

NORTHWEST NATURAL GAS CO
 Form 4
 December 14, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 MCCOY MICHAEL S

2. Issuer Name and Ticker or Trading Symbol
 NORTHWEST NATURAL GAS CO
 [NWN]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 220 N.W. SECOND AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/14/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 Executive Vice President

PORTLAND, OR 97209-3991

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 12/14/2006 | | M | | 5,000 | A | \$ 27.875 |
| Common Stock | 12/14/2006 | | S | | 800 | D | \$ 42.58 |
| Common Stock | 12/14/2006 | | S | | 4,200 | D | \$ 42.43 |
| Common Stock | | | | | | | |
| Common Stock | | | | | 14,210.5585 | I | |
| Common Stock | | | | | 1,161.7998 | I | |

See footnote (1)
 See footnote

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Option to Buy | \$ 27.875 | 12/14/2006 | | M | 5,000 | <u>(3)</u> 03/03/2008 | Common Stock | 5,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCCOY MICHAEL S 220 N.W. SECOND AVENUE PORTLAND, OR 97209-3991 | | | Executive Vice President | |

Signatures

C.J. Rue,
Attorney-in-Fact 12/14/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Held in reporting person's account under issuer's Retirement K Savings Plan as of 11/30/06.
- (2) Shares have been credited to reporting person's account under the issuer's Executive Deferred Compensation Plan.
- (3) Option was granted for 5,000 shares pursuant to the Northwest Natural Gas Company 1985 Stock Option Plan (now the Restated Stock Option Plan). Option on 1,700 shares became exercisable on 2/25/1999, option on 1,700 shares became exercisable on 1/1/2000 and

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option on 1,600 shares became exercisable on 1/1/2001.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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