

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 22, 1999

REGISTRATION NO. 333-77469

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-3  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PORTLAND GENERAL ELECTRIC COMPANY  
(Exact name of registrant as specified in its charter)

OREGON  
(State or other jurisdiction  
of incorporation or organization)

93-0256820  
(IRS Employer  
Identification No.)

121 SW SALMON STREET  
PORTLAND, OREGON 97204  
(503) 464-8000

(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)

ALVIN ALEXANDERSON  
GENERAL COUNSEL  
PORTLAND GENERAL ELECTRIC COMPANY  
17TH FLOOR, ONE WORLD TRADE CENTER  
121 SW SALMON STREET  
PORTLAND OR 97204  
(503) 464-7401

(Name, address including zip code, and  
telephone number including area code, of  
agent  
for service)

Copy to:  
GARY ORLOFF  
BRACEWELL & PATTERSON, L.L.P.  
711 LOUISIANA STREET, SUITE 2900  
HOUSTON, TX 77002-2781  
TELEPHONE: (713) 221-1306  
FAX NO.: (713) 221-1212

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: After the  
effective date of the Registration Statement as determined by market conditions  
and other factors.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the following  
box. [ ]

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or interest  
reinvestment plans, please check the following box. [X]

If this form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following box  
and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering. [ ]

If delivery of this prospectus is expected to be made pursuant to Rule 434,  
please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Debt Securities.....	\$200,000,000 (1)	100% (2)	\$200,000,000 (1)	\$55,600.00 (3)

- (1) In no event will the aggregate initial offering price of all securities issued from time to time pursuant to this registration statement exceed \$200,000,000. If any of the securities are issued at an original issue discount, the aggregate initial offering price as so discounted will not exceed \$200,000,000, even though the stated principal amount of the securities may exceed that amount.
- (2) The proposed maximum initial offering price per unit will be determined from time to time in connection with the issuance of the securities registered hereunder.
- (3) Estimated pursuant to Rule 457(o), solely for the purpose of calculating the Registration Fee. The registration fee has been paid previously.

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.  
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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED JUNE 22, 1999

[PGE LOGO]

PORTLAND GENERAL ELECTRIC COMPANY

121 S.W. SALMON STREET  
PORTLAND, OREGON 97204  
(503) 464-8000

BY THIS PROSPECTUS, WE OFFER UP TO

\$200,000,000  
OF  
DEBT SECURITIES

which may be

- secured first mortgage bonds, including  
secured medium term notes, or
- unsecured debt securities

We will provide specific terms of these securities in supplements to this prospectus. This prospectus may not be used to consummate sales of these securities unless accompanied by a prospectus supplement. You should read this prospectus and the supplements carefully before you invest.

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

THE DATE OF THIS PROSPECTUS IS

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## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Reports, proxy statements and other information concerning Portland General Electric Company can also be inspected and copied at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities.

- Annual Report on Form 10-K for the fiscal year ended December 31, 1998.
- Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1999.

You may request a copy of these filings at no cost by writing or telephoning us at the following address:

William J. Valach  
Assistant Treasurer  
Portland General Electric Company  
121 S.W. Salmon Street  
Portland, Oregon 97204  
Telephone: (503) 464-7395

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

## FORWARD-LOOKING STATEMENTS

The statements in this document and the documents incorporated by reference that relate to matters that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this document and the documents incorporated by reference, words such as "anticipate," "believe," "expect," "plan," "intend," "estimate," "project," "will," "could," "may," "predict," and similar expressions are intended to identify forward-looking statements. Future events and actual results may differ materially from the results set forth in or implied in the forward-looking statements. Factors that might cause such a difference include:

- fluctuations in local and regional prices and demand for electricity;
- the existence of competitors, technological changes and developments in the electric power industry;
- the existence of operating risks inherent in the electric power industry;
- the existence of regulatory uncertainties with respect to our electric power business; and
- year 2000 issues and general economic conditions.

## PORTLAND GENERAL ELECTRIC COMPANY

Portland General Electric Company is an electric utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily in the State of Oregon. Our service area is 3,170 square miles, including 54 incorporated cities of which Portland and Salem are the largest, within a State approved service area allocation of 4,070 square miles. A portion of the City of Portland is serviced by another Oregon utility. We estimate that the population of our service area at December 31, 1998 was approximately 1.5 million, constituting approximately 44% of the State's population. At December 31, 1998, we served more than 704,000 customers.

We are a wholly owned subsidiary of Enron Corp. and subject to control by the Board of Directors of Enron. We were incorporated in Oregon in 1930. Our principal offices are located at 121 S.W. Salmon Street, Portland, Oregon 97204. Our telephone number is 503/464-8000. In this prospectus, Portland General Electric Company is sometimes referred to as "Portland General" or "PGE."

## USE OF PROCEEDS

The net proceeds from the sale of the offered securities will be used by us for refunding fixed and variable rate securities, reducing short-term debt and other corporate purposes, including our construction program. Other uses may be stated in a prospectus supplement.

## RATIO OF EARNINGS TO FIXED CHARGES

	THREE MONTHS	YEARS ENDED DECEMBER 31,				
	ENDED MARCH 31, 1999	1998	1997	1996	1995	1994
Ratio of Earnings to Fixed Charges (unaudited).....	4.14	3.41	3.15	3.91	2.64	3.14

The ratios of earnings to fixed charges are based on continuing operations. "Earnings" is determined by adding:

- the pre-tax income of Portland General Electric Company and its majority owned subsidiaries,
- Portland General's share of pre-tax income of its 50% owned companies,
- any income actually received from less than 50% owned companies, and
- fixed charges, net of interest capitalized.

"Fixed charges" represent (1) interest (whether expensed or capitalized), (2) amortization of debt discount and expense (including amounts capitalized), and (3) that portion of rentals considered to be representative of the interest factor.

#### DESCRIPTION OF DEBT SECURITIES

The following description highlights the general terms and provisions of the debt securities which may be offered and to which any prospectus supplement may relate. When debt securities are offered in the future, the prospectus supplement will explain the particular terms of those securities and the extent to which these general provisions may apply.

We may offer debt securities which are secured or unsecured obligations. Secured obligations will be issued under the Indenture of Mortgage and Deed of Trust, dated July 1, 1945, between Portland General Electric Company and The Marine Midland Trust Company of New York (now HSBC Bank USA), as Trustee, as supplemented. These secured obligations may be either "First Mortgage Bonds" or "Medium Term Notes." The Indenture of Mortgage and Deed of Trust as supplemented is referred to in this prospectus as the "Mortgage." Unsecured obligations will be issued under an Indenture between Portland General and HSBC Bank USA, as Trustee, dated April 30, 1999, as supplemented by one or more additional supplemental indentures. This Indenture as supplemented is referred to in this prospectus as the "Indenture."

The following description is a summary of selected provisions of the Mortgage and the Indenture. The summary is not complete. We have filed the form of the Mortgage, the form of new supplemental indentures for First Mortgage Bonds and Medium Term Notes (referred to in this prospectus as the "New Supplementals") and the form of the Indenture as exhibits to the registration statement of which this prospectus is a part and you should read the Mortgage, the New Supplementals and the Indenture because those documents, and not this description, define your rights as a holder of the debt securities. In the summary below, we have included references to certain section numbers of the Mortgage, of the New Supplementals and of the Indenture so that you can locate these provisions. Capitalized terms used in the summary below have the meanings specified in the Mortgage and the Indenture.

#### SECURED OBLIGATIONS

Debt securities which are secured obligations will rank equally with all of our other senior debt obligations and will have priority with respect to the mortgaged assets. The secured obligations will be issued under the Mortgage and will be secured equally with all other debt securities which have been or may be issued under the Mortgage by a direct first lien on substantially all of our now owned or hereafter acquired property (except cash, securities, contracts and accounts receivable, motor vehicles, materials and supplies, fuel, certain minerals and mineral rights and certain other assets) subject, however, to certain permitted encumbrances (as defined in the Mortgage) and to various exceptions, reservations, reversions, easements and minor irregularities and deficiencies in title which will not interfere with the proper operation and development of the mortgaged property.

Debt securities which are secured obligations may be either First Mortgage Bonds or Medium Term Notes, either of which may be issued under the Mortgage and all of which will be equally secured with all other debt securities which have been or may be issued under the Mortgage. We may issue First Mortgage Bonds or Medium Term Notes in one or more transactions. First Mortgage Bonds will have a maturity of three years to thirty years. Medium Term Notes will have a maturity from nine months to thirty years. The proposed supplemental indenture for First Mortgage Bonds is filed as an exhibit to the registration statement of which this prospectus is a part. The proposed supplemental indenture for Medium Term Notes is also filed as an exhibit to the registration statement of which this prospectus is a part. The proposed supplemental indentures are referred to herein as the "New Supplementals."

The Mortgage permits the acquisition of property subject to prior liens. However, no property subject to prior liens (other than purchase money liens) may be acquired (a) if at the date the property is acquired the principal amount of indebtedness secured by prior liens (as defined in the Mortgage), together with all of our

other prior lien indebtedness (as defined in the Mortgage), is greater than 10% of the aggregate principal amount of debt securities outstanding (as defined in the Mortgage) under the Mortgage, or (b) if at the date the property is acquired the principal amount of indebtedness secured by prior liens is greater than 60% of the cost of such property to us, or (c) in certain cases if the property had been used by another entity in a business similar to ours, unless the net earnings of such property meet certain tests. (Mortgage Section 8.11C)

By virtue of amendments to the Mortgage, as set forth in certain prior supplemental indentures, the term "bondable public utility property", as defined in the Mortgage, means specified types of tangible property, including property in the process of construction, which is now owned or may be acquired by Portland General and subjected to the lien of the Mortgage as supplemented, modified or amended now or in the future, which is located in the States of Oregon, Washington, California, Arizona, New Mexico, Idaho, Montana, Wyoming, Utah, Nevada and Alaska (New Supplementals Section 1.01).

We have covenanted, among other things,

- to not issue debt securities under the Mortgage in any manner other than in accordance with the Mortgage (Mortgage Section 8.03);
- to keep the Mortgage a first priority lien on the property subject to it (Mortgage Section 8.07); and
- except as permitted by the Mortgage, to not suffer any act or thing whereby all of the properties subject to it might or could be impaired (Mortgage Section 8.08).

The Mortgage does not contain any provisions that afford holders of secured debt securities special protection in the event of a highly leveraged transaction by Portland General; however the secured debt securities would continue to be entitled to the benefit of a first priority lien on the property subject to the Mortgage as described above. Any special provisions applicable to the secured debt securities will be set forth in a prospectus supplement with respect to the secured debt securities.

#### REDEMPTION AND PURCHASE OF SECURED DEBT SECURITIES

A prospectus supplement will disclose any special provisions for redemption or purchase at the option of Portland General of any particular series of secured debt securities. Under the Mortgage the proceeds of the sale or other disposition of substantially all of our electric properties at Portland, Oregon must be applied only to the retirement of debt securities that have been issued under the Mortgage (Mortgage Section 7.01). As provided in the New Supplementals, the secured debt securities will be redeemable at a special redemption price of 100% of their principal amount, together with interest accrued to the date of redemption, by the use of proceeds from any sale or disposition of substantially all of our electric properties at Portland, Oregon.

Cash deposited under any provision of the Mortgage (with certain exceptions) may be applied to the purchase of the secured debt securities issued under the Mortgage (Mortgage Section 7.05).

#### SINKING FUND PROVISIONS

We may establish a sinking fund for the benefit of a particular series of secured debt securities. If a sinking fund is established we will be required to deposit with the Trustee at certain specified times sufficient cash to redeem a percentage of or the whole series. The prospectus supplement with respect to that series will state the price or prices at which, and the terms and conditions upon which the offered debt securities will be redeemed. The prospectus supplement will also set forth the percentage of securities of the series to be redeemed.

The amount of cash we will be required to deposit in a sinking fund will be determined after deducting from the aggregate principal amount of securities to be redeemed (but only if the deductions would aggregate \$500,000 or more) the sum of (1) the aggregate principal amount of securities of the series previously redeemed out of the proceeds of property released from the lien of the Mortgage and (2) securities of the series previously redeemed and retired and made the basis for the withdrawal of those proceeds or certified in lieu of deposit of cash upon the release of property. In some cases, we may elect to take credit against the cash

to be deposited in an amount equal to the principal amount of the securities of that series that we (1) deliver to the Trustee, (2) redeem at the Regular Redemption Price and/or (3) redeem at the Special Redemption Price in anticipation of a sinking fund payment at any time during the twelve months preceding the payment date for the securities. In some cases, we may also satisfy all or any part of the sinking fund payment by certifying to the Trustee available additions in an amount equal to 166 2/3% of the portion of the sinking fund payment so satisfied. If sinking fund payments for the securities of any series are allowed to be satisfied other than through the deposit of cash with the Trustee, there can be no assurance that any of the secured debt securities of any series will ever be called for redemption through operation of the sinking fund.

The prospectus supplement may provide that cash deposited in the sinking fund will be used by the Trustee for the redemption of securities of the series and that we will be required to pay all accrued interest and expenses with respect to any securities of the series to be redeemed (Mortgage Section 4.03). If not all of the secured debt securities of the series are redeemed, the Trustee will select by lot the securities to be redeemed in any manner deemed proper by the Trustee (Mortgage Section 9.03).

#### REPLACEMENT FUND

If the amount of depreciation upon bondable public utility property (as defined below) exceeds property additions in any year, we will pay the excess to the Trustee on May 1 of the following year, by either payments in cash or by delivery of secured debt securities. We will take credit against the amount to be paid for property additions acquired or constructed by us from March 31, 1945 to the end of the calendar year for which the payment is due. We will not, however, take credit for property additions or available additions that have been previously made the basis for credit under the Mortgage or any other replacement fund. We may, at our election, credit against the replacement fund amount (1) available retirements of secured debt securities; (2) certain expenditures on bondable public utility property subject to prior lien; and (3) certain retirements of prior lien indebtedness. If those credits at any time exceed the replacement fund requirement we may withdraw cash or secured debt securities held by the Trustee in the replacement fund. We may also reinstate available retirements of secured debt securities that we previously took as credit against any replacement fund requirement. Cash deposited in the replacement fund may, at our option, be applied to the redemption or purchase of secured debt securities. Those redemptions would be at the then applicable regular redemption prices. (Mortgage Section 4.04; New Supplementals Sections 2.02 and 2.03)

#### MINIMUM PROVISION FOR DEPRECIATION

Under the Mortgage there is a "minimum provision for depreciation" of bondable public utility property. The aggregate amount of the minimum provision for depreciation of bondable public utility property for any period after March 31, 1945 is \$35,023,487.50 plus an amount for each calendar year or fraction of a year after December 31, 1966 equal to the greater of (1) 2% of bondable public utility property, as shown by our books as of January 1 of that year, as to which we were required to make appropriations to a reserve for depreciation or obsolescence; or (2) the amount we actually appropriated in respect of the property to a reserve for depreciation or obsolescence, in either case less an amount equal to the aggregate of (a) the amount of any property additions (as defined in the Mortgage) which we made the basis for a sinking fund credit during the calendar year, and (b) 166 2/3% of the principal amount of any secured debt securities of any series which we credited against any sinking fund payment or which we redeemed in anticipation of, or out of moneys paid to the Trustee on account of, any sinking fund payment during the calendar year (New Supplementals Section 1.01). The property additions and secured debt securities referred to in (a) and (b) above become disqualified from being made the basis of the authentication and delivery of secured debt securities or any other further action or credit under the Mortgage. In addition, the minimum provision for depreciation shall also include (i) the amount of any property additions referred to in (a) above which after December 31, 1966 were made the basis for a sinking fund credit pursuant to the provisions of a sinking fund for secured debt securities of any series, and thereafter became "available additions" as a result of the fact that all secured debt securities of such series ceased to be outstanding, and (ii) 166 2/3% of the principal amount of secured debt securities referred to in (b) above, which after December 31, 1966 were credited against any sinking fund payment, or were redeemed in anticipation of, or out of moneys paid to the Trustee on account of, any sinking

fund payment for secured debt securities of any series, and thereafter became "available retirements of secured debt securities" as a result of the fact that all secured debt securities of such series ceased to be outstanding (New Supplementals Section 1.01).

