840,840.86	0
11/1/10 – 11/30/10	\$41.90	18,936	0	18,936	0	0	18,936
Total		53,279	5,147	48,132	29,196	\$1,080,316.11	18,936

¹ 3,078 of the 8,615 shares issued under the Plan in 2009 were issued under the authorization of Docket No. UG-001244. The subscriptions and cancellations are prorated between the two Dockets.

- (2) Use of Proceeds from Securities Transactions.

Docket UG-011173, Dividend Reinvestment and Stock Purchase Plan:

The Company did not receive proceeds from the 90,041 shares sold under the Dividend Reinvestment and Stock Purchase Plan in 2010 because the shares were purchased for the Plan participants on the open market.

Docket UG-061700, Employee Stock Purchase Plan:

The net proceeds of \$840,557.46 were applied towards the acquisition of property, the construction, completion, extension or improvement of the Company's facilities, the improvement or maintenance of the Company's service, or the discharge or lawful refunding of the Company's obligations, pursuant to RCW 80.08.030.

(3) Expenses for Securities Transactions.

Docket UG-011173 (Dividend Reinvestment and Stock Purchase Plan):

The following Table lists the level of expenses for the Dividend Reinvestment and Stock Purchase Plan in 2010:

Printing and engraving expenses	\$4,000.00 ¹
Postage	\$9,503.40 ¹
Total Expenses	\$13,503.40

¹ Estimated posting and printing expenses.

Docket UG-061700, Employee Stock Purchase Plan:

The following Table lists the level of expenses for the Dividend Reinvestment and Stock Purchase Plan in 2010:

Printing and engraving expenses	\$145.00 ¹
Postage	\$138.40 ¹
Total Expenses	\$283.40

¹ Estimated posting and printing expenses.

Docket UG-070940 (Revolving Line of Credit):

The following Table lists the level of expenses for the Revolving Line of Credit in 2010:

Lender commitment fees	\$101,388.90
Administrative agent fees	\$15,000.00
Total Expenses	\$116,388.90

(4) Schedule of Securities Retired, Refunded or Repurchased.

The following table provides information about purchases of our equity securities during the year ended December 31, 2010:

Type of Security	(a) Total Number of Shares Purchased ¹	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ²	Dollar Value of Shares Repurchased Under the Plans or Programs
Common Stock	117,062	\$46.17	0	\$0.00

¹ During the year ended December 31, 2010, 90,041 shares of our common stock were purchased in the open market to meet the requirements of our Dividend Reinvestment and Direct Stock Purchase Plan (DRIP/DSPP). In addition, 27,021 shares of our common stock were purchased in the open market during the year under equity-based programs. During the year ended December 31, 2010, no shares of our common stock were accepted as payment for stock option exercises pursuant to our Restated Stock Option Plan.

² We have a share repurchase program for our common stock under which we purchase shares on the open market or through privately negotiated transactions.

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(5) Schedule of Securities Scheduled to Mature in 2011.

The following is a schedule of securities maturing in 2011:

6.665% Series B Medium-Term Notes	\$10,000,000
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If you have any questions, or need any additional information, please call.

Sincerely,

/s/ Shawn M. Filippi

Shawn M. Filippi
Associate Counsel