

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended MARCH 31, 1997

COMMISSION FILE NUMBER	Registrant; State of Incorporation; ADDRESS; AND TELEPHONE NUMBER	IRS Employer IDENTIFICATION NO.
1-5532	PORTLAND GENERAL CORPORATION (an Oregon Corporation) 121 SW Salmon Street Portland, Oregon 97204 (503) 464-8820	93-0909442
1-5532-99	PORTLAND GENERAL ELECTRIC COMPANY (an Oregon Corporation) 121 SW Salmon Street Portland, Oregon 97204 (503) 464-8000	93-0256820

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes X . No .

The number of shares outstanding of the registrants' common stocks as of April 30, 1997 are:

Portland General Corporation	51,406,352
Portland General Electric Company (owned by Portland General Corporation)	42,758,877

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DEFINITIONS

AFDC.....Allowance For Funds Used During Construction
Bonneville Pacific.....Bonneville Pacific Corporation
BPA.....Bonneville Power Administration
Coyote Springs.....Coyote Springs Generation Plant
Enron.....Enron Corp.
FERC.....Federal Energy Regulatory Commission
Holdings.....Portland General Holdings, Inc.
kWh.....Kilowatt-Hour
Mill.....One tenth of one cent
Mwa.....Average megawatts
MWh.....Megawatt-hour
NYMEX.....New York Mercantile Exchange
OPUC or the Commission.....Oregon Public Utility Commission
Portland General or PGC.....Portland General Corporation
PGE or the Company.....Portland General Electric Company
PUHCA.....Public Utility Holding Company Act of 1935
Trojan.....Trojan Nuclear Plant
USDOE.....United States Department of Energy
WAPA.....Western Area Power Authority
WNP-3.....Washington Public Power Supply System Unit 3

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

FINANCIAL AND OPERATING OUTLOOK

PORTLAND GENERAL CORPORATION - HOLDING COMPANY

Portland General Corporation (Portland General or PGC), an electric utility holding company, was organized in December 1985. Portland General Electric Company (PGE or the Company), an electric utility company and Portland General's principal operating subsidiary, accounts for substantially all of Portland General's assets, revenues and net income.

PROPOSED MERGER

GENERAL

During 1996 Portland General entered into an Amended and Restated Agreement and Plan of Merger (Original Merger Agreement) with Enron Corp. (Enron) and Enron Oregon Corp. (New Enron), a wholly-owned subsidiary of Enron. The Original Merger Agreement was approved by the shareholders of both Enron and PGC on November 12, 1996. In April 1997 the Original Merger Agreement was amended (Amended Merger Agreement) by the First Amendment to Amended and Restated Agreement and Plan of Merger (First Amendment). The principal effects of the First Amendment are (i) to reduce the PGC conversion ratio to 0.9825 shares of New Enron Common Stock for each share of PGC Common Stock (as compared to one share of New Enron Common Stock for each share of PGC Common Stock under the Original Merger Agreement) and (ii) to address issues raised through the merger approval process, including to provide guaranteed merger related benefits to PGE's electricity customers of \$141 million.

Under the terms of the Amended Merger Agreement, Portland General will merge into New Enron (Merger) and each share of the common stock of Portland General will be converted into 0.9825 shares of the common stock of New Enron. Immediately prior to the consummation of the Merger, Enron will merge into New Enron for the purpose of reincorporating Enron in Oregon (Reincorporation Merger).

APPROVALS AND CONSENTS

OPUC - Portland General Electric (PGE), an electric utility and PGC's principal subsidiary, is subject to the jurisdiction of the OPUC with respect to its electric utility operations. The approval of the OPUC is required for any transaction in which a person seeks to acquire the power to exercise any substantial influence over the policies and actions of a public utility subject to OPUC's jurisdiction. Upon completion of the Merger, Enron will be the sole owner of PGE common stock. On August 30, 1996, Enron filed an application with the OPUC seeking approval of the Merger. The OPUC must approve the merger if they find that it will serve the customers of PGE in the public interest. In making that finding the OPUC may consider whether the change in ownership of PGE will impair the ability of the utility to provide adequate service at just and reasonable rates. On April 29, 1997, following extensive discussions, Enron and PGC finalized a settlement agreement on their proposed merger with the OPUC Staff and other interested parties. The stipulation agreement has been presented to the OPUC for approval. As one of the conditions of the agreement, under the Amended Merger Agreement, the two companies will guarantee merger related benefits to PGE's retail electricity customers of \$141 million. A final order from the Commission will be issued by June 4, 1997.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

SHAREHOLDER - Approval of the Amended Merger Agreement by PGC shareholders (but not Enron shareholders) is required as a result of the First Amendment. A shareholder vote is scheduled to take place at PGC's annual shareholder meeting scheduled on June 24, 1997.

