

Shawn M. Filippi
Senior Legal Counsel & Assistant Corporate Secretary
Tel: 503.220.2435
Fax: 503.721.2516
Toll Free: 1.800.422.4012
e-mail: shawn.filippi@nwnatural.com



May 31, 2012

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: 2011 Annual Securities Transaction Report for Dockets UG-011173, UG-030290, UG-061700, UG-070940, UG-090273, UG-091004, and UG-111521.

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 October 7, 2011, Company submitted to the Commission an Initial Report of Securities Issued, and Disposition of Proceeds pertaining to the issuance and sale of \$50,000,000 in Medium-Term Notes under Docket UG-111521, which is hereby incorporated by reference.

Dockets Under Which No Securities Were Issued.

No securities were issued under the following docket in 2011:

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, and since these dockets are closed, 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 2011, the Company issued and sold an aggregate of 48,400 shares of its Common Stock pursuant to the Dividend Reinvestment and Stock Purchase Plan. Additionally, the Company purchased on the open market an aggregate of 49,537 shares under the Plan. Of such shares, including the issued and sold shares, 77,278 were sold through reinvestment by participants of their dividends, while the remaining 20,659 shares were sold to participants who elected to make optional cash payments. Book entries for the 97,937 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 49,537 shares purchased under the Dividend Reinvestment and Stock Purchase Plan in 2011 was \$2,258,791.53. The price for shares purchased on the open market is the average price (including brokerage fees) paid by the Purchasing Representative to obtain them. The price for shares issued and sold by the Company is the average price of the high and low trading prices on the New York Stock Exchange on the trading day preceding the applicable Investment Date, as defined in the Plan.

| Date | Price | Shares Repurchased |
|-------------------------------|--------------|-------------------------------|
| <u>Dividend Reinvestment</u> | | |
| 2/15/11 | \$45.76 | 19,125 |
| 5/13/11 | \$45.61 | 19,193 |
| 8/15/11 | \$43.42 | 19,985 |
| 11/15/11 | \$46.54 | 18,975 |
| <u>Optional Cash Payments</u> | | |
| 1/14/11 | \$45.81 | 1,232 |
| 2/15/11 | \$45.76 | 1,301 |
| 3/15/11 | \$46.19 | 1,844 |
| 4/15/11 | \$45.01 | 1,796 |
| 5/13/11 | \$45.61 | 878 |
| 6/15/11 | \$44.13 | 2,892 |
| 7/15/11 | \$46.01 | 1,276 |
| 8/15/11 | \$43.42 | 1,188 |

| Date | Price | Shares Repurchased |
|---------------------------|--------------|-------------------------------|
| 9/15/11 | \$43.95 | 5,491 |
| 10/14/11 | \$45.39 | 1,208 |
| 11/15/11 | \$46.54 | 889 |
| 12/15/11 | \$46.21 | 664 |
| <u>Grand Total</u> | | 97,937 |

Docket UG-030290, Restated Stock Option Plan:

On February 23, 2011, non-statutory options to purchase 122,700 shares were granted to 72 employees at a price of \$45.74 per share. The option price was 100% of the fair market value of the Common Stock on the date of grant. No additional options have been granted.

In 2011, the Company issued 24,185 shares of its Common Stock under the Plan. The weighted average employee purchase price per share was \$33.88, with net proceeds of \$819,411.65.

Docket UG-061700, Employee Stock Purchase Plan:

The Company made its twelfth offering to its employees under the terms and conditions set forth in the Employee Stock Purchase Plan. During 2011, the Company completed an offering to its employees that was made during the period November 1, 2010 through November 30, 2010 (the 2010 Offering) and made a new offering under the Plan during the period November 1, 2011 through November 30, 2011 (the 2011 Offering). The 2010 and 2011 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 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, of which subscriptions for 3,632 shares were cancelled. During the 2011 Offering, the Company offered to its employees not to exceed 154,945 shares of its Common Stock, at a price of \$39.72 per share. As of December 31, 2011, the Company received subscriptions for 19,917 shares, with 37 shares cancelled, for a total of 19,880 shares. 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 2012.