#### ISSUANCE OF ADDITIONAL BONDS

We may issue an unlimited amount of secured debt securities under the Mortgage so long as the additional secured debt securities are issued from time to time on the basis of any combination of (1) 60% of available property additions, (2) the deposit of cash or (3) available retirements of secured debt securities. With certain exceptions in the case of (3) above, the issuance of secured debt securities is subject to net earnings available for interest for 12 consecutive months within the preceding 15 months being at least twice the annual interest requirements on all secured debt securities to be outstanding and all prior lien indebtedness (Mortgage Sections 5.02, 5.03, 5.04 and 5.05). Cash deposited with the Trustee pursuant to (2) above may be (a) withdrawn in an amount equal to 60% of available additions, (b) withdrawn in an amount equal to available retirements of secured debt securities or (c) applied to the purchase or redemption of secured debt securities (Mortgage Sections 7.02, 7.03 and 7.04). At December 31, 1998, we had approximately \$469,000,000 of available additions and approximately \$356,000,000 of available retirements of secured debt securities which would be sufficient to permit the issuance of approximately \$825,000,000 in principal amount of additional secured debt securities, including First Mortgage Bonds and Medium Term Notes. As of December 31, 1998, net earnings available for interest would permit the issuance of up to \$629,000,000 principal amount of additional secured debt securities, including First Mortgage Bonds and Medium Term Notes. This amount would increase to the extent proceeds of the issuance of secured debt securities are used to retire presently outstanding secured debt securities.

Available additions are determined, at any time, by deducting from the aggregate amount of property additions since March 31, 1945 (1) the greater of the aggregate amount of retirements since March 31, 1945 or the aggregate amount of the minimum provision for depreciation upon bondable public utility property not subject to a prior lien since March 31, 1945, and (2) the aggregate of available additions theretofore made the basis for action or credit under the Mortgage (Mortgage Sections 1.10I, 3.01 and 3.03A). Property additions taken as a credit against the replacement fund requirement are not deemed to be "made the basis for action or credit" (Mortgage Section 1.10H).

#### DIVIDEND RESTRICTIONS

So long as any of the offered secured debt securities, or any of the secured debt securities authenticated under the Mortgage are outstanding, we will be subject to the following restrictions:

- we may not pay or declare dividends (other than stock dividends) or other distributions on our Common Stock;
- we may not purchase any shares of our capital stock (other than in exchange for or from the proceeds of other shares of our capital stock)

if the aggregate amount distributed or expended after December 31, 1944 would exceed the aggregate amount of our net income, as adjusted, available for dividends on our Common Stock accumulated after December 31, 1944 (Mortgage Section 4.06; New Supplementals Section 2.03). At December 31, 1998, \$679,000,000 of accumulated net income was available for payment of dividends under this provision.

#### RELEASE AND SUBSTITUTION OF PROPERTY

Property subject to the lien of the Mortgage may (subject to certain exceptions and limitations) be released only upon the substitution of cash, purchase money obligations or certain other property or upon the basis of available additions or available retirements of secured debt securities (Mortgage Article SIX).

## MODIFICATION OF THE MORTGAGE

Under the Mortgage our rights and obligations and the rights of the holder may be modified with the consent of the holders of 75% in aggregate principal amount of the outstanding secured debt securities, including 60% of the secured debt securities of each series affected by the modification. No modification of the principal or interest payment terms, and no modification reducing the percentage required for modifications, is effective against any holder without its consent (Mortgage Section 17.02). The Mortgage may also be modified in various other respects not inconsistent with the Mortgage and which do not adversely affect the interests of the holders of secured debt securities (Mortgage Section 17.01).

## DEFAULTS AND NOTICE THEREOF

Each of the following will constitute a default:

- failure to pay the principal when due;
- failure to pay interest for 60 days;
- failure to deposit any sinking, replacement or improvement fund payment when due;
- certain events in bankruptcy, insolvency or reorganization of Portland General; and
- failure to perform any other covenant in the Mortgage that continues for 60 days after being given written notice (Mortgage Section 11.01).

The Trustee may withhold notice to the holders of secured debt securities of any default (except in payment of principal, interest or any sinking or purchase fund installment) if it in good faith determines that withholding notice is in the interest of the holders of the secured debt securities issued under the Mortgage (Mortgage Section 14.09).

If an event of default occurs and continues, the Trustee or the holders of at least 25% in aggregate principal amount of the secured debt securities may declare the entire principal and accrued interest due and payable immediately. If this happens, subject to certain conditions, the holders of a majority of the aggregate principal amount of the secured debt securities can annul the declaration (Mortgage Section 11.01).

No holder of secured debt securities may enforce the lien of the Mortgage, unless (i) it has given the Trustee written notice of default, (ii) the holders of 25% of the secured debt securities have requested the Trustee to act and have offered the Trustee reasonable indemnity and (iii) the Trustee has failed to act within 60 days (Mortgage Section 11.21). If they provide this reasonable indemnification, the holders of a majority in principal amount of the secured debt securities may direct the time, method and place of conducting any proceeding or any remedy available to the Trustee, or exercising any power conferred upon the Trustee (Mortgage Section 11.20).

## EVIDENCE TO BE FURNISHED TO THE TRUSTEE

Compliance with Mortgage provisions is evidenced by the written statements of our officers or persons we selected and paid. In certain cases, opinions of counsel and certificates of an engineer, accountant, appraiser or other expert (who in some instances must be independent) must be furnished. Various certificates and other papers are required to be filed annually and upon the occurrence of certain events, including an annual certificate with respect to compliance with the terms of the Mortgage and the absence of defaults.

## INTEREST AND PAYMENT

The prospectus supplement will set forth:

- the interest rate or rates or the method of determination of the interest rate or rates of the secured debt securities;
- the date or dates on which the interest is payable; and

- the office or agency in the Borough of Manhattan, City and State of New York at which interest will be payable.

#### UNSECURED DEBT SECURITIES

Unsecured debt securities may be issued from time to time in one or more series under the Indenture. The particular terms of the unsecured debt securities offered will be set forth in a prospectus supplement. Such prospectus supplement will indicate the extent, if any, to which the general provisions described in this prospectus will apply to the offered unsecured debt securities.

#### GENERAL

The Indenture does not limit the amount of unsecured debt securities we may offer. The unsecured debt securities may be issued from time to time in one or more series pursuant to the Indenture. A prospectus supplement relating to any series of unsecured debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

- The title and type of the securities;
- The total principal amount of the securities;
- The dates on which the principal of the securities will be payable;
- The interest rate which the securities will bear and the interest payment dates for the securities;
- The place where principal or interest will be payable;
- Any optional redemption provisions;
- The terms and conditions on which the securities may be discharged prior to redemption or maturity;
- Any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the securities;
- Any special tax implications of the securities, including provisions for original issue discount; and
- Any other terms of the securities (Indenture Section 301).

The unsecured debt securities will not be secured by any lien. Payment of the principal, interest and any premium on the unsecured debt securities will generally be equal in right of payment to all of our secured debt securities and all of our other senior indebtedness, but will be subject to the prior lien rights of the holders of secured debt securities. Senior indebtedness includes all of our notes or other unsecured evidences of indebtedness including guarantees for money borrowed by us, that is not expressed to be subordinate or junior in right of payment to senior indebtedness. Our 8.25% Quarterly Income Debt Securities (Junior Subordinated Deferrable Interest Debentures, Series A) are subordinated to the unsecured debt securities.

#### NEGATIVE PLEDGE

The Indenture provides that so long as any unsecured debt securities issued under the Indenture are outstanding, we may not create or allow to exist any mortgage, security interest or lien upon any of our property, assets or revenues to secure any of our indebtedness without making effective provisions whereby the unsecured debt securities shall be equally and ratably secured. This restriction does not apply, however, to the liens and security interests created pursuant to the Mortgage or permitted by the Mortgage and various other liens, mortgages and security interests specified in the Indenture. Such other permitted liens include:

- liens for taxes not yet due or being contested;
- mechanics', materialmen's, repairmen's or similar liens incurred in the ordinary course of business;

- liens arising out of judgments or awards not exceeding \$25,000,000 in the aggregate with respect to which appeals are being prosecuted, execution thereof having been effectively stayed pending such appeals;
- certain liens securing the payment of indebtedness to a state, territory or possession of the United States or any political subdivision thereof issued in a transaction in which such state, territory, possession or political subdivision issued obligations the interest on which is excludable from gross income pursuant to the provisions of the Internal Revenue Code of 1986;
- liens or security interests on or over specific assets hereafter acquired which are created or assumed contemporaneously with, or within 120 days after such acquisition, for the sole purpose of financing or refinancing the acquisition of such assets; and
- liens or security interests over all or any part of our assets constituting a specific construction project or generating plant as security for any indebtedness incurred for the purpose of financing all or such part of such construction project or generating plant (Indenture Section 1009).

#### MODIFICATION OF THE INDENTURE

With certain exceptions, the Indenture provides that we and the Trustee may modify the Indenture or the rights of the holders of the unsecured debt securities with the consent of the holders of more than 50% in principal amount of all outstanding unsecured debt securities affected thereby. However, no modification of the principal or interest payment terms, no modification reducing the percentage required to consent to any supplemental indenture or reducing the percentage required to consent concerning any waiver of a past default or any waiver of certain covenants, and no modification reducing the percentage required for any modifications, is effective against any holder without its consent (Section 902).

#### EVENTS OF DEFAULT AND RIGHTS UPON DEFAULT

"Event of Default" means any one of the following with respect to any series of unsecured debt securities:

- (a) failure to pay interest on any unsecured debt securities of that series for 30 days;
- (b) failure to deposit any sinking fund payment for 30 days;
- (c) failure to pay the principal or any premium on any unsecured debt securities of that series when due;
- (d) failure to perform any other covenant in the Indenture for 60 days after being given written notice by the Trustee or the holders of at least 25% in principal amount of all outstanding unsecured debt securities of that series; or
- (e) certain events in bankruptcy, receivership or other insolvency proceedings or an assignment for the benefit of creditors (Section 501).

An Event of Default for a particular series of unsecured debt securities does not necessarily constitute an Event of Default for any other series of unsecured debt securities issued under the Indenture. A default under our other indebtedness is not an Event of Default under the Indenture.

If an Event of Default described in clauses (a), (b) or (c) of the definition of "Event of Default" above occurs and continues for any series of unsecured debt securities, the Trustee or the holders of at least 25% in principal amount of the outstanding unsecured debt securities of that series may declare the principal amount of all of the unsecured debt securities of that series to be due and payable immediately. If an Event of Default described in clause (d) of the foregoing paragraph occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of all of the unsecured debt securities then outstanding may declare the principal amount of all of the

unsecured debt securities to be due and payable immediately. If an Event of Default described in clause (e) of the foregoing paragraph occurs and is continuing, the Indenture provides that the principal of and any interest on all of the unsecured debt securities then outstanding shall become

immediately due and payable (Section 502). If this happens, subject to certain conditions, the holders of a majority of the aggregate principal amount of the outstanding unsecured debt securities of that series (or of all series, as the case may be) may rescind and annul such declaration and its consequences, if, subject to certain conditions, all Events of Default with respect to unsecured debt securities of that series (or of all series, as the case may be), other than the non-payment of the principal of the unsecured debt securities due solely by such declaration of acceleration, have been cured or waived and all payments due (other than by acceleration) have been paid or deposited with the Trustee. With certain exceptions, the holders of not less than a majority in principal amount of the outstanding unsecured debt securities of any series, on behalf of the holders of all the unsecured debt securities of such series, may waive any past default described in clause (a), (b) or (c) of the first paragraph under this subheading (or, in the case of a default described in clause (d) or (e) of such paragraph, the holders of a majority in principal amount of all outstanding unsecured debt securities may waive any such past default) and its consequences, except a default (1) in the payment of the principal of (or premium, if any) or interest on any unsecured debt securities or (2) in respect of a covenant or provision of the Indenture which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding unsecured debt security of such series affected (Section 513).

#### DISCHARGE OF INDENTURE; DEFEASANCE

With certain exceptions, we will be discharged from our obligations under the Indenture with respect to any series of unsecured debt securities by either paying or causing to be paid the principal of, premium, if any, and interest on all of the unsecured debt securities of such series outstanding, as and when the same shall become due and payable, or delivering to the Trustee all outstanding unsecured debt securities of such series for cancellation (Section 401).

In addition, we will be discharged if at any time we defease the unsecured debt securities of a series by depositing in escrow or trust with the Trustee sufficient cash and/or U.S. Government Obligations and/or Eligible Obligations to pay the principal of, premium, if any, and interest on the unsecured debt securities of that series to the stated maturity date or a redemption date for the unsecured debt securities of that series. If that happens, payment of the unsecured debt securities of such series may not be accelerated because of an event specified as a default or Event of Default with respect to such unsecured debt securities, and the holders of the unsecured debt securities of such series will not be entitled to the benefits of the Indenture, except for registration of transfer and exchange of unsecured debt securities and replacement of lost, stolen or mutilated unsecured debt securities.

The Indenture defines "Eligible Securities" to mean interest bearing obligations as a result of the deposit of which the unsecured debt securities are rated in the highest generic long-term debt rating category assigned to defeased debt by one or more nationally recognized rating agencies.

#### OTHER PROVISIONS

The Indenture contains provisions, with regard to (1) our consolidating or merging with or into any other corporation or selling or conveying substantially all of our property to another corporation, and (2) the duties and responsibilities of the Trustee under the Indenture (Indenture Articles Eight, and Six and Seven, respectively).

Other than the negative pledge provisions of Section 1009 of the Indenture referred to above, the Indenture will not contain any provisions that afford protection to the holders of unsecured debt securities in the event we are involved in a highly leveraged transaction.

The Indenture and the unsecured debt securities will be governed by and construed in accordance with the laws of the State of New York (Indenture Section 112).

#### BOOK ENTRY ONLY SYSTEM

Unless otherwise indicated in a prospectus supplement, the debt securities will only be issued in fully registered form, without coupons, in denominations of \$1,000 or integral multiples thereof (Mortgage

Section 2.05; Indenture Section 302). Under the Mortgage and the Indenture, you will not have to pay a service charge to transfer or exchange debt securities, but we may require you to pay for taxes or other governmental charges due upon a transfer or exchange (New Supplementals Section 2.01; Indenture Section 305).

Unless otherwise indicated in a prospectus supplement, each series of debt securities will be issued in the form of a global certificate deposited with The Depository Trust Company ("DTC"). The certificate(s) will be registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a global certificate will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. DTC will keep a computerized record of its participants (for example your broker) whose clients have purchased the securities. The participants will then keep a record of its clients who purchase the securities. Ownership of beneficial interests in the global certificate will be shown on, and the transfer of these ownership interests will be effected only through, records maintained by DTC and the records of participants (with respect to interests of persons other than participants).

So long as DTC, or its nominee, is the registered owner or holder of a global certificate, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the debt securities of that series represented by the global certificate for all purposes. No beneficial owner of an interest in a global certificate will be able to transfer that interest except in accordance with DTC's applicable procedures.

Payments on debt securities represented by global certificates will be made to DTC or its nominee, as registered owner. Neither we, the Trustee, any underwriter nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in global certificates, for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any action taken or omitted to be taken by the Depository or any participant.

We expect that DTC or its nominee will credit participants' accounts on the payable date with payments in respect of a global certificate as shown on the records of DTC or its nominee, unless DTC has reason to believe that it will not receive payment on the payable date. We also expect that payments by participants to owners of beneficial interests in the global certificate held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name." Such payments will be the responsibility of the participants.

Transfers between participants in DTC will be effected in accordance with DTC rules. The laws of some states require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global certificate to those persons may be impaired. Because DTC can only act on behalf of participants, who in turn act on behalf of others, such as securities brokers and dealers, banks and trust companies ("indirect participants"), the ability of a person having a beneficial interest in a global certificate to pledge that interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of that interest, may be impaired by the lack of a physical certificate of such interest.

We believe it is the policy of DTC to take any action permitted to be taken by a holder of debt securities of a series only at the direction of one or more participants to whose account interests in global certificates are credited and only in respect of that portion of the aggregate principal amount of the debt securities of a series as to which that participant or participants has or have given such direction.

If (1) DTC notifies us that it is unwilling or unable to continue as depository or if DTC ceases to be eligible under the Indenture and a successor depository is not appointed by us within 90 days or (2) an event of default with respect to a series of debt securities has occurred and is continuing, the global certificate representing the affected series of debt securities will be exchanged for debt securities in definitive form of like tenor and of an equal aggregate principal amount, in authorized denominations. Such definitive debt securities will be registered in the name or names as DTC instructs the Trustee. Such instructions will most likely be based upon directions received by DTC from participants with respect to ownership of beneficial interests in the global certificate.