OTHER - All mandatory approvals for consummation of the Merger have been obtained except for approval by the OPUC.

OPERATIONS AFTER THE BUSINESS COMBINATION

When the merger is complete, Portland General will cease to exist. PGE, Portland General's utility subsidiary will retain its name, most of its functions, maintain its principal corporate offices in Portland, Oregon and will be a subsidiary of Enron, an integrated natural gas company headquartered in Houston, Texas. Essentially all of Enron's operations are conducted through its subsidiaries and affiliates which are principally engaged in the gathering, transportation and wholesale marketing of natural gas; the exploration and production of natural gas and crude oil; the production, purchase, transportation and marketing of natural gas liquids and refined petroleum products; the independent development, promotion, construction and operation of power plants, natural gas liquids facilities and pipelines; and the non-price regulated purchasing and marketing of energy related commitments.

ACCOUNTING TREATMENT

The Merger will be accounted for by Enron as a purchase for financial reporting purposes.

PORTLAND GENERAL ELECTRIC COMPANY - ELECTRIC UTILITY

COMPETITION

The Energy Policy Act of 1992 (Energy Act) set the stage for change in federal and state regulations aimed at increasing both wholesale and retail competition in the electric industry. The Energy Act eased restrictions on independent power production and granted authority to the FERC to mandate open access for the wholesale transmission of electricity. The FERC has taken steps to provide a framework for increased competition in the electric industry. In 1996, the FERC issued Order 888 requiring non-discriminatory open access transmission by all public utilities that own interstate transmission.

FERC actions apply only to the wholesale transmission of electricity. Terms and conditions of retail transmission service are subject to individual state regulation. Since the passage of the Energy Act, various state utility commissions have addressed retail wheeling proposals which would allow retail customers direct access to generation suppliers, marketers, brokers and other service providers in a competitive marketplace for energy services. Several states have implemented pilot programs to evaluate the effects that competition will have on retail customers. Other states, such as California, have passed legislation that mandates the phase in of retail wheeling. Several bills proposing retail competition have been introduced during the 1997 Oregon legislative session. Industry restructuring bills are also being introduced at the federal level.

PGE will file a plan with the OPUC on or before 60 days after the closing of the Enron / PGC merger (see Proposed Merger Discussion above), to open PGE's service territory to competition. This plan will allow residential, commercial and industrial customers to choose their energy supplier and will include a proposal to separate PGE's competitive and monopoly businesses. In addition, the plan will include a proposal for the treatment of transition or stranded costs.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RETAIL CUSTOMER GROWTH AND ENERGY SALES

Weather adjusted retail energy sales grew 4.7% for the three months ended March 31, 1997 compared to the same period last year. Commercial and industrial sales increased by 8.2% and 8.7%, respectively due to strong growth in most industry segments. Sales to high-tech and lumber industries increased by over 20%, whereas sales to paper manufactures remained flat. Metals manufactures have begun to rebound from prior year production cutbacks. The addition of over 5,300 customers resulted in residential sales growth of 2.1%. The Company expects 1997 retail energy sales growth to be approximately 7.0%.

QUARTERLY INCREASE IN RETAIL CUSTOMERS

QUARTER/YEAR	RESIDENTIAL	COMMERCIAL/INDUSTRIAL
4Q 94	4247	379
1Q 95	3010	270
2Q 95	2194	509
3Q 95	2145	435
4Q 95	5566	554
1Q 96	3633	539
2Q 96	3664	76
3Q 96	3021	594
4Q 96	5151	877
1Q 97	3953	509

WHOLESALE MARKETING

The surplus of electric generating capability in the Western U.S., the entrance of numerous wholesale marketers and brokers into the market, and open access transmission is contributing to increasing pressure on the price of power. In addition the development of financial markets and NYMEX electricity contract trading has led to increased price discovery available to market participants, further adding to the competitive pressure on wholesale margins. During the first quarter PGE's wholesale revenues increased \$78 million compared to the same period last year, accounting for 32% of total revenues and 57% of total sales. In future years PGE will continue its participation in the wholesale marketplace to balance its supply of power to meet the needs of its retail customers, manage risk and to administer PGE's current long-term wholesale contracts. Due to increasing volatility and reduced margins resulting from increased competition, long-term wholesale marketing activities will be performed by PGE's non-regulated affiliates.