Pursuant to the Commission's authorization in this Docket UG-061700, at December 31, 2011, the Company had received from the four offerings subscriptions totaling 73,196 shares, cancellations totaling 8,816 shares of such subscribed shares and cash in the amount of \$1,721,553.71 in full payment for 44,500 of the shares, and had issued certificates or authorized book-entry positions for the 44,500 shares to the respective employee purchasers as follows:

| Offering Period | Price | Shares Subscribed | | | Shares Issued | | Gross Proceeds | Balance Subscribed |
|---------------------------------|---------|-------------------|--------------|---------------|---------------|-----------------------|----------------|--------------------|
| | | Initial | Cancelled | Total | | | | |
| 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 | 3,632 | 15,304 | 15,304 | \$641,237.60 | 0 | |
| 11/1/11 – 11/30/11 | \$39.72 | 19,917 | 37 | 19,880 | 0 | 0 | 19,880 | |
| Total | | 73,196 | 8,816 | 64,380 | 44,500 | \$1,721,553.71 | 19,880 | |

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 Docket No. UG-001244 and No. UG-061700.

(2) Use of Proceeds from Securities Transactions.

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

Of the 97,937 shares under the Dividend Reinvestment and Stock Purchase Plan, the Company did not receive proceeds from the 49,537 shares sold in 2011 because the shares were purchased for the Plan participants on the open market. The net proceeds of \$2,153,490.48 from the 48,400 shares that were issued and sold by the Company 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.

Docket UG-030290, Restated Stock Option Plan:

The net proceeds of \$819,411.65 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.

Docket UG-061700, Employee Stock Purchase Plan:

The net proceeds of \$640,618.10 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 2011:

| | |
|---|-------------------------|
| Securities & Exchange Commission registration fee | \$531.12 |
| Printing and engraving expenses | \$3,896.43 |
| Postage | \$6,690.21 ¹ |
| Preparation (Printer) | \$1,012.89 |
| Attorney fees | \$4,994.33 |
| Total Expenses | \$17,124.98 |

Docket UG-030290, Restated Stock Option Plan:

There were no expenses associated with the Plan in 2011.

Docket UG-061700, Employee Stock Purchase Plan:

The following Table lists the level of expenses for the Employee Stock Purchase Plan in 2011:

| | |
|-------------------------------|-----------------------|
| Printing and postage expenses | \$619.50 ¹ |
| Total Expenses | \$619.50 |

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 2011:

| | |
|---------------------------|---------------------|
| 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, 2011:

| Type of Security | (a) Total Number of Shares Purchased ¹ | (b) Weighted 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 | 72,403 | \$45.65 | 0 | \$0.00 |

¹ During the year ended December 31, 2011, 49,539 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, 22,864 shares of our common stock were purchased in the open market during the year under equity-based programs. During the year ended December 31, 2011, 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.

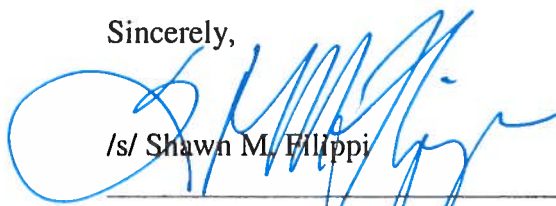
(5) Schedule of Securities Scheduled to Mature in 2012.

The following is a schedule of securities maturing in 2012:

| | |
|----------------------------------|--------------|
| 7.13% Series B Medium-Term Notes | \$40,000,000 |
|----------------------------------|--------------|

If you have any questions, or need any additional information, please call.

Sincerely,



/s/ Shawn M. Filippi

Shawn M. Filippi
Senior Legal Counsel &
Assistant Corporate Secretary