DTC has advised us as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" with the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants, including those who may act as underwriters of our debt securities, and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as indirect participants that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

DTC has further advised us that the management of DTC is aware that some computer applications, systems, and the like for processing data that are dependent upon calendar dates, including dates before, on, and after January 1, 2000, may encounter "Year 2000 problems." DTC has informed its participants and other members of the financial community that it has developed and is implementing a program so that its systems, as the same relate to the timely payment of distributions (including principal and interest payments) to security holders, book-entry deliveries, and settlement of trades within DTC, continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which DTC reports is complete. Additionally, DTC's plan includes a testing phase, which DTC expects to be completed within appropriate time frames.

However, DTC's ability to perform its services properly is also dependent upon other parties, including but not limited to issuers and their agents, as well as the DTC's direct and indirect participants and third party vendors from whom DTC licenses software and hardware, and third party vendors on whom DTC relies for information or the provision of services, including telecommunication and electrical utility service providers, among others. DTC has informed the industry that it is contacting (and will continue to contact) third party vendors from whom DTC acquires services to: (1) impress upon them the importance of such services being Year 2000 compliant; and (2) determine the extent of their efforts for Year 2000 remediation (and, as appropriate, testing) of their services. In addition, DTC is in the process of developing such contingency plans as it deems appropriate.

According to DTC, the foregoing information with respect to DTC has been provided to the industry for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in global certificates among participants of DTC, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we, the Trustee, any underwriter nor any paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

#### CONCERNING THE TRUSTEE

HSBC Bank USA, formerly Marine Midland Bank, is the Trustee under the Mortgage and the Indenture. HSBC Bank USA may also act as a depository of funds for, make loans to, and perform other services for, us in the normal course of business, including acting as trustee under our other indentures. The corporate trust office of the Trustee is located at 140 Broadway, 12th Floor, New York, New York 10005-1180.

The holders of a majority in principal amount of the outstanding securities issued under the Mortgage or the Indenture, as applicable, may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Mortgage and the Indenture

each provide that if default occurs (and it is not cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of such person's own affairs. Subject to these provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Mortgage or the Indenture at the request of any holder of securities issued under the Mortgage or the Indenture, unless that holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense, and then only to the extent required by the terms of the Mortgage or the Indenture. The Trustee may resign from its duties with respect to the Mortgage or the Indenture at any time or may be removed by us. If the Trustee resigns, is removed from or becomes incapable of acting as Trustee or a vacancy occurs in the office of the Trustee for any reason, a successor Trustee shall be appointed in accordance with the provisions of the Mortgage or the Indenture, as applicable.

#### PLAN OF DISTRIBUTION

We may sell the offered securities in one or more of the following ways: (a) through underwriters or dealers; (b) directly to a limited number of purchasers or to a single purchaser; (c) through agents or (d) through a combination of any such methods. A prospectus supplement with respect to each series of the offered securities will set forth the terms of the offering of the offered securities and the proceeds to Portland General from the sale thereof, the name or names of any underwriters or agents, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

#### BY UNDERWRITERS

If underwriters are used in the sale, the offered securities will be acquired by the underwriters for their own account. The underwriters may resell the securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The offered securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters, or directly by one or more firms acting as underwriters. The underwriter or underwriters participating in an offering will be named in a prospectus supplement relating to that offering. If an underwriting syndicate is used, the managing underwriter or underwriters will be named on the cover page of such prospectus supplement. Any underwriting agreement will provide that the obligations of the underwriters are subject to certain conditions precedent, and that the underwriters must purchase all of the securities of the series offered by a prospectus supplement if any of the securities are purchased. Any underwriter utilized may be entitled to indemnification from PGE against certain civil liabilities, including liabilities under the Securities Act of 1933.

#### BY AGENTS

Securities offered by us pursuant to this prospectus may also be sold through agents designated by us. Agents who participate in the distribution of the offered securities may be entitled to indemnification by us against certain liabilities, including liabilities under the Securities Act of 1933. If an agent is involved, the prospectus supplement will set forth the name of the agent and the commission payable by us to the agent.

#### DELAYED DELIVERY CONTRACTS OR FORWARD CONTRACTS

If so indicated in the prospectus supplement, we will authorize underwriters or other persons acting as agents to solicit offers by certain institutions to purchase the offered securities from us pursuant to contracts providing for payment and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases will be subject to our approval. The obligations of any purchaser under any such contract will be subject to the condition that the purchase of the offered securities will not at the time of delivery be prohibited under the laws of the jurisdiction to which that

purchaser is subject. The underwriters and agents will not have any responsibility in respect of the validity or performance of such contracts.

#### DIRECT SALES

Offered securities may also be sold directly by us. In this case, no underwriters or agents would be involved.

#### TRADING MARKET

Each series of offered securities will be a new issue of securities and will have no established market. Any underwriters to whom offered securities are sold by us for public offering and sale may make a market in the offered securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The offered securities may or may not be listed on a national securities exchange. No assurance can be given as to the liquidity of or the trading markets for any of the offered securities.

#### VALIDITY OF SECURITIES

Legal matters in connection with the issuance and sale of the offered securities are being passed upon for Portland General by Vinson & Elkins L.L.P., Houston, Texas and for the underwriters or agents by Bracewell & Patterson, L.L.P., Houston, Texas. Bracewell & Patterson, L.L.P. currently provides services to Portland General and certain of its affiliates as outside counsel on matters unrelated to the issuance of the offered securities.

#### EXPERTS

Our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 1998, are incorporated by reference in this prospectus. These consolidated financial statements have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated herein by reference in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

PART II  
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Estimated expenses in connection with this registration, all of which are borne by Portland General Electric Company ("PGE"), are as follows:

Securities and Exchange Commission registration fee.....	\$ 55,600.00
Printing and engraving expenses.....	30,000.00*
Fees and expenses of independent public accountants.....	25,000.00*
Listing fees (if any).....	30,000.00*
Rating Agency fees.....	60,000.00*
Legal Fees.....	100,000.00*
Trustee fees.....	40,000.00*
Blue Sky fees.....	20,000.00*
Miscellaneous expenses.....	50,000.00*
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Total.....	\$410,600.00*
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\* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 1 of Article VII of the Bylaws of PGE provides as follows:

"A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for conduct as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any unlawful distribution under Oregon Revised Statutes Section 60.367, or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or amendment of this provision shall be prospective only and shall not adversely affect any limitation on the liability of a director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not liable as set forth in the foregoing provisions, a director shall not be liable to the fullest extent permitted by any provisions of the statutes of Oregon hereafter enacted that further limits the liability of a director."

Section 2 of Article VII of the Bylaws of PGE provides in part as follows:

"Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative . . ., by reason of the fact that he or she, or a person of which he or she is the legal representative, is or was a director or officer, of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, partner, trustee, employee or agent or in any other capacity while serving as a director, officer, partner, trustee, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Oregon Business Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendments, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to serve in a capacity to which the above indemnification applies and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in this Section 2, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part

thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 2 shall be a contract right and shall include the right to be paid by the Corporation for expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Oregon Business Corporation Act requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of the proceeding, such payment of expenses shall be made only upon delivery to the Corporation of a written affirmation of the director or officer's good faith belief that such director has met the standard of conduct described in Oregon Revised Statutes Section 60.391 and of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 2 or otherwise."

Article V of the Articles of Incorporation of PGE provides as follows:

"To the fullest extent permitted by law, no director of this corporation shall be personally liable to the corporation or its shareholders for monetary damages for conduct as a director. No amendment or repeal of this provision shall adversely affect any right or protection of a director existing at the time of such amendment or repeal. No change in the law shall reduce or eliminate the rights and protections applicable at the time this provision shall become effective unless the change in law shall specifically require such reduction or elimination."

PGE has procured Directors and Officers liability insurance for wrongful acts. This is an indemnity policy for the corporation to protect it against liability assumed or incurred under the above indemnification provisions, including defense provisions, on behalf of the directors and officers. The directors and officers are thus indemnified against loss arising from any civil claim or claims by reason of any wrongful act done or alleged to have been done while acting in their respective capacities as directors or officers. The policy excludes claims brought about or contributed to by dishonest, fraudulent, criminal or malicious acts or omissions by directors or officers. The policy covers the directors and officers of PGE against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), which might be incurred by them in such capacities and against which they cannot be indemnified by PGE.

Any agents, dealers or underwriters who execute any of the agreements filed as Exhibit 1 to this registration statement will agree to indemnify PGE's directors and officers who signed the registration statement against certain liabilities which might arise under the Securities Act with respect to information furnished to PGE by or on behalf of any such indemnifying party.

The Oregon Business Corporation Act ("Act") authorizes indemnification of directors, officers, employees, and agents of Oregon corporations. The Act requires indemnification of reasonable expenses of a director who was wholly successful, on the merits or otherwise, in defense of any proceeding in which the director was a party because of being a director, unless such indemnification is limited by the articles of incorporation. The Registrant's articles do not contain such limitation.

ITEM 16. LIST OF EXHIBITS.

(See page II-6).

ITEM 17. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the

securities being registered, the registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes: (1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement (i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933, (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement, (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement, provided, however, that clauses (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed by the Company pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement; (2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment and each filing of the Company's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of a registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of the registration statement as of the time it was declared effective.

(2) For the purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Portland General Electric Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement or amendment to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Portland, and State of Oregon, on the 22nd day of June, 1999.

PORTLAND GENERAL ELECTRIC COMPANY  
(Registrant)

By: /s/ KEN L. HARRISON

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(Ken L. Harrison, Chairman of the  
Board  
and Chief Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement or amendment has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURE  
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TITLE  
-----

DATE  
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PRINCIPAL EXECUTIVE OFFICER:

/s/ KEN L. HARRISON

Chairman of the Board and Chief  
Executive Officer

June 22, 1999

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(Ken L. Harrison)

PRINCIPAL FINANCIAL OFFICER AND PRINCIPAL  
ACCOUNTING OFFICER:

/s/ MARY K. TURINA

Treasurer, Controller and Chief  
Accounting Officer

June 22, 1999

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(Mary K. Turina)

DIRECTORS:

\*JAMES V. DERRICK, JR.,  
\*PEGGY Y. FOWLER,  
\*KEN L. HARRISON,  
\*KENNETH L. LAY,  
\*JEFFREY K. SKILLING,

Directors

\* Signed on behalf of each of these persons

By /s/ MARY K. TURINA

June 22, 1999

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(Attorney-in-Fact)

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement of our report dated March 5, 1999, included in the Portland General Electric Company Annual Report on Form 10-K for the year ended December 31, 1998 and to all references to our firm included in this Registration Statement.

ARTHUR ANDERSEN LLP

Portland, Oregon,  
April 30, 1999

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CONSENT OF COUNSEL

The consent of Vinson & Elkins L.L.P. is contained in the opinion of such firm filed herewith.

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## PORTLAND GENERAL ELECTRIC COMPANY

## EXHIBIT INDEX

NUMBER	EXHIBIT
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(1) (a) **	-- Form of Underwriting Agreement relating to Debt Securities
(b) **	-- Portland General Electric Company Securities Underwriting Agreement Standard Provisions dated June 11, 1999
(4) (a) *	-- Articles of Incorporation of Portland General Electric Company (Registration No. 2-85001, Exhibit 4)
(b) *	-- Indenture of Mortgage and Deed of Trust dated July 1, 1945; First Supplemental Indenture dated November 1, 1947; Second Supplemental Indenture dated November 1, 1948; Third Supplemental Indenture dated May 1, 1952; Fourth Supplemental Indenture dated November 1, 1953; Fifth Supplemental Indenture dated November 1, 1954; Sixth Supplemental Indenture dated September 1, 1956; Seventh Supplemental Indenture dated June 1, 1957; Eighth Supplemental Indenture dated December 1, 1957; Ninth Supplemental Indenture dated June 1, 1960; Tenth Supplemental Indenture dated November 1, 1961; Eleventh Supplemental Indenture dated February 1, 1963; Twelfth Supplemental Indenture dated June 1, 1963; Thirteenth Supplemental Indenture dated April 1, 1964; Fourteenth Supplemental Indenture dated March 1, 1965 (Form 8, Amendment No. 1, dated June 14, 1965)
*	-- Fifteenth Supplemental Indenture, dated June 1, 1966; Sixteenth Supplemental Indenture, dated October 1, 1967; Seventeenth Supplemental Indenture, dated April 1, 1970; Eighteenth Supplemental Indenture, dated November 1, 1970; Nineteenth Supplemental Indenture, dated November 1, 1971; Twentieth Supplemental Indenture, dated November 1, 1972; Twenty-first Supplemental Indenture, dated April 1, 1973; Twenty-second Supplemental Indenture, dated October 1, 1973; Twenty-third Supplemental Indenture, dated December 1, 1974; Twenty-fourth Supplemental Indenture, dated April 1, 1975; Twenty-fifth Supplemental Indenture, dated June 1, 1975; Twenty-sixth Supplemental Indenture, dated December 1, 1975; Twenty-seventh Supplemental Indenture, dated April 1, 1976; Twenty-eighth Supplemental Indenture, dated September 1, 1976; Twenty-ninth Supplemental Indenture, dated June 1, 1977 (Registration No. 2-61199, Exhibit 2.d-1)
*	-- Thirtieth Supplemental Indenture, dated October 1, 1978; Thirty-first Supplemental Indenture, dated November 1, 1978 (Registration No. 2-63516, Exhibit 2.d-3)
*	-- Thirty-second Supplemental Indenture, dated February 1, 1980 (Registration No. 2-68415, Exhibit 2.d-4)
*	-- Thirty-third Supplemental Indenture, dated August 1, 1980 (Registration No. 2-68415, Exhibit 2.d-5)
*	-- Thirty-fourth Supplemental Indenture, dated March 23, 1982; Thirty-fifth Supplemental Indenture, dated March 23, 1982 (Form 10-Q for the quarter ended March 31, 1982, Exhibit 4)
*	-- Thirty-sixth Supplemental Indenture, dated September 21, 1982 (Form 8-A, dated October 28, 1982)
*	-- Thirty-seventh Supplemental Indenture, dated November 15, 1984 (Form 8-K, November 19, 1984)
*	-- Thirty-eighth Supplemental Indenture, dated June 1, 1985 (Form 10-Q for the quarter ended June 30, 1985, Exhibit 4)
*	-- Thirty-ninth Supplemental Indenture, dated March 1, 1986 (Form 10-K for fiscal year ended December 31, 1985, Exhibit 4)
*	-- Fortieth Supplemental Indenture, dated October 1, 1990 (Form 10-K for fiscal year ended December 31, 1990, Exhibit 4)

NUMBER	EXHIBIT
- - - - -	- - - - -
* --	Forty-first Supplemental Indenture, dated December 1, 1991 (Form 10-K for fiscal year ended December 31, 1991, Exhibit 4)
* --	Forty-second Supplemental Indenture, dated April 1, 1993 (Form 10-Q for the quarter ended March 31, 1993, Exhibit 4)
* --	Forty-third Supplemental Indenture, dated July 1, 1993 (Form 10-Q for the quarter ended September 30, 1993, Exhibit 4)
* --	Forty-fourth Supplemental Indenture, dated August 1, 1994 (Form 10-Q for the quarter ended September 30, 1994, Exhibit 4)
* --	Forty-fifth Supplemental Indenture, dated May 1, 1995 (Form 10-Q for the quarter ended June 30, 1995, Exhibit 4)
* --	Forty-sixth Supplemental Indenture dated August 1, 1996 (Form 10-K for the fiscal year ended December 31, 1997, Exhibit 4)
* --	Indenture dated September 1, 1995 between Portland General Electric Company and The Bank of New York, as Trustee, relating to Junior Subordinated Debentures
* --	First Supplemental Indenture dated as of October 1, 1995 relating to 8 1/4% Junior Subordinated Deferrable Interest Debentures, Series A, including form of Junior Subordinated Debentures
(c)** --	Form of New Supplemental Indenture, including form of First Mortgage Bond
(d)** --	Form of New Medium Term Note Supplemental Indenture, including form of Medium Term Note
(e)** --	Form of New Senior Unsecured Debt Indenture, including form of senior unsecured security
(5) --	Opinion of Vinson & Elkins LLP
(12)** --	Statements re computation of ratios
(23) --	Consents of Experts and Counsel (See Page II-5)
(24) --	Power of Attorney
(25) (a) --	Statement of Eligibility of Trustee with regard to Mortgage (Form T-1)
(b) --	Statement of Eligibility of Trustee with regard to Senior Unsecured Debt Securities (Form T-1)

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\* Incorporated by reference as indicated.