POWER SUPPLY

Current projections forecast the annual runoff of the Columbia River at The Dalles to be 144 percent of normal, assuming normal precipitation for the rest of the run-off season. Given this forecast, 1997 hydro conditions will be more favorable than those experienced in 1996. Not since the early 1980's has the region had more favorable hydro conditions. Current water conditions should result in continued high levels of hydro generation during the January - July run-off season as well as provide ample water supplies to refill reservoirs for the remainder of the year. As a result of the availability of low-cost hydro generation, most PGE thermal plants are currently in economic or maintenance shutdown. Hydro generation will continue to be a major factor in the availability of low-cost secondary power and the economic displacement of higher cost thermal generation.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following discussion focuses on utility operations, unless otherwise noted. Due to seasonal fluctuations in electricity sales, as well as the price of wholesale energy and fuel costs, quarterly operating earnings are not necessarily indicative of results to be expected for calendar year 1997.

1997 COMPARED TO 1996 FOR THE THREE MONTHS ENDED MARCH 31

Portland General earned \$59 million or \$1.16 per share for the first quarter of 1997. 1997 earnings include non-operating income items of \$17 million.

Excluding the non-operating income items, 1997 quarterly earnings would have been \$42 million or \$0.82 per share compared to \$49 million or \$0.97 per share in first quarter 1996. Reduced earnings were the result of a decline in retail revenues caused by lower prices and warmer temperatures during winter heating months. Decreased operating expenses partially offset lower retail revenues.

Retail revenues were down for the period due to a December 1996 rate decrease. This decrease was partially offset by additional revenues resulting from the addition of over 17,000 retail customers since the first quarter of 1996 and sales strong growth experienced in industrial and commercial customer classes.

Wholesale revenues increased \$78 million from 1996 due to increased trading activities coupled with a 3% rise in average sales prices.

Purchased power and fuel expense increased \$76 million or 95% to supply the increase in wholesale and native loads. Energy purchases were up 65% due to increased wholesale activity. Firm purchases averaged 16.2 mills compared to 14.6 mills last year due to increased gas prices. Spot market purchases averaged 12.5 mills compared to an average 9.3 mills in 1996. Favorable hydro conditions led to thermal plant displacement, also increasing power purchases.

PGE thermal generation increased 208,227 MWh, but accounted for only 5% of total Company energy requirements compared to 27% two years ago.

RESOURCE MIX/VARIABLE POWER COSTS

	Resource Mix		Average Variable Power Cost (Mills/kWh)	
	1997	1996	1997	1996
Generation	13%	17%	4.3	4.4
Firm Purchases	81	67	16.2	14.6
Spot Purchases	6	16	12.5	9.3
Total Resources	100%	100%	Average 15.0	12.9

PGE does not have a fuel adjustment clause as part of its retail rate structure; therefore, changes in fuel and purchased power expenses are reflected currently in earnings.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

Operating expenses (excluding variable power, depreciation and income taxes) decreased \$9 million due to reduced production, distribution and administrative expenditures. The first quarter of 1996 included non-recurring storm and flood related expenditures.

Other Income increased primarily due to \$17 million of non-operating events representing the recovery of litigation and related costs associated with Portland General's non-utility businesses.

CASH FLOW

PORTLAND GENERAL CORPORATION

Portland General requires cash to pay dividends to its common stockholders, to provide funds to its subsidiaries, to meet debt service obligations and for day to day operations. Sources of cash are dividends from PGE, leasing rentals, short- and intermediate-term borrowings and the sale of its common stock. In order to meet periodic liquidity and operational needs. Portland General maintains a \$20 million one-year credit facility.

Portland General received \$16 million in dividends from PGE during the first quarter of 1997 and \$2 million in proceeds from the exercise of stock options and purchases under the Employee Stock Purchase Plan. In addition Portland General received cash recoveries of litigation and related costs associated with Portland General's non-utility businesses.

PORTLAND GENERAL ELECTRIC COMPANY

CASH PROVIDED BY OPERATIONS is used to meet the day-to-day cash requirements of PGE. Supplemental cash is obtained from external borrowings as needed.

