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March 1, 2010

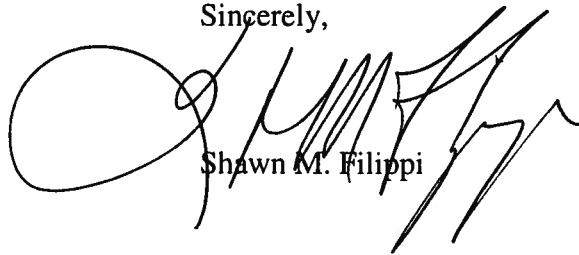
Oregon Public Utility Commission  
550 Capital Street N.E., Suite 215  
Salem, Oregon 97301-2551

Ladies and Gentlemen:

Re: Docket UF-4232

Pursuant to the Commission's Order No. 06-662, in Docket UF-4232, authorizing the issuance and sale of the Company's Common Stock to its employees under the Employee Stock Purchase Plan, we enclose herewith the fourth Report of Sales, Issues and Expenses, for the year ended December 31, 2009.

Sincerely,



Shawn M. Filippi

SMF:nkb  
Encl.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

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In the Matter of the Application of	)	
	)	
NORTHWEST NATURAL GAS COMPANY	)	Docket UF-4232
	)	
for Authorization to Issue and Sell	)	Fourth Report of Sales, Issues
up to an Additional 200,000 Shares of Common Stock	)	and Expenses
	)	

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This Report is filed pursuant to the Commission's Order No. 06-662 in Docket UF-4232 dated December 8, 2006, in which the Company was authorized to issue and sell 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 No. UF-4172 for which a separate report has been filed. In 2009, 5,537 shares were issued under the Order in this Docket, while 3,078 shares were issued under the Order in Docket No. UF-4172.

The Company made its tenth offering to its employees under the terms and conditions set forth in the Plan. During 2009, the Company completed an offering to its employees that was made during the period November 1, 2008 through November 30, 2008 (the 2008 Offering) and made a new offering under the Plan during the period November 1, 2009 through November 30, 2009 (the 2009 Offering). Certain administrative terms of the Plan were amended in 2003. The 2008 and 2009 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 2008 Offering, the Company offered to its employees not to exceed 203,078 shares of its Common Stock, at a price of \$43.25 per share. The Company received subscriptions for 15,268 shares, of which subscriptions for 6,653 shares were cancelled. 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, with no cancellations as of December 31, 2009. 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 2010.

Pursuant to the Commission's authorization in this Docket UF-4232, at December 31, 2009, the Company had received from the offerings subscriptions totaling 34,343 shares, cancellations totaling 4,276 shares of such subscribed shares and cash in the amount of \$239,475.25 in full payment for 5,537 of the shares, and had issued certificates or authorized book-entry positions for the 5,537 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 <sup>1</sup>	\$43.25	9,813	4,276	5,537	5,537	239,475.25	0
11/1/09 – 11/30/09	\$35.54	<u>24,530</u>	<u>0</u>	<u>24,530</u>	<u>0</u>	<u>0</u>	<u>24,530</u>
Total		34,343	4,276	30,067	5,537	\$239,475.25	24,530

<sup>1</sup> 3,078 of the 8,615 shares issued under the Plan in 2009 were issued under the authorization of Docket No. UF-4172. The subscriptions and cancellations are prorated between the two Dockets.

#### REPORT OF SECURITIES ISSUED UNDER PLAN, 2009

	Amount
Total Value of Common Stock Issued	\$281,722.56 <sup>1</sup>
Plus premium or less discount	(\$42,247.31) <sup>2</sup>
Gross proceeds	\$239,475.25
Underwriter's spread or commission	-
Securities and Exchange Commission registration fee	-
State mortgage registration tax	-
State commission fee	-
Fee for recording indenture	-
United States document tax	-
Printing and engraving expenses	\$11.25 <sup>3</sup>
Trustee's charges	-
Counsel fees	-
Accountant's fees	-
Cost of listing	-
Miscellaneous expense of issue (describe large items)	
New York Stock Exchange fee	-
Postage, etc.	\$176.57 <sup>3</sup>
Total Deductions	\$187.81
Net Amount Realized	\$239,287.44

<sup>1</sup> Based on a fair market value of \$50.88, based on the closing price of the shares as reported on the New York Stock Exchange on October 31, 2008.

<sup>2</sup> Employees purchased stock at \$43.25, reflecting a 15% discount of the fair market value.

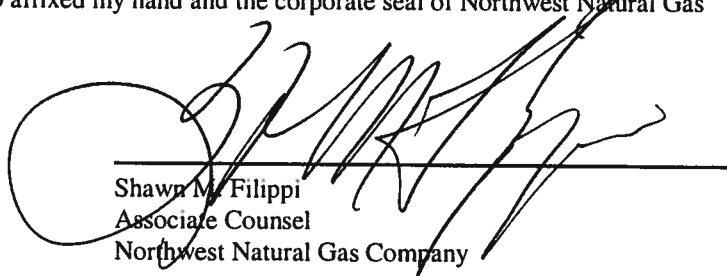
<sup>3</sup> Expenses under this plan are prorated between the shares allocated to this Docket and the shares allocated to Docket No. UF-4172.

DISPOSITION OF NET PROCEEDS:

In 2009, the Company issued 5,537 shares of its Common Stock under this Docket. The employee purchase price per share was \$43.25, with gross proceeds of \$239,475.25. There were \$292.22 in expenses associated with the Plan in 2009, of which \$187.81 is allocated to the shares in this Docket. The net proceeds of \$239,287.44 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 ORS 757.415(1).

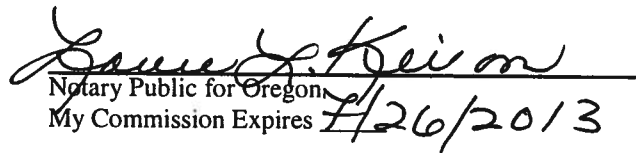
IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 1st day of March, 2010.

(S E A L)

  
\_\_\_\_\_  
Shawn M. Filippi  
Associate Counsel  
Northwest Natural Gas Company

Subscribed and sworn to before me this 1st day of March, 2010.



  
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Notary Public for Oregon  
My Commission Expires 7/26/2013