\*\* Filed with Amendment No. 1

[Form of Underwriting Agreement for Debt Securities incorporating Portland General Electric Company Underwriting Agreement Standard Provisions dated June 11, 1999]

PORTLAND GENERAL ELECTRIC COMPANY

UNDERWRITING AGREEMENT  
FOR DEBT SECURITIES

-----, ----

Portland General Electric Company  
121 S.W. Salmon Street, Suite 400  
Portland, Oregon 97204

Ladies and Gentlemen:

The underwriter or underwriters named below [, acting through \_\_\_\_\_, as representatives (the "Representatives"),] understand that Portland General Electric Company, an Oregon corporation (the "Company"), proposes to issue and sell \$\_\_\_\_\_ aggregate principal amount of [Title of Securities] (the "Purchased Securities"), registered on Registration Statement[s] No[s]. \_\_\_\_\_. Subject to the terms and conditions set forth herein or incorporated by reference herein and referred to below, the Company hereby agrees to sell and the underwriter or underwriters named below (such underwriter or underwriters being herein called the "Underwriters") agree to purchase, severally and not jointly, the principal amounts of such Purchased Securities set forth below opposite their names at a purchase price equal to \_\_\_% of the principal amount thereof [plus accrued interest on the Purchased Securities from \_\_\_\_\_, 199\_ to the date of payment and delivery]:

Name	Principal Amount.	Name	Principal Amount
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Total: \$  
=====

[The aggregate principal amount of Purchased Securities to be purchased by the several Underwriters may be reduced by the aggregate principal amount of Purchased Securities sold pursuant to delayed delivery contracts with institutional investors.]\*

The Underwriters will pay for such Purchased Securities (less any Purchased Securities sold pursuant to delayed delivery contracts) upon delivery thereof at [state location] at 10:00 a.m. (New York time) on [state date].

The Purchased Securities shall have the following terms:

Maturity:  
 Initial Price to Public:  
 Interest Rate:  
 Redemption Provisions:  
 Interest Payment Dates:  
 Sinking Fund:  
 Date referred to in Section 6(1) of the Standard Provisions:  
 Purchase Price: \_\_\_% of the principal amount [plus accrued interest from \_\_\_\_\_, \_\_\_\_ to the date of payment and delivery]  
 Listing:  
 [Other Terms]:

[The commission to be paid to the Underwriters in respect of Purchased Securities purchased pursuant to delayed delivery contracts arranged by the Underwriters shall be an amount equal to \_\_\_% of the principal amount thereof.]\*

All statements, requests, notices, communications and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Underwriters in care of \_\_\_\_\_ at \_\_\_\_\_, Attention: \_\_\_\_\_, Facsimile No. \_\_\_\_\_; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to it at 121 S.W. Salmon Street, Suite 400, Portland, Oregon 97204, Attention: \_\_\_\_\_, Facsimile No. (504) 464-2236. Any such statements, requests, notices, communications or agreements shall take effect upon receipt thereof.

Unless otherwise provided herein, all the provisions contained in the document entitled Portland General Electric Company Underwriting Agreement Standard Provisions dated April \_\_, 1999, a copy of which was filed as an exhibit to Registration Statement No. 333-\_\_\_\_\_ or was filed as an Exhibit to Form 8-K and subsequently incorporated by reference into such Registration Statement, are hereby incorporated herein by reference in their entirety and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein.

- -----  
 \* To be added only if delayed delivery contracts are contemplated.

Please confirm your agreement by having an authorized officer sign a copy of this Agreement in the space set forth below and returning the signed copy to us, and in addition have an authorized officer send us no later than [state date and time] by wire, telex, facsimile transmission or other written means, the following message:

"We have entered into the Underwriting Agreement dated [insert date] relating to the Purchased Securities referred to therein by signing a copy of the Underwriting Agreement and returning the same or depositing the same in the mail to you."

Very truly yours,

[Name or names of Underwriter or Underwriters]

OR

[Name of Representative]

By: \_\_\_\_\_  
Name:  
Title:  
[Acting severally on behalf of  
[itself] [themselves] and the several  
Underwriters named above]

Accepted:  
  
PORTLAND GENERAL ELECTRIC COMPANY

By: \_\_\_\_\_  
Name:  
Title:

## PORTLAND GENERAL ELECTRIC COMPANY

## SECURITIES

UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

June 11, 1999

Portland General Electric Company, an Oregon corporation (the "Company"), proposes to issue and sell from time to time certain of its securities, including its secured first mortgage bonds, which can include medium term notes (collectively, "Mortgage Bonds") and its unsecured debt securities ("Notes") registered under the Securities Act of 1933, as amended (the "Securities Act"), as set forth in Section 3. The Mortgage Bonds are to be issued under an indenture of mortgage and deed of trust, dated as of July 1, 1945, as supplemented and amended (the "Bond Indenture"), between the Company and The Marine Midland Trust Company of New York (now HSBC Bank USA), as Trustee (the "Bond Trustee"). The Notes are to be issued under an indenture, dated as of April 30, 1999, (the "Notes Indenture"), between the Company and HSBC Bank USA, as Trustee (the "Notes Trustee"). The Mortgage Bonds and the Notes are herein collectively referred to as "Debt Securities."

From time to time, the Company may enter into one or more underwriting agreements that provide for the sale of certain of the Mortgage Bonds or Notes to the underwriter or several underwriters named therein (the "Underwriters"). The standard provisions set forth herein may be incorporated by reference in any such underwriting agreement (an "Underwriting Agreement"). The Underwriting Agreement, including the provisions hereof incorporated therein by reference, is herein referred to as this "Agreement."

1. Sale and Purchase of the Securities. On the basis of the representations, warranties and agreements herein contained, the Company proposes to issue and sell (i) the Mortgage Bonds or (ii) Notes, in each case in one or more series, which series may vary as to their terms (including, but not limited to, interest rate, maturity, any redemption provisions and any sinking fund requirements), all of such terms for a particular series being determined at the time of sale. All or a portion of particular series of the Debt Securities will be purchased by the Underwriters for resale upon terms of offering determined at the time of sale. The securities so to be purchased in any such offering are hereinafter referred to as the "Purchased Securities," and any firm or firms acting as representatives of such Underwriters are hereinafter referred to as the "Representatives." If with respect to the Purchased Securities such Representatives are acting on behalf of the Underwriters, references herein to the Underwriters (or a majority in interest thereof) or the Representatives in the alternative shall be deemed to refer only to the Representatives. The term "Underwriters' Securities" means Debt Securities which are Purchased Securities other than Contract Securities. The term

"Contract Securities" means Debt Securities which are Purchased Securities, if any, to be purchased pursuant to delayed delivery contracts referred to below.

If this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Company hereby authorizes the Underwriters to solicit offers to purchase Contract Securities on the terms and subject to the conditions set forth in the Prospectus (as hereinafter defined) pursuant to delayed delivery contracts substantially in the form of Schedule I attached hereto (the "Delayed Delivery Contracts") but with such changes therein as the Company may authorize or approve. Delayed Delivery Contracts are to be with institutional investors approved by the Company and of the types set forth in the Prospectus. On the Closing Date (as hereinafter defined), the Company will pay the Underwriters in immediately available funds the fee set forth in the Underwriting Agreement in respect of the principal amount of Contract Securities. The Underwriters will not have any responsibility in respect of the validity or the performance of any Delayed Delivery Contracts.

If the Company executes and delivers Delayed Delivery Contracts with institutional investors, the Contract Securities shall be deducted from the Debt Securities to be purchased by the several Underwriters and the aggregate principal amount of Debt Securities to be purchased by each Underwriter shall be reduced pro rata in proportion to the principal amount of Debt Securities set forth opposite each Underwriter's name in the Underwriting Agreement, except to the extent that the Representatives, if any, determine that such reduction shall be otherwise and so advise the Company.

The obligations of the Underwriters under this Agreement are several and not joint.

2. Payment and Delivery. Delivery by the Company of the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, shall take place, against payment by the Underwriters therefor in immediately available funds, at the office, on the date or dates and at the time or times specified in this Agreement, each of which date and time may be postponed for not more than ten business days by agreement between a majority in interest of the Underwriters or the Representatives and the Company (each such date and time of delivery and payment for the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, is hereinafter referred to as the "Closing Date").

The Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, shall be registered in such names and shall be in such denominations as the Underwriters or Representatives shall request at least one full business day prior to the Closing Date and, if requested, shall be made available to the Underwriters or Representatives for checking and packaging at least one full business day prior to the Closing Date.

3. Registration Statement and Prospectus; Public Offering. The Company has filed with the Securities and Exchange Commission (the "Commission"), pursuant to the Securities Act and the rules and regulations adopted by the Commission thereunder (the "Rules"), a registration statement or statements on Form S-3, including a prospectus, relating to the Mortgage Bonds and

the Notes, and such registration statement has or such registration statements have become effective. Such registration statement or statements referred to in the first paragraph of the Underwriting Agreement, including financial statements, exhibits and Incorporated Documents (as hereinafter defined), as amended to the date of this Agreement, is or are hereinafter referred to as the "Registration Statement," and the prospectus or prospectuses included in the Registration Statement or deemed, pursuant to Rule 429 under the Securities Act, to relate to the Registration Statement, as supplemented by a prospectus supplement (including any preliminary prospectus supplement) relating to any Purchased Securities filed pursuant to Rule 424 under the Securities Act, is or are hereinafter referred to as the "Prospectus." Any reference herein to the Registration Statement or Prospectus shall be deemed to include all documents incorporated, or deemed to be incorporated, therein by reference pursuant to the requirements of Item 12 of Form S-3 under the Securities Act (the "Incorporated Documents"). For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system (EDGAR), which EDGAR copy is substantially identical to the other copies of such material, except to the extent permitted by Regulation S-T.

The Company understands that the Underwriters propose to make a public offering of their respective portions of the Purchased Securities, as set forth in and pursuant to the Prospectus relating thereto.

4. Representations and Warranties. The Company represents and warrants to each Underwriter that:

(a) The Company has reasonable grounds to believe that it meets the requirements for the use of Form S-3 under the Securities Act.

(b) The Registration Statement, at the time it became effective, and the prospectus contained therein, complied, and on the date of the Underwriting Agreement and the Closing Date and when any post-effective amendment to the Registration Statement becomes effective or any supplement to such prospectus is filed with the Commission, the Registration Statement, the Prospectus and any such amendment or supplement, respectively, will comply, in all material respects with the requirements of the Securities Act and the Rules; the Incorporated Documents complied and will comply in all material respects with the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted by the Commission thereunder; each of the Bond Indenture and the Notes Indenture complied and will comply in all material respects with the requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); and each part of the Registration Statement and any amendment thereto, at the time it became effective, and the Prospectus and any amendment or supplement thereto, at the time it was filed with the Commission pursuant to Rule 424 under the Securities Act, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances

under which they were made, not misleading, except that this representation and warranty does not apply to (i) statements or omissions in the Registration Statement or Prospectus (or in amendments or supplements thereto) made in reliance upon information furnished in writing to the Company by any Underwriter or the Representatives on behalf of any Underwriter expressly for use therein, or (ii) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification of either the Bond Trustee or the Notes Trustee, under the Trust Indenture Act on Form T-1, except statements or omissions in such Statement made in reliance upon information furnished in writing to either the Bond Trustee or the Notes Trustee on behalf of the Company for use therein.

(c) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to include any securities owned or to be owned by such person in the securities registered pursuant to the Registration Statement.

(d) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or, to the knowledge of the Company, threatened by the Commission.

(e) Neither the Company nor any of its subsidiaries is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, its Articles of Incorporation or By-Laws or any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them or any of their respective properties is bound, except for violations and defaults which individually and in the aggregate are not material to the Company and its subsidiaries, taken as a whole, or to the holders of the Purchased Securities; the issue and sale of the Purchased Securities and the performance by the Company of all of the provisions of its obligations under the Purchased Securities, the Bond Indenture, the Notes Indenture and the Underwriting Agreement and the consummation of the transactions therein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will any such action result in any violation of the provisions of the Articles of Incorporation or the By-Laws of the Company or any applicable law or statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, its subsidiaries or any of their respective properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Purchased Securities or the consummation by the Company of the transactions contemplated by the Underwriting Agreement, the Bond Indenture or the Notes Indenture, except such consents, approvals, authorizations, registrations or qualifications as have been obtained or as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Purchased Securities by the Underwriters.

(f) Other than as set forth or contemplated in the Prospectus, there are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is or may be a party or to which any property of the Company or any of its subsidiaries is or may be the subject which, if determined adversely to the Company, could individually or in the aggregate reasonably be expected to have a material adverse effect on the general affairs, business, prospects, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others; and there are no contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required.

(g) The Company and each of its material subsidiaries have valid and sufficient grants, franchises, miscellaneous permits and easements free from unduly burdensome restrictions, adequate to the conduct of the respective businesses in the territories in which they are now conducting such businesses and the ownership of the respective properties now owned by them.

(h) The Company, with minor and unimportant exceptions, has good title in fee to all the real property and good and valid title to all the personal property described or referred to in the granting clauses of the Bond Indenture as owned by it, other than property heretofore released from the lien of the Bond Indenture, subject to the exceptions, reservations, reversions and easements stated in such granting clauses, except that certain of such properties are subject to minor irregularities or deficiencies in the record evidence of title which will not interfere with the proper operation and development of such properties by the Company; the properties described or referred to in the granting clauses of the Bond Indenture as leasehold properties are held under good and valid leases; the Federal Power Commission (now the Federal Energy Regulatory Commission) licenses described or referred to in the granting clauses of the Bond Indenture have been validly issued and, in cases where originally issued to others than the Company, validly assigned and transferred to the Company; the electric transmission and distribution lines of the Company described or referred to in the Bond Indenture which are located in, on or under public highways, streets and alleys are so located pursuant to valid rights, franchises or permits held by the Company, and the Company has good title to such properties, subject, as to those located in, on or under the streets or alleys of any municipal corporation of Oregon, to the terms of the Oregon statute providing that property so located shall be forfeited and escheated to the municipal corporation upon failure of the Company to remove such property within one year, or such longer period as may be granted by the municipal corporation, after expiration of the franchise which permitted the erection or installation thereof; and with respect to private property on which the electric transmission and distribution lines of the Company described or referred to in the Bond Indenture are located, the Company in most cases holds easements granted by the record owners of such lands (such easements being granted in some instances by the apparent owner without examination of title).

5. Conditions of the Underwriters' Obligations. The obligations of the Underwriters hereunder to purchase and pay for the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, are subject to the following conditions:

(a) Within 24 hours after the execution of the Underwriting Agreement by the Company (or at such later time acceptable to the Representatives, or if there are none, such firm as may be designated by a majority in interest of the Underwriters) and on the Closing Date, the Representatives or such designated firm shall have received from the independent accountants of the Company who have certified the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement signed letters dated the respective dates of delivery, in form and substance satisfactory to the Representatives or such designated firm and stating to the effect set forth in Schedules II-A and II-B hereto, respectively.

(b) No stop order suspending the effectiveness of the Registration Statement under the Securities Act shall be in effect and no proceedings for such purpose shall be pending before or threatened by the Commission and any requests for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Underwriters or the Representatives.

(c) Subsequent to the execution of this Agreement, there shall not have been any change in the capital stock or long-term debt of the Company or any material adverse change in the general affairs, management, financial position or results of operations of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business, in each case other than as set forth in or contemplated by the Registration Statement and Prospectus, if in the reasonable judgment of a majority in interest of the Underwriters or of the Representatives any such change makes it impracticable or inadvisable to consummate the sale and delivery of the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, by the Underwriters as contemplated in the Prospectus.

(d) The representations and warranties of the Company contained herein shall be true and correct on and as of the Closing Date and the Company shall have performed all covenants and agreements herein contained to be performed on its part at or prior to the Closing Date.

(e) The Underwriters or Representatives shall have received on the Closing Date a certificate, dated the Closing Date, of the Chief Executive Officer, the President or the Treasurer of the Company, which shall certify that (i) no order suspending the effectiveness of the Registration Statement or the qualification of the Bond Indenture or the Notes Indenture, as applicable, has been issued and, to the knowledge of such officer, no proceedings for such purpose are pending before or threatened by the Commission, (ii) the

representations and warranties of the Company contained herein are true and correct on and as of the Closing Date, and (iii) the Company has performed all covenants and agreements herein contained to be performed on its part at or prior to the Closing Date.