A significant portion of cash from operations comes from depreciation and amortization of utility plant, charges which are recovered in customer revenues but require no current cash outlay. Changes in accounts receivable and accounts payable can also be significant contributors or users of cash. Cash flows did not change significantly compared to the first quarter of 1996.

INVESTING ACTIVITIES include improvements to generation, transmission and distribution facilities and continued investment in energy efficiency programs. Through March 31, 1997 nearly \$36 million has been expended for capital projects, primarily improvements to the Company's distribution system to support the addition of new customers to PGE's service territory.

PGE funds an external trust for Trojan decommissioning costs through customer collections at a rate of \$14 million annually. The trust invests in investment-grade tax-exempt and U.S. Treasury bonds. The Company makes withdrawals from the trust, as necessary for reimbursement of decommissioning expenditures.

FINANCING ACTIVITIES - In March 1997 the Company retired \$24 million of First Mortgage bonds. In addition, the Company reduced its short term debt balances by \$19 million during the quarter.

The issuance of additional First Mortgage Bonds and preferred stock requires PGE to meet earnings coverage and security provisions set forth in the Articles of Incorporation and the Indenture securing its First Mortgage Bonds. As of March 31, 1997 PGE has the capability to issue preferred stock and additional First Mortgage Bonds in amounts sufficient to meet its capital requirements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME FOR THE
THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(UNAUDITED)

	Three Months Ended March 31	
	1997	1996
	(Thousands of Dollars)	
OPERATING REVENUES	\$ 368,075	\$ 300,581
OPERATING EXPENSES		
Purchased power and fuel	156,679	80,216
Production and distribution	20,111	21,952
Maintenance and repairs	7,946	13,249
Administrative and other	25,153	27,685
Depreciation and amortization	39,291	37,533
Taxes other than income taxes	15,297	14,893
	264,477	195,528
OPERATING INCOME BEFORE INCOME TAXES	103,598	105,053
INCOME TAXES	39,548	37,049
NET OPERATING INCOME	64,050	68,004
OTHER INCOME (DEDUCTIONS)		
Interest expense	(19,119)	(19,768)
Allowance for funds used during construction	296	242
Preferred dividend requirement - PGE	(581)	(986)
Other - net of income taxes (\$9,378) and \$726	14,731	1,870
NET INCOME	\$ 59,377	\$ 49,362
COMMON STOCK		
Average shares outstanding	51,375,172	51,063,105
Earnings per average share	\$1.16	\$0.97
Dividends declared per share	\$0.32	\$0.32

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS FOR THE
THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(Unaudited)

	Three Months Ended March 31	
	1997	1996
	(Thousands of Dollars)	
BALANCE AT BEGINNING OF PERIOD	\$ 197,812	\$ 135,885
NET INCOME	59,377	49,362
ESOP TAX BENEFIT AND OTHER	(530)	(530)
	256,659	184,717
DIVIDENDS DECLARED ON COMMON STOCK	16,449	16,352
BALANCE AT END OF PERIOD	\$ 240,210	\$ 168,365

