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December 13, 2006

Vikie Bailey-Goggins, Administrator
Regulatory Operations Division
Public Utility Commission of Oregon
P.O. Box 2148
550 Capitol Street NE, Suite 215
Salem, OR 97308-2148

Re: UF 4208 (Northwest Natural Gas Company
Medium-Term Note Program)

Dear Ms. Bailey-Goggins:

As required by the Commission's Order No. 04-248 entered in this docket on May 11, 2004, enclosed is a copy of the Company's Pricing Supplement No. 3, dated December 12, 2006, to its Prospectus dated February 18, 2004 and Prospectus Supplement dated September 28, 2004, relating to the Company's Medium-Term Notes, Series B. This Pricing Supplement defines the terms and conditions of \$25,000,000 aggregate principal amount of Secured Medium-Term Notes, Series B, authorized by the Commission in this docket.

Please call if you have any questions about this Pricing Supplement.

Very truly yours,


C. J. Rue

CJR:lmw
Encl.

cc: John T. Hood, Esq.
David H. Anderson
Margaret D. Kirkpatrick, Esq.
Steve Feltz
C. Alex Miller
Onita R. King



Pricing Supplement No. 3
 dated December 12, 2006
 (To prospectus dated February 18, 2004 and
 prospectus supplement dated September 28, 2004)

Filing under Rule 424(b)(3)
 Registration No. 333-112604

\$160,000,000
NORTHWEST NATURAL GAS COMPANY
Secured Medium-Term Notes, Series B
(A Series of First Mortgage Bonds)
and
Unsecured Medium-Term Notes, Series B
 Due from Nine Months to 30 Years from Date of Issue

CUSIP No.: 66765R BW5 Stated interest rate (%): 5.150%
 Secured Unsecured _____ Maturity date: December 15, 2016
 Principal amount (\$): \$25,000,000 Original issue date: December 15, 2006
 Issue price (%): 100.000% Interest payment dates: June 1 and December 1,
 commencing June 1, 2007
 Selling Agent's commission (%): .625% Regular record dates: May 15 and November 15
 Proceeds to Company (%): 99.375% Redeemable: Yes No _____
 Repayable at the option of holder: Yes _____ No In whole _____
 Repayment Date: Not Applicable In whole or in part
 Repayment Price: Not Applicable Fixed redemption price: Yes _____ No
 Election Period: Not Applicable Initial redemption date: Not Applicable
 Other Terms: Not Applicable Initial redemption price: Not Applicable
 Reduction Percentage: Not Applicable
 Redemption limitation date: Not Applicable
 Make-Whole Redemption Price: Yes No _____
 Make-Whole Spread: 0.15%
 Selling Agent(s):
 Merrill Lynch, Pierce, Fenner & Smith Incorporated. _____
 UBS Securities LLC
 J.P. Morgan Securities Inc. _____
 Piper Jaffray & Co. _____
 Agency Transaction *
 or
 Principal Transaction *
 Name of Principal(s): UBS Securities LLC

*If the Agency Transaction box is checked, the notes are being offered directly by Northwest Natural Gas Company through any Agent, acting as agent for Northwest Natural Gas Company. If the Principal Transaction box is checked, however, the notes have been sold to the Agent(s), as principal, for resale to purchasers upon terms described in the prospectus, dated September 28, 2004 and this pricing supplement. If the Principal Transaction box is checked, the notes are being offered by the Agent(s), as principal, at a price to the public set forth above under "Issue price (%)"; the notes were purchased by the Agent(s), as principal, from Northwest Natural Gas Company at the price set forth above under "Proceeds to Company (%)"; and the Agent(s) received a fee equal to the difference, which is set forth above under "Selling Agent's commission (%)" as a percentage of the principal amount of the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this pricing supplement or the accompanying prospectus or prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.