(f) The Underwriters or the Representatives shall have received on the Closing Date from Vinson & Elkins L.L.P., counsel to the Company, an opinion, dated the Closing Date, substantially to the effect as set forth in Schedule III hereto.

(g) Unless otherwise specified, the Underwriters or the Representatives shall have received on the Closing Date from Stoel Rives, LLP, counsel to the Company, an opinion, dated the Closing Date, substantially to the effect as set forth in Schedule IV hereto.

(h) The Underwriters or the Representatives shall have received on the Closing Date from Bracewell & Patterson, L.L.P., counsel for the Underwriters, an opinion, dated the Closing Date, with respect to the Company, the Bond Indenture or the Notes Indenture, as applicable, the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, the Registration Statement and Prospectus and this Agreement. The Company shall have furnished to counsel for the Underwriters such documents as they may reasonably request for the purpose of enabling them to render such opinions.

(i) Subsequent to the date of the Underwriting Agreement, no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, nor shall there have been any public announcement that any such organization has under surveillance or review its ratings of any debt securities or preferred stock of the Company (other than an announcement with positive implication of a possible upgrading, and no implication of a possible downgrading of such rating).

6. Covenants. The Company covenants and agrees with the several Underwriters as follows:

(a) To advise the Underwriters or the Representatives promptly of any amendment or supplement of the Registration Statement or the Prospectus which is proposed to be filed and not to effect such amendment or supplement in a form to which the Underwriters or the Representatives reasonably object.

(b) To furnish to each of the Underwriters or the Representatives and to the counsel for the Underwriters, one copy of the Registration Statement filed pursuant to EDGAR, including exhibits and Incorporated Documents, relating to the Debt Securities in the form it became effective and of all amendments thereto, including exhibits; and to each such firm and counsel, copies of each preliminary prospectus supplement and Prospectus and any amendment or supplement thereto relating to the Debt Securities.

(c) As soon as it is advised thereof, to advise the Underwriters or the Representatives (i) of the initiation or threatening by the Commission of any proceedings for the issuance of any order suspending the effectiveness of the Registration Statement or the qualification of the Bond Indenture or the Notes Indenture or preventing or suspending the use of any preliminary prospectus supplement, (ii) of receipt by it or any representative or attorney of it of any other communication from the Commission relating to the Company, the Registration Statement or the Prospectus, or (iii) suspension of qualification of the Purchased Securities for offering or sale in any jurisdiction. The Company will make every reasonable effort to prevent the issuance of an order suspending the effectiveness of the Registration Statement or the qualification of the Bond Indenture or the Notes Indenture, and if any such order is issued, to obtain as soon as possible the lifting thereof.

(d) To deliver to the Underwriters or the Representatives, without charge, as many conformed copies of the Bond Indenture or the Notes Indenture, the Registration Statement (excluding exhibits but including the Incorporated Documents), each preliminary prospectus supplement, the Prospectus and all amendments and supplements to such documents as the Underwriters or the Representatives may reasonably request.

(e) During such period as a prospectus is required by law to be delivered by an Underwriter or dealer, to deliver, without charge, to Underwriters and dealers, at such office or offices as the Underwriters or the Representatives may designate, as many copies of the Prospectus and any amendment or supplement thereto as the Underwriters or the Representatives may reasonably request.

(f) During the period in which copies of the Prospectus are to be delivered as provided in paragraph (e) above, if any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or if for any reason it shall be necessary during such same period to file any document which will be deemed an Incorporated Document in order to comply with the Exchange Act and the rules and regulations thereunder, forthwith to prepare, submit to the Underwriters or the Representatives, file with the Commission and deliver, without charge to the Underwriters either (i) amendments or supplements to the Prospectus so that the statements in the Prospectus, as so amended or supplemented, will not be misleading or (ii) documents which will effect such compliance. Delivery by Underwriters of any such amendments or supplements to the Prospectus or documents shall not constitute a waiver of any of the conditions set forth in Section 5 hereof.

(g) To make generally available to the Company's security holders, as soon as practicable, an earnings statement which satisfies the provisions of Section 11(a) of the Securities Act.

(h) To cooperate with the Underwriters or the Representatives in qualifying the Purchased Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions as the Underwriters or the Representatives may reasonably request; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified, to take any action which would subject it to service of process in suits (other than those arising out of the offering or sale of the Purchased Securities) in any jurisdiction where it is not now so subject, qualify in any jurisdiction as a broker-dealer or subject itself to any taxing authority where it is not now so subject.

(i) Unless otherwise specified, to endeavor to obtain as promptly as practicable the listing of the Purchased Securities on the New York Stock Exchange and, if the Purchased Securities are of a class or series of securities which is already listed on the New York Stock Exchange or any other stock exchange, to effect the listing of the Purchased Securities on such stock exchanges prior to the Closing Date.

(j) During the period of five years from the date hereof, to supply to the Representatives, if any, and to each other Underwriter who may so request in writing, copies of such financial statements and other periodic and special reports as the Company may from time to time distribute generally to its lenders or to the holders of any class of its securities registered under Section 12 of the Exchange Act and to furnish to the Underwriters or the Representatives a copy of each annual or other report it shall be required to file with the Commission.

(k) To pay all of its own expenses incurred in connection with the performance of its obligations under this Agreement, and the Company will pay, or reimburse if paid by the Underwriters or the Representatives, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated, all reasonable costs and expenses incident to the performance of the obligations of the Company under this Agreement, including those relating to (i) the preparation, printing and filing of the Registration Statement and exhibits thereto, each preliminary prospectus, any preliminary prospectus supplement, the Prospectus, all amendments and supplements to the Registration Statement and the Prospectus, the printing of the Bond Indenture and the Notes Indenture and the printing or typing of the Underwriting Agreement (including any Agreement Among Underwriters), (ii) the issuance, preparation and delivery of the Purchased Securities to the Underwriters, and if applicable, those entering into delayed delivery contracts with the Company, including the costs and expenses of any Bond Trustee and Notes Trustee and any agent thereof, including any fees and disbursements of counsel therefor, (iii) the registration or qualification of the Purchased Securities for offer and sale under the securities or "blue sky" laws of the various jurisdictions referred to in paragraph (h) above, including the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and the preparation and printing or typing of legal investment and preliminary and supplementary "blue sky" memoranda, (iv) the furnishing to the Underwriters and the Representatives, if any, of copies of the Prospectus and all amendments or supplements to the Prospectus, and of the several documents required by this Section to be so furnished, including costs of shipping and

mailing, (v) the listing of the Purchased Securities on any securities exchange, (vi) the rating of the Purchased Securities by rating agencies, and (vii) the furnishing to the Underwriters and the Representatives, if any, of copies of all reports and information required by paragraph (j) above, including costs of shipping and mailing.

(1) During the period beginning on the date of the Underwriting Agreement and continuing to the date specified in the Underwriting Agreement, not to offer, sell, contract to sell or otherwise dispose of any securities of the Company substantially similar to the Purchased Securities, without the prior written consent of a majority in interest of the Underwriters or the Representatives.

7. Indemnification.

(a) The Company will indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 7(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 7(c) hereof, the fees and disbursements of counsel chosen by the Underwriters), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above; provided, however, that the indemnity set forth in this Section 7(a) shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in

conformity with written information furnished to the Company by or on behalf of any Underwriter expressly for use in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto). The foregoing indemnity with respect to any untrue statement or alleged untrue statement contained in or omission or alleged omission from a preliminary prospectus shall not inure to the benefit of the Underwriter (or any person controlling such Underwriter) from whom the person asserting any loss, liability, claim, damage or expense purchased any of the Purchased Securities which are the subject thereof if the Company shall sustain the burden of proving that such person was not sent or given a copy of the Prospectus (or the Prospectus as amended or supplemented) at or prior to the written confirmation of the sale of such Purchased Securities to such person and the untrue statement contained in or omission from such preliminary prospectus was corrected in the Prospectus (or the Prospectus as amended or supplemented) and the Company had previously furnished copies thereof to such Underwriter.

(b) Each Underwriter, severally in proportion to its respective purchase obligation and not jointly, agrees to indemnify and hold harmless the Company, directors of the Company, the officers of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 7(a), as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Underwriter expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 7(a) above, counsel to the indemnified parties shall be selected by the Underwriters, and, in the case of parties indemnified pursuant to Section 7(b) above, counsel to the indemnified parties shall be selected by the Company, provided that if it so elects within a reasonable time after receipt of such notice, an indemnifying party, jointly with any other indemnifying parties receiving such notice, may assume the defense of such action with counsel chosen by it and approved by the indemnified parties defendant in such action, unless such indemnified parties reasonably object to such assumption on the ground that there may be legal defenses available to them which are different from or in addition to those available to such indemnifying party. If an indemnifying party assumes the defense of such action, the indemnifying parties shall not

be liable for any fees and expenses of counsel for the indemnified parties incurred thereafter in connection with such action. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 7 or Section 8 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for reasonable fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement. Notwithstanding the immediately preceding sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, an indemnifying party shall not be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its consent if such indemnifying party (i) reimburses such indemnified party in accordance with such request to the extent it considers such request to be reasonable and (ii) provides written notice to the indemnified party substantiating the unpaid balance as unreasonable, in each case prior to the date of such settlement.

#### 8. Contribution.

If the indemnification provided for in Section 7 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering

of the Purchased Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Purchased Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Purchased Securities pursuant to this Agreement (before deducting expenses but after deducting the total underwriting commission received by the Underwriters) received by the Company, and the total underwriting commission received by the Underwriters, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Purchased Securities as set forth on such cover. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 8. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 8 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Purchased Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter; and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to their respective underwriting obligations and not joint.

9. Termination. This Agreement may be terminated by a majority in interest of the Underwriters or by the Representatives by notifying the Company at any time.

(a) at or prior to the Closing Date if, in the judgment of such Underwriters or the Representatives, sale and delivery of the Purchased Securities or, if this Agreement provides for the sale of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, as contemplated in the Prospectus is rendered impracticable or inadvisable because (i) additional material governmental restrictions, not in force and effect on the date hereof, shall have been imposed upon trading in securities generally or minimum or maximum prices shall have been generally established on the New York Stock Exchange or on the American Stock Exchange, or trading in securities generally shall have been suspended or materially limited on either such Exchange or a general banking moratorium shall have been established by Federal or New York authorities, (ii) any event shall have occurred or shall exist which makes untrue or incorrect in any material respect any statement or information contained in the Registration Statement or Prospectus or which is not reflected in the Registration Statement or Prospectus but should be reflected therein in order to make the statements or information contained therein not misleading in any material respect, or (iii) any material adverse change shall have occurred in the financial markets in the United States or elsewhere or a war or outbreak of hostilities involving the United States or other calamity or crisis shall have occurred or shall have escalated to such an extent as to affect adversely the marketability of the Purchased Securities or, if this Agreement provides for the sale of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, or

(b) at or prior to the Closing Date, if any of the conditions specified in Section 5 hereof shall not have been fulfilled when and as required by this Agreement.

If this Agreement is terminated pursuant to any of the provisions hereof, except as otherwise provided herein, the Company shall not be under any liability to any Underwriter and no Underwriter shall be under any liability to the Company except that (a) if this Agreement is terminated by the Underwriters or the Representatives because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, the Company will reimburse the Underwriters for all reasonable out-of-pocket expenses (including the fees and disbursement of their counsel) reasonably incurred by them and (b) no Underwriter who shall have failed or refused to purchase the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, agreed to be purchased by it hereunder, without some reason sufficient hereunder to justify its cancellation or termination of its obligations hereunder, shall be relieved of liability to the Company or the other Underwriters for damages occasioned by its default.

10. Default of Underwriters. If one or more of the Underwriters shall fail (other than for a reason sufficient to justify the termination of this Agreement) to purchase on the Closing Date the principal amount of Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, agreed to be purchased by such Underwriter or Underwriters, the Representatives, or if there are none, such firm as may be designated by a majority in interest of the Underwriters may find one or more substitute underwriters to purchase such Purchased Securities or, if this Agreement provides for sales of Debt Securities

pursuant to delayed delivery contracts, the Underwriters' Securities, or make such other arrangements as they may deem advisable or one or more of the remaining Underwriters may agree to purchase such Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, in such proportions as may be approved by the Representatives or such designated firm, in each case upon the terms herein set forth. If no such arrangements have been made within 24 hours after the Closing Date, and

(a) the aggregate principal amount or number of shares, as the case may be, of Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, to be purchased by the defaulting Underwriter or Underwriters shall not exceed 10% of the total principal amount or number of shares, as the case may be, of Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, each of the non-defaulting Underwriters shall be obligated to purchase such Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, on the terms herein set forth in proportion to their respective obligations hereunder, or

(b) the aggregate principal amount or number of shares, as the case may be, of Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, to be purchased by the defaulting Underwriter or Underwriters shall exceed 10% of the total principal amount or number of shares, as the case may be, of Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, the Company shall be entitled to an additional period of 24 hours within which to find one or more substitute underwriters satisfactory to the Representatives, or if there are none, to such designated firm to purchase such Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, upon the terms set forth herein.

In any such case, either the Representatives, or if there are none, such designated firm or the Company shall have the right to postpone the Closing Date for a period of not more than seven business days in order that necessary changes and arrangements may be effected. If the aggregate principal amount or number of shares, as the case may be, of the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, to be purchased by such defaulting Underwriters shall exceed 10% of the total principal amount or number of shares, as the case may be, of Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, and neither the non-faulting Underwriters nor the Company shall make arrangements pursuant to this Section 10 within the period stated for the purchase of the Purchased Securities or, if this Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, which the defaulting Underwriter or Underwriters agreed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter and without liability on the part of the Company, except, in each case, as provided in

Section 6(k), 7, 8 and 9 hereof. The provisions of this Section 10 shall not in any way affect the liability of any defaulting Underwriter to the Company or the non-defaulting Underwriters arising out of such default. A substitute underwriter hereunder shall become an Underwriter for all purposes of this Agreement.

11. Miscellaneous. The reimbursement, indemnification and contribution agreements contained in Sections 6(k), 7 and 8 hereof and the representations, warranties, covenants and agreements of the Company in this Agreement shall remain in full force and effect regardless of (a) any termination of this Agreement, (b) any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any officer, director or controlling person and (c) delivery of and payment for Purchased Securities under this Agreement.

This Agreement has been and is made solely for the benefit of the Underwriters and the Company and their respective successors and assigns, and, to the extent expressed herein, for the benefit of persons controlling any of the Underwriters or the Company, directors and officers of the Company, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include any purchaser of Purchased Securities, Underwriters' Securities or Contract Securities merely because of such purchase.

In dealings hereunder, the Representatives, if designated, shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such firm as the Representatives may designate to the Company.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

DELAYED DELIVERY CONTRACT

-----, -----

Ladies and Gentlemen:

The undersigned hereby agrees to purchase from Portland General Electric Company, an Oregon corporation (the "Company"), and the Company agrees to sell to the undersigned \$\_\_\_\_\_ principal amount of the Company's [state title of issue] (the "Securities"), offered by the Company's Prospectus dated \_\_\_\_\_, \_\_\_\_\_ and Prospectus Supplement dated \_\_\_\_\_, \_\_\_\_\_, receipt of copies of which are hereby acknowledged, at a purchase price equal to \_\_\_% of the principal amount thereof plus accrued interest from \_\_\_\_\_, \_\_\_\_\_ to the date or dates for payment and delivery thereof and on the further terms and conditions set forth in this contract. The undersigned does not contemplate selling Securities prior to making payment therefor.

The undersigned will purchase from the Company Securities in the principal amounts and on the delivery date or dates set forth below:

Delivery Date	Principal Amount	Plus Accrued Interest From:
- -----	-----	-----
	\$	
	\$	
	\$	

Each such date on which Securities are to be purchased hereunder is hereinafter referred to as a "Delivery Date".

Payment for the Securities which the undersigned has agreed to purchase on each Delivery Date shall be made to the Company in immediately available funds at the office of \_\_\_\_\_, New York, New York, at 10:00 a.m. (New York time) on the Delivery Date, upon delivery to the undersigned of the Securities to be purchased by the undersigned on the Delivery Date, in such denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than five full business days prior to the Delivery Date. If no such request is received, the Securities will be registered in the name of the undersigned and issued in a denomination equal to the aggregate principal amount of Securities to be purchased by the Delivery Date.