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 1997 AND DECEMBER 31, 1996

	(Unaudited) March 31 1997	December 31 1996
	(Thousands of Dollars)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of \$26,922 and \$36,919)	\$ 2,931,815	\$ 2,899,746
Accumulated depreciation	(1,152,599)	(1,124,337)
	1,779,216	1,775,409
Capital leases - less amortization of \$31,225 and \$30,569	6,094	6,750
	1,785,310	1,782,159
OTHER PROPERTY AND INVESTMENTS		
Leveraged leases	150,785	150,695
Trojan decommissioning trust, at market value	80,153	78,448
Corporate owned life insurance, less loans of \$26,411 and \$26,411	86,128	83,666
Contract termination receivable	109,522	111,447
Other investments	29,770	29,745
	456,358	454,001
CURRENT ASSETS		
Cash and cash equivalents	65,511	29,802
Accounts and notes receivable	139,115	125,314
Unbilled and accrued revenues	44,577	53,317
Inventories, at average cost	34,710	32,903
Prepayments and other	27,550	17,613
	311,463	258,949
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	269,781	275,460
Trojan decommissioning	277,116	282,311
Income taxes recoverable	189,534	195,592
Debt reacquisition costs	27,440	28,063
Conservation investments - secured	78,360	80,102
Energy efficiency programs	13,149	11,974
Other	21,072	22,575
WNP-3 settlement exchange agreement	161,050	163,217
Miscellaneous	30,171	29,026
	1,067,673	1,088,140
	\$ 3,620,804	\$ 3,583,249
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, \$3.75 par value per share, 100,000,000 shares authorized, 51,405,317 and 51,317,828 shares outstanding	\$ 192,788	\$ 192,442
Other paid-in capital - net	586,251	584,272
Unearned compensation	(2,373)	(3,072)
Retained earnings	240,210	197,812
	1,016,876	971,454
Cumulative preferred stock of subsidiary		
Subject to mandatory redemption	30,000	30,000
Long-term debt	930,814	933,042
	1,977,690	1,934,496
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	68,692	92,559
Short-term borrowings	73,422	92,027
Accounts payable and other accruals	143,050	149,255
Accrued interest	15,671	14,372
Dividends payable	17,409	17,386
Accrued taxes	84,051	30,985
	402,295	396,584
OTHER		
Deferred income taxes	610,384	614,576
Deferred investment tax credits	46,006	47,314
Deferred gain on contract termination	110,290	112,697
Trojan decommissioning and transition obligation	354,632	357,844
Miscellaneous	119,507	119,738
	1,240,819	1,252,169
	\$ 3,620,804	\$ 3,583,249

The accompanying notes are an integral part of these consolidated balance sheets.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE
THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(UNAUDITED)

	Three Months Ended	
	March 31	
	1997	1996
	(Thousands of Dollars)	
CASH PROVIDED (USED) BY -		
OPERATIONS:		
Net income	\$ 59,377	\$ 49,362
Adjustment to reconcile net income to net cash provided by operations:		
Depreciation and amortization	31,501	29,113
Amortization of WNP-3 exchange agreement	2,167	1,296
Amortization of Trojan investment	6,051	5,825
Amortization of Trojan decommissioning	3,510	3,510
Amortization of deferred items - other	3,501	(1,473)
Deferred income taxes - net	552	(4,772)
Other noncash revenues	(349)	(383)
Changes in working capital:		
(Increase) Decrease in receivables	(4,923)	404
(Increase) Decrease in inventories	(1,807)	(521)
Increase (Decrease) in payables	48,266	26,896
Other working capital items - net	(9,937)	(8,538)
Trojan decommissioning expenditures	(2,626)	(530)
Deferred items - other	(5,214)	(2,083)
Miscellaneous - net	6,174	4,704
	136,243	102,810
INVESTING ACTIVITIES:		
Utility construction - new resources	-	(11)
Utility construction - other	(35,832)	(33,274)
Energy efficiency programs	(1,746)	(2,711)
Rentals received from leveraged leases	5,711	5,576
Nuclear decommissioning trust deposits	(3,510)	(4,439)
Nuclear decommissioning trust withdrawals	2,725	1,356
Other	(4,250)	(7,008)
	(36,902)	(40,511)
FINANCING ACTIVITIES:		
Short-term borrowings - net	(18,605)	2,151
Borrowings from Corporate Owned Life Insurance	-	1,312
Long-term debt issued	-	35,000
Long-term debt retired	(25,431)	(82,595)
Repayment of nonrecourse borrowings for leveraged leases	(4,966)	(4,874)
Common stock issued	1,795	1,433
Dividends paid	(16,425)	(15,303)
	(63,632)	(62,876)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	35,709	(577)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	29,802	11,919
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	\$ 65,511	\$ 11,342
Supplemental disclosures of cash flow information		
Cash paid during the period:		
Interest, net of amounts capitalized	\$ 16,533	\$ 16,901
Income taxes	2,194	-

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - PRINCIPLES OF INTERIM STATEMENTS

The interim financial statements have been prepared by Portland General and, in the opinion of management, reflect all material adjustments which are necessary to a fair statement of results for the interim period presented. Certain information and footnote disclosures made in the last annual report on Form 10-K have been condensed or omitted for the interim statements. Certain costs are estimated for the full year and allocated to interim periods based on the estimates of operating time expired, benefit received or activity associated with the interim period. Accordingly, such costs are subject to year-end adjustment. It is Portland General's opinion that, when the interim statements are read in conjunction with the 1996 Annual Report on Form 10-K, the disclosures are adequate to make the information presented not misleading.

