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February 1, 2006

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

Attention: Mr. Thomas J. Barkin, Administrator

Ladies and Gentlemen:

Enclosed for filing in Docket No. UF 4208 is the Company's First Report of Securities Issued and Disposition of Proceeds, in connection with the issuance and sale of up to \$160 million of the Company's Medium-Term Notes.

This filing is made pursuant to the Commission's Order No. 04-248 dated May 11, 2004.

Sincerely,

  
C. J. Rue

CJR:lmw

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

_____ )	
In the Matter of the Application of )	
)	
NORTHWEST NATURAL GAS COMPANY )	Docket UF 4208
)	
for Authorization to Issue and Sell an )	First Report of
Additional \$160,000,000 Principal Amount )	Securities Issued, and
of Medium-Term Notes, Series B )	Disposition of Proceeds
_____ )	

In April 2004, Northwest Natural Gas Company (the Company) filed an application with the Oregon Public Utility Commission (the Commission) under the provisions of ORS 757.415 and 757.480 and OAR 860-27-030 for an order authorizing the Company to issue and sell, from time to time, up to an additional \$160,000,000 aggregate principal amount of its Medium-Term Notes, Series B, consisting of First Mortgage Bonds designated as Secured Medium-Term Notes, Series B (Secured Notes), and Unsecured Medium-Term Notes in one or more Series (Unsecured Notes).

On May 11, 2004, the Commission entered its Order No. 04-248, authorizing the Company, subject to the condition set forth in Appendix A to said Order, to issue and sell up to an additional \$160,000,000 aggregate principal amount of its Medium-Term Notes, consisting of Secured Notes and Unsecured Notes.

In the Commission's Order No. 93-851 in Docket No. UF-4095, 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 No. 91-663 in Docket No. UF 4052, 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 No. 93-851, 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, previously was executed and delivered to Bankers Trust on June 12, 1991.

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 Secured Medium-Term Notes authorized by the Commission 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 No. 04-248 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 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 and the accumulative total in connection with the issuance and sale in this Docket of its Medium-Term Notes, Series B, in direct comparison with the estimates thereof, were as follows:

<u>Item</u>	<u>Estimate</u>	<u>Medium-Term Notes Sold in this Docket during 2005</u>	<u>Accumulative Total</u>
Principal Amount	\$160,000,000	\$50,000,000	\$50,000,000
Less Discount	<u>None</u>	<u>0</u>	<u>0</u>
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 Washington Utilities and Transportation Commission		5	5
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 were for the issuance of the full \$160 million of notes under the program. The actual expenses shown as incurred for this report are amounts expended for the Medium-Term Notes sold that have been allocated in proportion to the notes sold. 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.

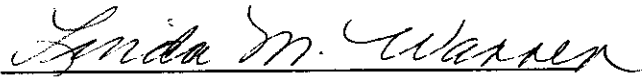
IN WITNESS WHEREOF, I have hereunto affixed my hand and the corporate seal of Northwest Natural Gas Company this 1<sup>st</sup> day of February 2006.



C. J. RUE  
Secretary of Northwest Natural Gas Company

(S E A L)

Subscribed and sworn to before me this 1<sup>st</sup> day of February 2006.



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