By the execution hereof, the undersigned represents and warrants to the Company that (i) all necessary corporate action for the due execution and delivery of this contract and payment for and purchase of the Securities has been taken by it, (ii) no further authorization or approval of any governmental or other regulatory authority is required for such execution, delivery, payment or purchase, and (iii) its investment in the Securities is not, as of the date hereof, prohibited under the laws of any jurisdiction to which the undersigned is subject and which govern such investment.

The obligation of the undersigned to take delivery of and make payment for the Securities on the Delivery Date shall be subject to the conditions that (1) the purchase of Securities to be made by the undersigned shall not at the time of delivery be prohibited under the laws of the jurisdiction to which the undersigned is subject and (2) the Company shall have sold, and delivery shall have taken place to the underwriters (the "Underwriters") named in the Prospectus Supplement referred to above, of such part of the Securities as is to be sold to them. Promptly after completion of sale and delivery to the Underwriters, the Company will mail or deliver to the undersigned at its address set forth below notice to such effect, accompanied by a copy of the opinion of counsel for the Company delivered to the Underwriters in connection therewith.

Failure to take delivery of and make payment for Securities by any purchaser under any other delayed delivery contract shall not relieve the undersigned of its obligations under this contract.

This contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the written consent of the other.

It is understood that acceptance of this contract and other similar contracts is in the Company's sole discretion and, without limiting the foregoing, need not be on a first-come, first-served basis.

If this contract is acceptable to the Company, it is requested that the Company sign the form of acceptance below and mail or deliver one of the counterparts hereof to the undersigned at its address set forth below. This will become a binding contract, as of the date first above written, between the Company and the undersigned when such counterpart is so mailed or delivered.

THIS CONTRACT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Yours very truly,

-----  
(Purchaser)

By: -----

Name:  
Title:

Accepted:

PORTLAND GENERAL ELECTRIC COMPANY

By: -----

Name:  
Title:

-----  
-----  
(Address)

PURCHASER -- PLEASE COMPLETE AT TIME OF SIGNING

The name, telephone number and department of the representative of the Purchaser with whom details of delivery on the Delivery Date may be discussed are as follows: (Please print.)

Name	Telephone Number (Including Area Code)	Dept.
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[FORM OF FIRST LETTER OF ACCOUNTANTS  
TO BE DELIVERED PURSUANT TO SECTION 5(a)]

(i) They are independent public accountants within the meaning of the Securities Act and the Exchange Act and the respective applicable published rules and regulations thereunder and the answer to item 10 of Form S-3 set forth in the Registration Statement is correct insofar as it relates to them;

(ii) In their opinion the audited financial statements and financial statement schedules included or incorporated in the Prospectus and reported on by them comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the published rules and regulations thereunder;

(iii) On the basis of a reading of the unaudited financial statements, the unaudited notes to the audited financial statements and the supplementary financial information incorporated in the Prospectus and of the latest unaudited financial statements made available by the Company and its subsidiaries; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the stockholders, directors and executive committees of the Company and certain of its subsidiaries; and inquiries of certain officials of the Company who have responsibility for financial and accounting matters of the Company and its subsidiaries as to transactions and events subsequent to the date of the latest audited financial statements incorporated in the Prospectus, nothing came to their attention which caused them to believe that:

(1) the unaudited notes to the audited financial statements and the supplementary financial information incorporated in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and with the published rules and regulations of the Commission thereunder; or

(2) the unaudited financial statements included or incorporated in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and with the published rules and regulations thereunder; and said unaudited financial statements are not presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements incorporated in the Prospectus; and

(iv) They have performed certain other specified procedures as a result of which they determined that certain information (if any) specified by the Representatives or, if there are none, such firm as may be designated by a majority in interest of the Underwriters, of an accounting,

financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company) incorporated in the Prospectus, agrees with the accounting records of the Company and its subsidiaries, excluding any questions of legal interpretation.

[FORM OF SECOND LETTER TO ACCOUNTANTS  
TO BE DELIVERED PURSUANT TO SECTION 5(a)]

(i) On the basis of a reading of the latest unaudited financial statements made available by the Company and its subsidiaries; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the stockholders, directors and executive committees of the Company and certain of its subsidiaries; and inquiries of certain officials of the Company who have responsibility for financial and accounting matters of the Company and its subsidiaries as to transactions and events subsequent to the date of the latest financial statements included or incorporated in the Prospectus, nothing came to their attention which caused them to believe that: (a) with respect to the period subsequent to the date of the latest consolidated balance sheet included or incorporated in the Prospectus, there were, at a subsequent specified date not more than five business days prior to the Closing Date, any change in the capital stock or increases in short-term debt or long-term debt of the Company and consolidated subsidiaries or any decreases in the consolidated net current assets or net assets as compared with the amounts shown on the latest consolidated balance sheet included or incorporated in the Prospectus; or (b) for the period from the date of the latest financial statements included or incorporated in the Prospectus to such specified date there were any decreases, as compared with the corresponding period in the preceding year, in consolidated operating revenues, net income or earnings per common share, except in all instances for changes or decreases which the Prospectus discloses have occurred or may occur or which are set forth in such letter; and

(ii) They have performed certain other specified procedures as a result of which they determined that certain information (if any) specified by the Representatives or, if, there are none, such firm as may be designated by a majority in interest of the Underwriters, of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company) included in the Prospectus and not covered by their first letter delivered pursuant to Section 5(a), agrees with the accounting records of the Company and its subsidiaries, excluding any questions of legal interpretation.

[FORM OF OPINION OF VINSON & ELKINS L.L.P., COUNSEL TO THE COMPANY  
TO BE DELIVERED PURSUANT TO SECTION 5(f)]

(i) The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Oregon, is duly qualified to do business as a foreign corporation in the states of [enumerating such states], has full corporate power and authority to own its properties and to conduct its business as such business is described in the Prospectus , and neither the character of the properties owned by it nor the nature of the business transacted by it makes necessary its licensing or qualification as a foreign corporation in any other state or jurisdiction;

(ii) Each of the Company's material subsidiaries is a corporation duly incorporated and validly existing in good standing under the laws of its jurisdiction of incorporation, and has full corporate power and authority to own its properties and to conduct its business as such business is described in the Prospectus;

(iii) The Underwriting Agreement has been duly authorized, executed and delivered by the Company;

(iv) The Bond Indenture or the Notes Indenture, as the case may be, has been duly authorized and validly executed, acknowledged and delivered by the Company and, assuming due authorization, execution and delivery by the Bond Trustee or the Notes Trustee, as the case may be, constitutes a valid and binding agreement of the Company enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws relating to or affecting creditors' rights generally and to general equity principles;

(v) In the event any of the Purchased Securities are to be purchased pursuant to Delayed Delivery Contracts, each of such Delayed Delivery Contracts has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the purchaser named therein, constitutes a valid and binding agreement of the Company enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws relating to or affecting creditors' rights generally and to general equity principles;

(vi) The Purchased Securities are in the form contemplated by the Bond Indenture or the Notes Indenture, as the case may be, and have been duly authorized by all necessary corporate action on the part of the Company; the Purchased Securities or, if the Underwriting Agreement provides for sales of Debt Securities pursuant to delayed delivery contracts, the Underwriters' Securities, when executed and authenticated as specified in the Bond Indenture or the Notes Indenture, as the case may be (which facts, such counsel may state, such counsel has not determined by an inspection of

individual Purchased Securities or, if the Underwriting Agreement provides for sales of Debt Securities pursuant to Delayed Delivery Contracts, the Underwriters' Securities), and issued and delivered against payment pursuant to the Underwriting Agreement, will be valid and binding obligations of the Company entitled to the benefits of the Bond Indenture or the Notes Indenture, as the case may be, and enforceable against the Company in accordance with their respective terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws relating to or affecting creditors' rights generally and to general equity principles; the Contract Securities, if any, when executed, authenticated, issued and delivered pursuant to the Bond Indenture or the Notes Indenture, as the case may be (which facts, such counsel may state, such counsel has not determined by an inspection of individual Contract Securities), and delayed delivery contracts, if any, will be valid and binding obligations of the Company entitled to the benefits of the Bond Indenture or the Notes Indenture, as the case may be, and enforceable against the Company in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws relating to or affecting creditors' rights generally and to general equity principles.

(vii) All authorizations, approvals, consents or other orders of any governmental authority or agency required in connection with the authorization, issuance and sale of the Purchased Securities by the Company pursuant to the Underwriting Agreement have been obtained and continue in full force and effect, other than authorizations, approvals, consents or other orders of state securities commissions, authorities or agencies, with respect to which such counsel need express no opinion;

(viii) The Bond Indenture or the Notes Indenture, as the case may be, the Purchased Securities and the Delayed Delivery Contracts, if any, conform in all material respects to the descriptions thereof in the Prospectus;

(ix) The Bond Indenture or the Notes Indenture, as the case may be, has been qualified under the Trust Indenture Act;

(x) The Registration Statement has become effective under the Securities Act and, to such counsel's knowledge and information, no stop order suspending the effectiveness of the Registration Statement has been issued under the Securities Act and no proceedings therefor have been initiated or threatened by the Commission;

(xi) The Registration Statement and the Prospectus and any amendments and supplements thereto made by the Company prior to the Closing Date (except for the reports of experts pertaining to the financial statements and other financial data included therein, as to which such counsel need express no opinion, and exclusive of the documents incorporated by reference therein) comply as to form in all material respects with the requirements of the Securities Act and the Trust Indenture Act and the rules and regulations thereunder;

(xii) Each document filed with the Commission pursuant to the Exchange Act (except for financial statements and other financial data and the reports of experts pertaining to the financial statements included in such documents, as to which such counsel need express no opinion) which is incorporated by reference in the Prospectus complied as to form, when so filed, in all material respects with the requirements of the particular form of the Commission upon which it was filed;

(xiii) The execution and delivery of the Underwriting Agreement, each of the Delayed Delivery Contracts, if any, and the Bond Indenture or the Notes Indenture, as the case may be, and the consummation of the transactions therein contemplated and the compliance with the terms of the Underwriting Agreement, each of the Delayed Delivery Contracts, if any, and the Bond Indenture or the Notes Indenture, as the case may be, do not and will not conflict with, violate or result in a breach of any of the terms or provisions of, or constitute a default under, the Articles of Incorporation, as amended, or By-laws, as amended, of the Company or any material subsidiary, or any indenture, mortgage or other agreement listed on Exhibit A to this opinion, or to such counsel's knowledge, any existing applicable law, rule, regulation, judgment, order or decree of any domestic government, governmental instrumentality or court having jurisdiction over the Company or any such subsidiary or any of their respective properties;

(xiv) To such counsel's knowledge, no action, suit or proceeding at law or in equity, or before or by any federal, state or other commission, board or administrative agency, is pending or threatened against the Company or any of the Company's material subsidiaries which would be required to be described in the Prospectus and is not described as required;

(xv) The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended; and

(xvi) The Company is not subject to, or is exempt from, regulation as a "holding company" under the Public Utility Holding Company Act of 1935, as amended.

Such counsel's opinion shall also state that such counsel has participated in the preparation of the Registration Statement and the Prospectus and discussed with management of the Company and representatives of its accountants the contents of the Registration Statement and the Prospectus. Although such counsel has not independently verified, and is not passing upon and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained therein, nothing has come to such counsel's attention that has caused them to believe that the Registration Statement (except for the reports of experts pertaining to the financial statements and other financial data included in the Registration Statement, as to which such counsel need express no belief) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus (except for the reports of experts pertaining to the financial statements and other financial data included in the Prospectus, as to which such counsel need express no belief), at the date of the prospectus supplement relating to the Purchased Securities filed pursuant to Rule 424 under the

Securities Act or at the Closing Date contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[FORM OF OPINION OF STOEL RIVES LLP, COUNSEL TO THE COMPANY  
TO BE DELIVERED PURSUANT TO SECTION 5(g)]

(i) The Bond Indenture constitutes a valid first security interest on all of the right, title and interest of the Company in and to the personal properties and fixtures that are described in the granting clauses of the Bond Indenture and that are intended to be subject to the lien thereof, subject only to permitted encumbrances (as defined in the Bond Indenture);

(ii) The Bond Indenture constitutes a valid first mortgage lien on all of the right, title and interest of the Company in and to all of the real properties and interests in real properties that are described in the Bond Indenture and that are intended to be subject to the lien thereof, subject only to permitted encumbrances (as defined in the Bond Indenture) and to minor restrictions, exceptions and reservations in conveyances, and defects which do not in any material way impair the security afforded by the Bond Indenture;

(iii) The descriptions of the properties of the Company as set forth in the Bond Indenture are legally sufficient to have caused the lien created by the Bond Indenture to attach to such properties;

(iv) The provisions of the Bond Indenture for the extension of the lien thereof to property and interests therein acquired by the Company after the date of execution of the original Bond Indenture are effective to extend the lien of the Bond Indenture to such properties and interests as a valid first security interest or valid first mortgage lien (as the case may be) as security for the Mortgage Bonds, subject to no prior liens other than permitted encumbrances (as defined in the Bond Indenture) and subject only to minor restrictions, exceptions and reservations in conveyances, and defects which do not in any material way impair the security afforded by the Bond Indenture, without the execution by the Company of any supplemental indenture or other instrument specifically extending the lien of the Bond Indenture to such property and interests;

(v) The Bond Indenture has been duly recorded and filed (or submitted for recordation and filing with all fees and taxes therefor paid) as a mortgage and security interest on the properties of the Company described in the Bond Indenture and intended to be subject to the lien thereof, in such manner and in all counties in which such properties are situated and in such manner and in such other places as required by law to preserve and protect the rights of the Bondholders and the Trustee, and no re-recording or re-filing is necessary to preserve the lien established thereby; and

(vi) The Company has the power of eminent domain as a utility under the laws of the states where its properties are located and where it operates as an electric utility.

-----  
PORTLAND GENERAL ELECTRIC COMPANY

TO

HSBC BANK USA  
(FORMERLY THE MARINE MIDLAND TRUST  
COMPANY OF NEW YORK)

Trustee.

-----  
SUPPLEMENTAL INDENTURE

Dated \_\_, 199

-----  
\$\_\_\_\_\_ First Mortgage Bonds,  
\_\_ % Series due \_\_\_\_\_  
-----

Supplemental to Indenture of Mortgage and Deed of Trust,  
dated July 1, 1945 of Portland General Electric Company.

THIS INSTRUMENT GRANTS A SECURITY INTEREST BY A TRANSMITTING UTILITY  
THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS  
-----

SUPPLEMENTAL INDENTURE, dated \_\_\_\_\_, made by and between Portland General Electric Company, an Oregon corporation (hereinafter called the "Company"), party of the first part, and HSBC Bank USA (formerly The Marine Midland Trust Company of New York), a New York banking corporation and trust company (hereinafter called the "Trustee"), party of the second part.