RECLASSIFICATIONS - Certain amounts in prior years have been reclassified for comparative purposes.

NOTE 2 - LEGAL MATTERS

TROJAN INVESTMENT RECOVERY - In April 1996 a circuit court judge in Marion County, Oregon found that the OPUC could not authorize PGE to collect a return on its undepreciated investment in Trojan contradicting a November 1994 ruling from the same court. The ruling was the result of an appeal of PGE's 1995 general rate order which granted PGE recovery of, and a return on, 87 percent of its remaining investment in Trojan.

The November 1994 ruling, by a different judge of the same court, upheld the Commission's 1993 Declaratory Ruling (DR-10). In DR-10 the OPUC ruled that PGE could recover and earn a return on its undepreciated Trojan investment, provided certain conditions were met. The Commission relied on a 1992 Oregon Department of Justice opinion issued by the Attorney General's office stating that the Commission had the authority to set prices including recovery of and on investment in plant that is no longer in service.

The 1994 ruling was appealed to the Oregon Court of Appeals and stayed pending the appeal of the Commission's March 1995 order. Both PGE and the OPUC have separately appealed the April 1996 ruling which were combined with the appeal of the November 1994 ruling at the Oregon Court of Appeals.

Management believes that the authorized recovery of and on the Trojan investment and decommissioning costs will be upheld and that these legal challenges will not have a material adverse impact on the results of operations or financial condition of the Company for any future reporting period.

OTHER LEGAL MATTERS - Portland General and certain of its subsidiaries are party to various other claims, legal actions and complaints arising in the ordinary course of business. These

claims are not considered material.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

FINANCIAL STATEMENTS AND RELATED INFORMATION

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* The discussion is substantially the same as that disclosed by Portland General and, therefore, is incorporated by reference to the information on the page numbers listed above.

** The notes are substantially the same as those disclosed by Portland General and are incorporated by reference to the information on the page numbers shown above.

Portland General Electric Company and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME FOR THE
THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(UNAUDITED)

	Three Months Ended March 31	
	1997	1996
	(Thousands of Dollars)	
OPERATING REVENUES	\$367,682	\$300,195
OPERATING EXPENSES		
Purchased power and fuel	156,679	80,216
Production and distribution	20,111	21,952
Maintenance and repairs	7,946	13,249
Administrative and other	24,444	27,070
Depreciation and amortization	39,291	37,512
Taxes other than income taxes	15,173	14,847
Income taxes	38,907	37,273
	302,551	232,119
NET OPERATING INCOME	65,131	68,076
OTHER INCOME (DEDUCTIONS)		
Other	461	(333)
Income taxes	1,005	1,144
	1,466	811
INTEREST CHARGES		
Interest on long-term debt and other	18,058	16,537
Interest on short-term borrowings	1,071	2,488
Allowance for borrowed funds used during construction	(296)	(242)
	18,833	18,783
NET INCOME	47,764	50,104
PREFERRED DIVIDEND REQUIREMENT	581	986
INCOME AVAILABLE FOR COMMON STOCK	\$ 47,183	\$ 49,118

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS FOR THE
THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(Unaudited)

	Three Months Ended March 31	
	1997	1996
	(Thousands of Dollars)	
BALANCE AT BEGINNING OF PERIOD	\$292,124	\$246,282
NET INCOME	47,764	50,104
ESOP TAX BENEFIT AND OTHER	(530)	(530)
	339,358	295,856
DIVIDENDS DECLARED		
Common stock	13,682	14,966
Preferred stock	581	986
	14,263	15,952
BALANCE AT END OF PERIOD	\$325,095	\$279,904

