

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|----------------------------------------------|-----------|
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|                                                                                                                                                                                                           |                                                                               |                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name and Address of Reporting Person *<br><u>NOSBAUM LEROY D</u><br><br>(Last) (First) (Middle)<br><u>2818 N. SULLIVAN ROAD</u><br><br>(Street)<br><u>SPOKANE WA 99216</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>ITRON INC /WA/ [ ITRI ]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>Chairman &amp; CEO, Director</u> |
|                                                                                                                                                                                                           | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>07/10/2006</u>         |                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                           | 4. If Amendment, Date of Original Filed (Month/Day/Year)                      | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person                                                   |

**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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|-------------------------------------------------------------------|------------|---------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V | Amount                                                            | (A) or (D) | Price   |                                                                                               |                                                          |                                                       |
| Common Stock                    | 07/10/2006                           |                                                    | S                              |   | 180 <sup>(1)</sup>                                                | D          | \$55.16 | 42,942                                                                                        | D                                                        |                                                       |
| Common Stock                    | 07/10/2006                           |                                                    | S                              |   | 200 <sup>(1)</sup>                                                | D          | \$55.17 | 42,742                                                                                        | D                                                        |                                                       |
| Common Stock                    | 07/10/2006                           |                                                    | S                              |   | 63 <sup>(1)</sup>                                                 | D          | \$55.2  | 42,679                                                                                        | D                                                        |                                                       |
| Common Stock                    | 07/10/2006                           |                                                    | S                              |   | 400 <sup>(1)</sup>                                                | D          | \$55.21 | 42,279                                                                                        | D                                                        |                                                       |
| Common Stock                    | 07/10/2006                           |                                                    | S                              |   | 200 <sup>(1)</sup>                                                | D          | \$55.3  | 42,079                                                                                        | D                                                        |                                                       |
| Common Stock                    |                                      |                                                    |                                |   |                                                                   |            |         | 1,676                                                                                         | I                                                        | 401(k) Plan                                           |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|----------------------------------------------------------------------------------------|--------|----------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|-------|
|                                            |                                                        |                                      |                                                    | Code                           | V | (A)                                                                                    | (D)    | Date Exercisable                                         | Expiration Date |                                                                                   |                                            |                                                                                                    |                                                           |                                                        | Title |
| Stock Option (right to buy)                | \$6.75                                                 | 07/10/2006                           |                                                    | M                              |   |                                                                                        | 20,000 | (2)                                                      | 03/07/2010      | Common Stock                                                                      | 20,000                                     | \$0                                                                                                | 74,785                                                    | D                                                      |       |

**Explanation of Responses:**

- 1. Shares sold pursuant to 10b5-1 Plan.
- 2. 25% of options become exercisable on 3/7/01 and an additional 25% on each of 3/7/02, 3/7/03 and 3/7/04.

By: Marilyn R. Blair, as attorney-in-fact For: LeRoy D. Nosbaum 07/11/2006

\*\* Signature of Reporting Person Date

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

\* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.