WHEREAS, the Company has heretofore executed and delivered its Indenture of Mortgage and Deed of Trust (herein sometimes referred to as the "Original Indenture"), dated July 1, 1945, to the Trustee to secure an issue of First Mortgage Bonds of the Company; and

WHEREAS, Bonds in the aggregate principal amount of \$34,000,000 have heretofore been issued under and in accordance with the terms of the Original Indenture as Bonds of an initial series designated "First Mortgage Bonds, 3-1/8% Series due 1975" (herein sometimes referred to as the "Bonds of the 1975 Series"); and

WHEREAS, the Company has heretofore executed and delivered to the Trustee several supplemental indentures which provided, among other things, for the creation or issuance of several new series of First Mortgage Bonds under the terms of the Original Indenture as follows:

SUPPLEMENTAL INDENTURE	DATED	SERIES DESIGNATION	PRINCIPAL AMOUNT
First	11-1-47	3-1/2% Series due 1977	\$ 6,000,000 (1)
Second	11-1-48	3-1/2% Series due 1977	4,000,000 (1)
Third	5-1-52	3-1/2% Second Series due 1977	4,000,000 (1)
Fourth	11-1-53	4-1/8% Series due 1983	8,000,000 (2)
Fifth	11-1-54	3-3/8% Series due 1984	12,000,000 (1)
Sixth	9-1-56	4-1/4% Series due 1986	16,000,000 (1)
Seventh	6-1-57	4-7/8% Series due 1987	10,000,000 (1)
Eighth	12-1-57	5-1/2% Series due 1987	15,000,000 (3)
Ninth	6-1-60	5-1/4% Series due 1990	15,000,000 (1)
Tenth	11-1-61	5-1/8% Series due 1991	12,000,000 (1)
Eleventh	2-1-63	4-5/8% Series due 1993	15,000,000 (1)
Twelfth	6-1-63	4-3/4% Series due 1993	18,000,000 (1)
Thirteenth	4-1-64	4-3/4% Series due 1994	18,000,000 (1)
Fourteenth	3-1-65	4.70% Series due 1995	14,000,000 (1)
Fifteenth	6-1-66	5-7/8% Series due 1996	12,000,000 (1)
Sixteenth	10-1-67	6.60% Series due October 1, 1997	24,000,000 (1)
Seventeenth	4-1-70	8-3/4% Series due April 1, 1977	20,000,000 (1)
Eighteenth	11-1-70	9-7/8% Series due November 1, 2000	20,000,000 (4)
Nineteenth	11-1-71	8% Series due November 1, 2001	20,000,000 (4)
Twentieth	11-1-72	7-3/4% Series due November 1, 2002	20,000,000 (4)
Twenty-first	4-1-73	7.95% Series due April 1, 2003	35,000,000 (4)
Twenty-second	10-1-73	8-3/4% Series due October 1, 2003	17,000,000 (4)
Twenty-third	12-1-74	10-1/2% Series due December 1, 1980	40,000,000 (1)
Twenty-fourth	4-1-75	10% Series due April 1, 1982	40,000,000 (1)
Twenty-fifth	6-1-75	9-7/8% Series due June 1, 1985	27,000,000 (1)
Twenty-sixth	12-1-75	11-5/8% Series due December 1, 2005	50,000,000 (4)
Twenty-seventh	4-1-76	9-1/2% Series due April 1, 2006	50,000,000 (4)
Twenty-eighth	9-1-76	9-3/4% Series due September 1, 1996	62,500,000 (4)
Twenty-ninth	6-1-88	8-3/4% Series due June 1, 2007	50,000,000 (4)
Thirtieth	10-1-78	9.40% Series due January 1, 1999	25,000,000 (4)
Thirty-first	11-1-78	9.80% Series due November 1, 1998	50,000,000 (4)
Thirty-second	2-1-80	13-1/4% Series due February 1, 2000	55,000,000 (4)
Thirty-third	8-1-80	13-7/8% Series due August 1, 2010	75,000,000 (4)

SUPPLEMENTAL INDENTURE	DATED	SERIES DESIGNATION	PRINCIPAL AMOUNT
Thirty-sixth	10-1-82	13-1/2% Series due October 1, 2012	75,000,000 (4)
Thirty-seventh	11-15-84	11-5/8% Extendable Series A due November 15, 1999	75,000,000 (4)
Thirty-eighth	6-1-85	10-3/4% Series due June 1, 1995	60,000,000 (4)
Thirty-ninth	3-1-86	9-5/8% Series due March 1, 2016	100,000,000 (4)
Fortieth	10-1-90	Medium Term Note Series	200,000,000
Forty-first	12-1-91	Medium Term Note Series I	150,000,000
Forty-second	4-1-93	7-3/4% Series due April 15, 2023	150,000,000
Forty-third	7-1-93	Medium Term Notes Series II	75,000,000
Forty-fourth	8-1-94	Medium Term Notes Series III	75,000,000
Forty-fifth	5-1-95	Medium Term Notes Series IV	75,000,000
Forty-sixth	8-1-96	Medium Term Notes Series V	50,000,000

- (1) Paid in full at maturity.
- (2) This entire issue of Bonds was redeemed out of proceeds from the sale of First Mortgage Bonds, 3-3/8% Series due 1984.
- (3) This entire issue of Bonds was redeemed out of proceeds from the sale of First Mortgage Bonds, 4-5/8% Series due 1993.
- (4) Redeemed in full prior to maturity.

which bonds are sometimes referred to herein as the "Bonds of the 1977 Series", "Bonds of the 1977 Second Series", "Bonds of the 1983 Series", "Bonds of the 1984 Series", "Bonds of the 1986 Series", "Bonds of the 4-7/8% Series due 1987", "Bonds of the 5-1/2% Series due 1987", "Bonds of the 1990 Series", "Bonds of the 1991 Series", "Bonds of the 4-5/8% Series due 1993", "Bonds of the 4-3/4% Series due 1993", "Bonds of the 1994 Series", "Bonds of the 1995 Series", "Bonds of the 1996 Series", "Bonds of the 1997 Series", "Bonds of the 1977 Third Series", "Bonds of the 2000 Series", "Bonds of the 2001 Series", "Bonds of the 2002 Series", "Bonds of the 2003 Series", "Bonds of the 2003 Second Series", "Bonds of the 1980 Series", "Bonds of the 1982 Series", "Bonds of the 1985 Series", "Bonds of the 2005 Series", "Bonds of the 2006 Series", "Bonds of the 1996 Second Series", "Bonds of the 2007 Series", "Bonds of the 1999 Series", "Bonds of the 1998 Series", "Bonds of the 2000 Second Series", "Bonds of the 2010 Series", "Bonds of the 2012 Series", "Bonds of the Extendable Series A", "Bonds of the 1995 Second Series", "Bonds of the 2016 Series", "Bonds of the Medium Term Note Series", "Bonds of the Medium Term Note Series I", "Bonds of the 2023 Series", "Bonds of the Medium Term Note Series II", "Bonds of the Medium Term Note Series III", "Bonds of the Medium Term Note Series IV", and "Bonds of the Medium Term Note Series V", respectively; and

WHEREAS, the Original Indenture provides that the Company and the Trustee, subject to the conditions and restrictions in the Original Indenture contained, may enter into an indenture or indentures supplemental thereto, which shall thereafter form a part of said Original Indenture, among other things, to mortgage, pledge, convey, transfer or assign to the Trustee and to subject to the lien of the Original Indenture with the same force and effect as though included in the granting clauses thereof, additional properties acquired by the Company after the execution and delivery of the Original Indenture, and to provide for the creation of any series of Bonds (other than the Bonds of the 1975 Series), designating the series to be created and specifying the form and provisions of the Bonds of such series as therein provided or permitted, and to provide a sinking, amortization, replacement or other analogous fund for the benefit of all or any of the Bonds of any one or more

series, of such character and of such amount, and upon such terms and conditions as shall be contained in such supplemental indenture; and

WHEREAS, the Company has heretofore executed and delivered to the Trustee the Fortieth Supplemental Indenture and the Forty-first Supplemental Indenture amending in certain respects the Original Indenture, as theretofore supplemented (such Original Indenture as so supplemented and amended is hereinafter referred to as the "Mortgage"); and

WHEREAS, the Company desires to further amend the Mortgage in certain respects pursuant to Section 17.01 of the Original Indenture, and the Trustee has agreed to such amendments; and

WHEREAS, the Company desires to provide for the creation of a new series of bonds to be known as "First Mortgage Bonds, \_\_\_\_\_% Series due \_\_\_\_\_," (sometimes herein referred to as the "Bonds of the \_\_\_\_\_ Series"), and to specify the form and provisions of the Bonds of such series, and to mortgage, pledge, convey, transfer or assign to the Trustee and to subject to the lien of the Mortgage certain additional properties acquired by the Company since the execution and delivery of the Original Indenture; and

WHEREAS, the Company intends at this time to issue not to exceed \$\_\_\_\_\_ aggregate principal amount of Bonds of the \_\_\_\_\_ Series under and in accordance with the terms of the Mortgage; and

WHEREAS, the Bonds of the \_\_\_\_\_ Series and the Trustee's authentication certificate to be executed on the Bonds of the \_\_\_\_\_ Series, are to be substantially in the following forms, respectively:

(Form of Bond of the \_\_\_ Series)

[FACE]

[THIS BOND IS A BOOK-ENTRY GLOBAL BOND WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED BELOW, AND NO TRANSFER OF THIS BOND (OTHER THAN A TRANSFER OF THIS BOND AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE OF THE DEPOSITORY TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]1

No. R \$.....

PORTLAND GENERAL ELECTRIC COMPANY  
FIRST MORTGAGE BOND, [\_\_\_%] (2) SERIES [DUE \_\_\_\_\_, \_\_\_] (2)

Portland General Electric Company, an Oregon corporation (hereinafter sometimes called the "Company"), for value received, hereby promises to pay to [.....] (3) [Cede & Co.,] (1) or registered assigns ..... Dollars on \_\_\_\_\_, \_\_\_\_\_, and to pay interest thereon from [the \_\_\_\_\_ or \_\_\_\_\_, as the case may be, next preceding the date hereof to which interest has been paid (unless the date hereof is a \_\_\_\_\_ or \_\_\_\_\_ to which interest has been paid, in which case from the date hereof, or unless the date hereof is prior to \_\_\_\_\_, 199\_\_, in which case from \_\_\_\_\_, 19\_\_], or unless the date hereof is between a \_\_\_\_\_ or \_\_\_\_\_, as the case may be, and the following \_\_\_\_\_ or \_\_\_\_\_, in which case from such \_\_\_\_\_ or \_\_\_\_\_, provided, however, that if and to the extent the Company shall default in payment of the interest due on such \_\_\_\_\_ or \_\_\_\_\_, then from the next preceding date to which interest has been paid or if such default shall be in respect of the interest due on \_\_\_\_\_, 199\_\_, then from \_\_\_\_\_, 199\_\_), (2) at the rate of [ \_\_\_\_\_, semi-annually on the first day of \_\_\_\_\_ and \_\_\_\_\_

on the first day of \_\_\_\_\_ in each year beginning on \_\_\_\_\_, 199\_\_,] (2) until payment of the principal hereof has been made or duly provided for. The interest so payable on any [\_\_\_\_\_ or \_\_\_\_\_] (2) will, subject to certain exceptions provided in the \_\_\_\_\_ Supplemental Indenture referred to on the reverse hereof, be paid to the person in whose name this bond is registered at the close of business on the [\_\_\_\_\_ or \_\_\_\_\_, as the case may be, next preceding such \_\_\_\_\_ or \_\_\_\_\_.] (2)

The principal of this bond will be paid in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the office or agency of the Company in the Borough of Manhattan, City and State of New York, and interest thereon will be paid in like coin or currency at said office or agency.

Reference is hereby made to the further provisions of this bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not become or be valid or obligatory for any purpose until the authentication certificate hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, PORTLAND GENERAL ELECTRIC COMPANY has caused this instrument to be executed manually or in facsimile by its duly authorized officers and has caused a facsimile of its corporate seal to be imprinted hereon.

Dated \_\_\_\_\_

PORTLAND GENERAL ELECTRIC COMPANY,

By: \_\_\_\_\_  
[Title]

Attest: \_\_\_\_\_  
Secretary.

(Form of Trustee's Authentication Certificate for Bonds of the \_\_\_\_\_ Series)

This is one of the bonds, of the series designated herein, described in the within-mentioned Indenture.

HSBC BANK USA, AS TRUSTEE,

By: \_\_\_\_\_  
Authorized Officer.

[reverse]

This bond is one of the bonds, of a series designated as \_\_\_\_\_% Series [due \_\_\_\_\_, \_\_\_\_\_, ](2) of an authorized issue of bonds of the Company, known as First Mortgage Bonds, not limited as to maximum aggregate principal amount, all issued or issuable in one or more series under and equally secured (except insofar as any sinking fund, replacement fund or other fund established in accordance with the provisions of the Indenture hereinafter mentioned may afford additional security for the bonds of any specific series) by an Indenture of Mortgage and Deed of Trust dated July 1, 1945, duly executed and delivered by the Company to The Marine Midland Trust Company of New York (now HSBC Bank USA), as Trustee, as supplemented and modified by supplemental indentures (such Indenture of Mortgage and Deed of Trust as so supplemented and modified being hereinafter called the "Indenture"), to which Indenture and all indentures supplemental thereto, reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the nature and extent of the security, and the rights, duties and immunities thereunder of the Trustee, the rights of the holders of said bonds and of the Trustee and of the Company in respect of such security, and the terms upon which said bonds may be issued thereunder.

The bonds of the \_\_\_\_\_% Series [due \_\_\_\_\_, \_\_\_\_\_] (2) are subject to redemption prior to maturity as a whole at any time or in part from time to time [(a) during each of the twelve months' periods set forth in the tabulation below, at the option of the Company (by operation of the replacement fund provided in the Indenture and otherwise, except in the cases mentioned in the following clause (b)), upon payment of the applicable percentage of the principal amount thereof set forth in said tabulation, under the heading "Regular Redemption Price"; provided, however, that no such redemption shall be made prior to \_\_\_\_\_, \_\_\_\_\_ directly or indirectly out of the proceeds of or in anticipation of any borrowings or the issuance of other debt obligations by or for the account of the Company having an effective interest cost (calculated after adjustment, in accordance with generally accepted financial practice, for any premium received or discount granted in connection with such borrowings or issuance) of less than \_\_\_\_\_ per annum; and (b)] (4) [by operation of the sinking fund provided for in the Indenture and] (5) by application of proceeds of the sale or disposition substantially as an entirety of the electric properties of the Company at Portland, Oregon [and (in the instances provided in the Indenture) by the application of proceeds of property subject to the lien thereof,] (4) upon payment of the principal amount thereof:

TWELVE MONTHS' PERIOD BEGINNING	REGULAR REDEMPTION PRICE	TWELVE MONTHS' PERIOD BEGINNING	REGULAR REDEMPTION PRICE
------------------------------------	-----------------------------	------------------------------------	-----------------------------

together in each case with interest accrued on the bonds to be redeemed to the redemption date, upon prior notice given by mailing such notice to the respective registered holders of such bonds not less than thirty nor more than ninety days prior to the redemption date, all as more fully provided in the Indenture.

If this bond or any portion thereof (One Thousand Dollars or an integral multiple thereof) is duly called for redemption and payment duly provided for as specified in the Indenture, this bond or such portion thereof shall cease to be entitled to the lien of the Indenture from and after the date payment is so provided for and shall cease to bear interest from and after the redemption date.

(4) In the event of the selection for redemption of a portion only of the principal of this bond, payment of the redemption price will be made only upon surrender of this bond in exchange for a bond or bonds (but only of authorized denominations of the same series) for the unredeemed balance of the principal amount of this bond.

[This bond will not be subject to any sinking fund.] (6)

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than seventy-five percent in principal amount of the bonds (exclusive of bonds disqualified by reason of the Company's interest therein) at the time outstanding, including, if more than one series of bonds shall be at the time outstanding, not less than sixty percent in principal amount of each series affected, to effect, by an indenture supplemental to the Indenture, modifications or alterations of the Indenture and of the rights and obligations of the Company and of the holders of the bonds and coupons; provided, however, that no such modification or alteration shall be made without the written approval or consent of the holder hereof which will (a) extend the maturity of this bond or reduce the rate or extend the time of payment of interest hereon or reduce the amount of the principal hereof or reduce any premium payable on the redemption hereof, (b) permit the creation of any lien, not otherwise permitted, prior to or on a parity with the lien of the Indenture, or (c) reduce the percentage of the principal amount of the bonds upon the approval or consent of the holders of which modifications or alterations may be made as aforesaid.

The transfer of this bond is registrable by the registered owner hereof in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee in the Borough of Manhattan, City and State of New York, upon surrender of this bond for cancellation and upon payment of any taxes or other governmental charges payable upon such transfer, and thereupon a new registered bond or bonds of the same series and of a like aggregate principal amount will be issued to the transferee or transferees in exchange therefor.

The Company, the Trustee and any paying agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payments of or an account of the principal hereof and interest due hereon, and for all other purposes, whether or not this bond shall be overdue, and neither the Company, the Trustee nor any paying agent shall be affected by any notice to the contrary.

Bonds of this series are issuable only in fully registered form without coupons in denominations of [\$1,000 and any integral multiple thereof].<sup>2</sup> The registered owner of this bond at his option may surrender the same for cancellation at said office of the Trustee and receive in exchange therefor the same aggregate principal amount of registered bonds of the same series but

of other authorized denominations upon payment of any taxes or other governmental charges payable upon such exchange and subject to the terms and conditions set forth in the Indenture.

If an event of default as defined in the Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in the Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and as provided in the Indenture, waive certain defaults thereunder and the consequences of such defaults.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, against any incorporator, shareholder, director or officer, past, present or future, as such, of the Company or of any predecessor or successor corporation, either directly or through the Company or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, shareholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and as provided in the Indenture.