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 1997 AND DECEMBER 31, 1996

	(Unaudited)	
	March 31	December 31
	1997	1996
	(Thousands of Dollars)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of \$26,922 and \$36,919)	\$ 2,931,815	\$ 2,899,746
Accumulated depreciation	(1,152,599)	(1,124,337)
	1,779,216	1,775,409
Capital leases - less amortization of \$31,225 and \$30,569	6,094	6,750
	1,785,310	1,782,159
OTHER PROPERTY AND INVESTMENTS		
Contract termination receivable	109,522	111,447
Trojan decommissioning trust, at market value	80,153	78,448
Corporate owned life insurance, less loans of \$26,411 and \$26,411	54,143	51,410
Other investments	21,526	20,700
	265,344	262,005
CURRENT ASSETS		
Cash and cash equivalents	32,456	19,477
Accounts and notes receivable	157,587	145,372
Unbilled and accrued revenues	44,577	53,317
Inventories, at average cost	34,710	32,903
Prepayments and other	26,590	16,476
	295,920	267,545
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	269,781	275,460
Trojan decommissioning	277,116	282,131
Income taxes recoverable	189,534	195,592
Debt reacquisition costs	27,440	28,063
Conservation investments - secured	78,360	80,102
Energy efficiency programs	13,149	11,974
Other	21,072	22,575
WNP-3 settlement exchange agreement	161,050	163,217
Miscellaneous	28,808	27,389
	1,066,310	1,086,503
	\$ 3,412,884	\$ 3,398,212
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, \$3.75 par value per share, 100,000,000 shares authorized, 42,758,877 shares outstanding	\$ 160,346	\$ 160,346
Other paid-in capital - net	476,253	475,055
Retained earnings	325,095	292,124
Cumulative preferred stock		
Subject to mandatory redemption	30,000	30,000
Long-term debt	930,814	933,042
	1,922,508	1,890,567
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	68,692	92,559
Short-term borrowings	73,422	92,027
Accounts payable and other accruals	144,466	144,712
Accrued interest	15,656	14,372
Dividends payable	14,551	17,117
Accrued taxes	72,269	31,485
	389,056	392,272
OTHER		
Deferred income taxes	492,045	497,734
Deferred investment tax credits	46,006	47,314
Deferred gain on contract termination	110,290	112,697
Trojan decommissioning and transition costs	354,632	357,844
Miscellaneous	98,347	99,784
	1,101,320	1,115,373
	\$ 3,412,884	\$ 3,398,212

The accompanying notes are an integral part of these consolidated balance sheets.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE
THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(Unaudited)

	Three Months Ended	
	March 31	1996
	1997	1996
	(Thousands of Dollars)	
CASH PROVIDED (USED IN)		
OPERATIONS:		
Net Income	\$ 47,764	\$ 50,104
Non-cash items included in net income:		
Depreciation and amortization	31,501	29,092
Amortization of WNP-3 exchange agreement	2,167	1,296
Amortization of Trojan investment	6,051	5,825
Amortization of Trojan decommissioning	3,510	3,510
Amortization of deferred charges - other	3,501	(1,473)
Deferred income taxes - net	(890)	(2,600)
Changes in working capital:		
(Increase) Decrease in receivables	(3,337)	(1,589)
(Increase) Decrease in inventories	(1,807)	(521)
Increase (Decrease) in payables	42,178	35,447
Other working capital items - net	(10,114)	(8,737)
Trojan decommissioning expenditures	(2,626)	(530)
Deferred charges - other	(5,214)	(2,083)
Miscellaneous - net	1,759	4,047
	114,443	111,788
INVESTING ACTIVITIES:		
Utility construction - new resources	-	(11)
Utility construction - other	(35,832)	(33,274)
Energy efficiency programs	(1,746)	(2,711)
Nuclear decommissioning trust deposits	(3,510)	(4,439)
Nuclear decommissioning trust withdrawals	2,725	1,356
Other investments	(2,235)	(7,008)
	(40,598)	(46,087)
FINANCING ACTIVITIES:		
Short-term debt - net	(18,605)	2,151
Borrowings from Corporate Owned Life Insurance	-	1,312
Long-term debt issued	-	35,000
Long-term debt retired	(25,431)	(82,595)
Dividends paid	(16,830)	(14,669)
	(60,866)	(58,801)
INCREASE (DECREASE) IN CASH AND		
CASH EQUIVALENTS	12,979	6,900
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF PERIOD	19,477	2,241
CASH AND CASH EQUIVALENTS AT THE END		
OF PERIOD	\$ 32,456	\$ 9,141
Supplemental disclosures of cash flow information		
Cash paid during the period:		
Interest, net of amounts capitalized	\$ 16,533	\$ 15,713
Income taxes	5,304	(7,437)

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For further information, see Portland General's and PGE's reports on Form 10-K for the year ended December 31, 1996.

COLUMBIA STEEL CASTING CO., INC. V. PGE, PACIFICORP, AND MYRON KATZ, NANCY RYLES AND RONALD EACHUS, NINTH CIRCUIT COURT OF APPEALS

On June 19, 1990 Columbia Steel filed a complaint for declaratory judgment, injunctive relief and damages in U.S. District Court for the District of Oregon contending that a 1972 territory allocation agreement between PGE and PacifiCorp, dba Pacific Power & Light Company (PP&L), which was subsequently approved by the OPUC and the City of Portland, does not give PGE the exclusive right to serve them nor does it allow PP&L to deny service to them. Columbia Steel is seeking an unspecified amount in damages amounting to three times the excess power costs paid over a 10 year period.

On July 3, 1991 the Court ruled that the Agreement did not allocate customers for the provision of exclusive services and that the 1972 order of the OPUC approving the Agreement did not order the allocation of territories and customers. Subsequently, on August 19, 1993 the Court ruled that Columbia Steel was entitled to receive from PGE approximately \$1.4 million in damages which represented the additional costs incurred by Columbia Steel for electric service from July 1990 to July 1991, trebled, plus costs and attorney's fees.

PGE appealed to the U.S. Court of Appeals for the Ninth Circuit which, on July 20, 1995, issued an opinion in favor of PGE, reversing the judgment and ordering judgment to be entered in favor of PGE. Columbia Steel filed a petition for reconsideration and on December 27, 1996, the Ninth Circuit Court of Appeals reversed its earlier decision, ruling in favor of Columbia Steel. In early 1997 PGE's request for reconsideration by the Ninth Circuit has been denied. The case has been remanded to the US District Court for a new determination of damages for service rendered from early 1987 to July 1991.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

NUMBER	EXHIBIT	PGC	PGE
24	Power of Attorney	X	X
27	Financial Data Schedule - UT (Electronic Filing Only)	X	X

b. Reports on Form 8-K

March 12, 1997 - Item 5. Other Events: Settlement conferences end without settlement.

April 11, 1997 - Item 5. Other Events: Merger Agreement amended.

UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1997 FOR PORTLAND GENERAL CORPORATION (PGC) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
0000079636
PORTLAND GENERAL CORPORATION

	3-MOS DEC-31-1996	MAR-31-1997 PER-BOOK
	1,785,310	
	456,358	
	311,463	
	1,067,673	
		0
		3,620,804
	586,251	192,788
	237,837	
1,016,876		
	30,000	
		0
	924,720	
	0	0
	0	
73,422		
71,345		
	0	
6,094		
		2,653
1,501,000		
3,620,804		
	368,075	
	39,548	
	264,477	
	304,025	
	64,050	
	14,731	
78,781		
	18,823	
		59,958
	(581)	
59,958		
	16,449	
	64,469	
	136,243	
		\$1.16
		\$1.16

Represents the 12 month-to-date figure ending December 31, 1996.

UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1997 FOR PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES (PGE) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
0000784977
PORTLAND GENERAL ELECTRIC COMPANY

	3-MOS DEC-31-1996	MAR-31-1997 PER-BOOK
	1,785,310	
	265,344	
	295,920	
	1,066,310	
		0
		3,412,884
		160,346
	476,253	
	325,095	
961,694		
	30,000	
		0
	924,720	
		0
	0	
73,422		
71,345		
	0	
6,094		
		2,653
1,348,262		
3,412,884		
	367,682	
	38,907	
	263,644	
	302,551	
	65,131	
		1,466
66,597		
	18,833	
		47,764
	581	
47,183		
	13,682	
	63,296	
	114,443	
		0
		0

Represents the 12 month-to-date figure ending December 31, 1996.

POWER OF ATTORNEY

The undersigned Joseph M. Hirko, in his capacity as Senior Vice President and Chief Financial Officer of Portland General Corporation (the "Corporation"), hereby appoints Joseph E. Feltz, Assistant Controller of the Corporation, as the attorney-in-fact, in my and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Portland General Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 1997.

Dated May 14, 1997

/S/ JOSEPH M. HIRKO

Joseph M. Hirko

POWER OF ATTORNEY

The undersigned Joseph M. Hirko, in his capacity as Senior Vice President and Chief Financial Officer of Portland General Electric Company (the "Company"), hereby appoints Joseph E. Feltz, Assistant Controller of the Company, as the attorney-in-fact, in my and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Portland General Electric Quarterly Report on Form 10-Q for the quarter ended March 31, 1997.

Dated May 14, 1997

/S/ JOSEPH M. HIRKO

Joseph M. Hirko