The Indenture provides that this bond shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

(End of Form of Bond of the \_\_\_\_\_ Series)

and

WHEREAS, all acts and proceedings required by law and by the charter or articles of incorporation and bylaws of the Company necessary to make the Bonds of the \_\_\_\_\_ Series to be issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute this Supplemental Indenture a valid and binding instrument, have been done and taken; and the execution and delivery of this Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, that, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time issued and outstanding under the Original Indenture as supplemented and modified by the \_\_\_\_\_ supplemental indentures hereinbefore described and as supplemented and modified by this Supplemental Indenture, according to their tenor, purport and effect, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and for the purpose of confirming and perfecting the lien of the Mortgage on the properties of the Company hereinafter described, or referred to, and for and in consideration of the premises and of the mutual covenants herein contained, and acceptance of the Bonds of the \_\_\_\_\_ Series by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Company has executed and delivered this Supplemental Indenture and

by these presents does grant, bargain, sell, warrant, alien, convey, assign, transfer, mortgage, pledge, hypothecate, set over and confirm unto the Trustee the following property, rights, privileges and franchises (in addition to all other property, rights, privileges and franchises heretofore subjected to the lien of the Original Indenture as supplemented by the \_\_\_\_\_ supplemental indentures hereinbefore described and not heretofore released from the lien thereof), to wit:

CLAUSE I

Without in any way limiting anything hereinafter described, all and singular the lands, real estate, chattels real, interests in land, leaseholds, ways, rights-of-way, easements, servitudes, permits and licenses, lands under water, riparian rights, franchises, privileges, electric generating plants, electric transmission and distribution systems, and all apparatus and equipment appertaining thereto, offices, buildings, warehouses, garages, and other structures, tracks, machine shops, materials and supplies and all property of any nature appertaining to any of the plants, systems, business or operations of the Company, whether or not affixed to the realty, used in the operation of any of the premises or plants or systems or otherwise, which have been acquired by the Company since the execution and delivery of the Original Indenture and not heretofore included in any indenture supplemental thereto, and now owned or which may hereafter be acquired by the Company (other than excepted property as defined in the Mortgage).

CLAUSE II

All corporate, Federal, State, municipal and other permits, consents, licenses, bridge licenses, bridge rights, river permits, franchises, grants, privileges and immunities of every kind and description, owned, held, possessed or enjoyed by the Company (other than excepted property as defined in the Mortgage) and all renewals, extensions, enlargements and modifications of any of them, which have been acquired by the Company since the execution and the delivery of the Original Indenture and not heretofore included in any indenture supplemental thereto, and now owned or which may hereafter be acquired by the Company.

CLAUSE III

Together with all and singular the plants, buildings, improvements, additions, tenements, hereditaments, easements, rights, privileges, licenses and franchises and all other appurtenances whatsoever belonging or in any wise pertaining to any of the property hereby mortgaged or pledged, or intended so to be, or any part thereof, and the reversion and reversions, remainder and remainders, and the rents, revenues, issues, earnings, income, products and profits thereof, and every part and parcel thereof, and all the estate, right, title, interest, property, claim and demand of every nature whatsoever of the Company at law, in equity or otherwise howsoever, in, of and to such property and every part and parcel thereof (other than excepted property as defined in the Mortgage).

TO HAVE AND TO HOLD all of said property, real, personal and mixed, and all and singular the lands, properties, estates, rights, franchises, privileges and appurtenances hereby

mortgaged, conveyed, pledged or assigned, or intended so to be, together with all the appurtenances thereto appertaining and the rents, issues and profits thereof, unto the Trustee and its successors and assigns, forever.

SUBJECT, HOWEVER, to the exceptions, reservations, restrictions, conditions, limitations, covenants and matters contained in all deeds and other instruments whereunder the Company has acquired any of the property now owned by it, and to permitted encumbrances as defined in Subsection B of Section 1.11 of the Mortgage;

BUT IN TRUST NEVERTHELESS, for the equal and proportionate use, benefit, security and protection of those who from time to time shall hold the Bonds authenticated and delivered under the Original Indenture and the \_\_\_\_\_ supplemental indentures hereinbefore described or this Supplemental Indenture, and duly issued by the Company, without any discrimination, preference or priority of any one Bond over any other by reason of priority in the time of issue, sale or negotiation thereof or otherwise, except as provided in Section 11.28 of the Mortgage, so that, subject to said Section 11.28, each and all of said Bonds shall have the same right, lien and privilege under the Original Indenture and the \_\_\_\_\_ supplemental indentures hereinbefore described, or this Supplemental Indenture, and shall be equally secured thereby and hereby and shall have the same proportionate interest and share in the trust estate, with the same effect as if all of the Bonds had been issued, sold and negotiated simultaneously on the date of delivery of the Original Indenture;

AND UPON THE TRUSTS, USES AND PURPOSES and subject to the covenants, agreements and conditions in the Original Indenture and the \_\_\_\_\_ supplemental indentures hereinbefore described and herein set forth and declared.

(7) [ARTICLE ONE.

#### AMENDMENTS TO THE INDENTURE

SECTION 1.01. The holders of all outstanding Bonds of all Series having consented thereto, Subsections A and G of Section 1.10 of the Mortgage are and shall hereby be amended so as to read as follows:

"A. The term 'bondable public utility property' shall mean and comprise any tangible property now owned or hereafter acquired by the Company and subjected to the lien of this Indenture, which is located in the States of Oregon, Washington, California, Arizona, New Mexico, Idaho, Montana, Wyoming, Utah, Nevada and Alaska and is used or is useful to it in the business of furnishing or distributing electricity for heat, light or power or other use, or supplying hot water or steam for heat or power or steam for other purposes, including, without limiting the generality of the foregoing, all properties necessary or appropriate for purchasing, generating, manufacturing, producing, transmitting, supplying, distributing and/or disposing of electricity, hot water or steam; provided, however, that the term 'bondable public utility property' shall not be deemed to

include any nonbondable property, as defined in Subsection B of this Section 1.10, or any excepted property."

"G. The term 'minimum provision for depreciation' for the period from March 31, 1945 through December 31, 1966, as applied to bondable public utility property, whether or not subject to a prior lien, shall mean \$35,023,487.50.

"The term 'minimum provision for depreciation' for any calendar year subsequent to December 31, 1966, as applied to bondable public utility property, shall mean the greater of (i) an amount equal to 2% of depreciable bondable public utility property, as shown by the books of the Company as of January 1 of such year, with respect to which the Company was as of that date required, in accordance with sound accounting practice, to make appropriations to a reserve or reserves for depreciation or obsolescence, or (ii) the amount actually appropriated by the Company on its books of account to a reserve or reserves for depreciation or obsolescence in respect of depreciable bondable public utility property for such calendar year, in either case less an amount equal to the aggregate of (a) the amount of any property additions which during such calendar year were included in an officers' certificate filed with the Trustee as the basis for a sinking fund credit pursuant to the provisions of a sinking fund for Bonds of any series and which as a result of having been so included have been deemed, either without time limit or only so long as any Bonds of such series are outstanding, to have been 'included in an officers' certificate filed with the Trustee as the basis for a sinking fund credit' and to have been 'made the basis for action or credit hereunder' as such term is defined in Subsection H of Section 1.10 of the Original Indenture, and (b) 166-2/3% of the principal amount of Bonds of any series which shall have been delivered to the Trustee as a credit, or which the Company shall have elected to apply as a credit, against any sinking fund payment due during such calendar year for Bonds of any series, or which shall have been redeemed in anticipation of, or out of moneys paid to the Trustee on account of, any sinking fund payment due during such calendar year for Bonds of any series and which as a result of having been so made the basis of a credit upon a sinking fund payment and/or so redeemed by operation of a sinking fund shall have been disqualified, either without time limit or only so long as any Bonds of such series are outstanding, from being made the basis of the authentication and delivery of Bonds or of any other further action or credit under the Original Indenture or any supplemental indenture. Bonds delivered to the Trustee as, or applied as, a credit against any sinking fund payment and Bonds redeemed in anticipation of any sinking fund payment, regardless of the time when they were actually delivered, applied or redeemed, for purposes of the preceding sentence shall be deemed to have been delivered, applied or redeemed, as the case may be, on the sinking fund payment date when such sinking fund payment was due. Bonds redeemed out of moneys paid to the Trustee on account of any sinking fund payment shall, regardless of the date when they were redeemed, for purposes of the second preceding sentence, be deemed to have been redeemed on the later of (i) the date on which such moneys were paid to the Trustee or (ii) the sinking fund payment date when such sinking fund payment was due."

"The minimum provision for depreciation for any calendar year subsequent to December 31, 1966, as applied to bondable public utility property not subject to a prior lien, shall be determined as set forth in the paragraph immediately preceding, except that all references therein to 'depreciable bondable public utility property' shall be deemed to be 'depreciable bondable public utility property not subject to a prior lien'.

"The minimum provision for depreciation as applied to bondable public utility property and the minimum provision for depreciation as applied to bondable public utility property not subject to a prior lien for any period commencing subsequent to December 31, 1966 which is of twelve whole calendar months' duration but is other than a calendar year or which is of less than twelve whole calendar months' duration shall be determined by multiplying the number of whole calendar months in such period by one-twelfth of the corresponding minimum provision for depreciation for the most recent calendar year completed prior to the end of such period, and fractions of a calendar month shall be disregarded.

"The aggregate amount of the minimum provision for depreciation as applied to bondable public utility property and the aggregate amount of the minimum provision for depreciation as applied to bondable public utility property not subject to a prior lien from March 31, 1945 to any date shall be the sum of the corresponding minimum provision for depreciation for each completed calendar year between December 31, 1966 and such date, plus (1) the corresponding minimum provision for depreciation for the period, if any, from the end of the most recent such completed calendar year to such date, in each case determined as set forth above, plus (2) \$35,023,487.50, plus (3) an amount equal to the aggregate of (a) the amount of any property additions which, between December 31, 1966 and such date, became property additions of the character described in clause (a) of the second paragraph of this Subsection G and which, thereafter, also between December 31, 1966 and such date, became 'available additions' as a result of the fact that all Bonds of such series ceased to be outstanding, and (b) 166-2/3% of the principal amount of Bonds of any series which, between December 31, 1966 and such date, become Bonds of the character described in clause (b) of the second paragraph of this Subsection G and which, thereafter, also between December 31, 1966 and such date, became available Bond retirements' as a result of the fact that all Bonds of such series ceased to be outstanding."

Section 1.02. Other Amendments to the Mortgage. The holders of all outstanding Bonds of all Series having consented thereto:

(1) Subsection H of Section 1.10 of the Mortgage is and hereby shall be amended by inserting before the semicolon preceding clause (ii) thereof, and as a part of clause (I) thereof, the words "if, to the extent that, and so long as, the provisions of this Indenture or any supplemental indentures creating or providing for any such fund or any supplemental indentures amending the provisions creating or providing for any such fund shall preclude the use of property additions so included in an officers' certificate as the basis for further action or credit hereunder"; Subsection I of Section 1.10 of the Mortgage is and hereby shall be amended by changing the reference therein from "Item 5" to

"Item 7"; and Subsection J of Section 1.10 of the Mortgage is and hereby shall be amended by changing the reference therein from "Item 4" to "Item 5";

(2) Paragraph (3) of Section 3.01(A) of the Mortgage is and hereby shall be amended by changing the period at the end thereof to a comma and adding the following words thereto: "except to the extent otherwise provided in this Indenture or in any supplemental indenture";

(3) The Certificate of Available Additions set forth in Section 3.03.A. of the Mortgage is and hereby shall be amended by

(i) adding new paragraphs (5) and (6) thereto immediately preceding existing paragraph (5) thereof, as follows:

"(5) The aggregate amount, if any, of available additions included in Item 4 above which were so included because the same were made the basis of a credit upon any sinking fund payment for Bonds of any series and which have subsequently again become 'available additions' as a result of the fact that all Bonds of such series ceased to be outstanding, is \$....."

"(6) The aggregate amount of available additions heretofore made the basis for action or credit under said Indenture of Mortgage and which have not subsequently again become 'available additions' as set forth in Item 5 above, namely Item 4 above minus Item 5 above is \$....."

(ii) renumbering existing paragraph (5) as paragraph (7) and changing the references in renumbered paragraph (7) from "Item 3 above minus Item 4 above" to "Item 3 above minus Item 6 above",

(iii) renumbering existing paragraphs (6) and (7) as paragraphs (8) and (9) and changing the references in renumbered paragraph (9) from "Item 5 above minus Item 6 above" to "Item 7 above minus Item 8 above", and

(iv) deleting "Item 7 above" in the second line of the paragraph immediately succeeding renumbered paragraph (9) and substituting "Item 9 above" therefor; and

(4) The Certificate of Available Bond Retirements set forth in Section 3.03.B. of the Mortgage is and hereby shall be amended by

- (i) adding a new paragraph (4) thereto immediately preceding the existing paragraph (4) thereof, as follows:
- "(4) The aggregate amount, if any, of Bonds previously made the basis of a credit upon any sinking fund payment for Bonds of any series, and/or redeemed (whether on a sinking fund payment date or in anticipation of sinking fund payment) by operation of the sinking fund for Bonds of such series, which have subsequently become 'available Bond retirements' as a result of the fact that all Bonds of such series ceased to be outstanding is \$....."
- (ii) renumbering the existing paragraph (4) as paragraph (5) and revising the same to read as follows: "The amount of presently available Bond retirements, namely the sum of Items (1), (2), (3) and (4) above, is \$....."
- (iii) renumbering the existing paragraphs (5) and (6) as (6) and (7), respectively, and changing the reference in renumbered paragraph (7) from "Item 4 minus Item 5" to "Item 5 minus Item 6".]

ARTICLE TWO.

BONDS OF THE \_\_\_\_\_ SERIES AND CERTAIN  
PROVISIONS RELATING THERETO.

(8)SECTION 2.01A. Definitions Pertaining to Series. The terms defined in this Section 2.01A (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Supplemental Indenture shall have the respective meanings specified in this Section 2.01A. All other terms used in this Supplemental Indenture which are defined in the Indenture or in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933, as amended (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in said Indenture in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this \_\_\_\_\_ Supplemental Indenture.

Alternate Treasury Rates:

The term "Alternate Treasury Rate" shall mean as of any \_\_\_\_\_ the average yields to maturity of the daily closing bids (or less frequently if daily quotations shall not be available), quoted by at least three recognized U.S. Government securities dealers selected by the Company, for all marketable U.S. Treasury securities with a maturity of not less than three months shorter, or more than three months longer, than the applicable Comparable Maturity from such \_\_\_\_\_ (other than securities which can, at the option of the holder, be surrendered at face value in payment of any Federal estate tax) for the most recent five consecutive business days during which

there had been at least three days on which daily closing bids are quoted within the period beginning on the preceding \_\_\_\_\_ such \_\_\_\_\_ and ending prior to such \_\_\_\_\_.

Applicable Treasury Rate:

The term "Applicable Treasury Rate" shall mean as of any \_\_\_\_\_ (i) if available, the most recent weekly Comparable Maturity Treasury Rate published during the period beginning on the \_\_\_\_\_ January \_\_\_\_\_, preceding such \_\_\_\_\_ and ending on such \_\_\_\_\_, or (ii) if such Weekly Comparable Maturity Treasury Rate is not available, the Alternate Treasury Rate as of such \_\_\_\_\_ or (iii) if the Alternate Treasury Rate as of such \_\_\_\_\_ is not available due to the Company's failure to select the requisite securities dealers, the most recently published Weekly Comparable Maturity Treasury Rate.

Business Day:

The term "business day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a legal holiday for banking institutions in The City of New York.

Comparable Maturity:

The term "Comparable Maturity" shall mean a period of \_\_\_\_\_ years corresponding to the term of the relevant Interest Period.

Interest Payment Date:

The term "Interest Payment Date" shall mean each \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, while any Bonds of the \_\_\_\_\_ Series is outstanding.

Interest Period:

The term "Interest Period", other than the initial Interest Period, shall mean a period of \_\_\_\_\_ years ending on \_\_\_\_\_ of any year through and including \_\_\_\_\_. The initial Interest Period shall be the period commencing on \_\_\_\_\_ and ending on \_\_\_\_\_.

Redeemable Period:

The term "Redeemable Period" means the period, if any, during any Interest Period (after the initial Interest Period) during which the Bonds of the \_\_\_\_\_ Series are redeemable at the option of the Company.

## Redemption Price:

The term "Redemption Price" means the percentage or percentages (not less than 100%) of principal amount of the Bonds of the \_\_\_\_\_ Series at which the Bonds of the \_\_\_\_\_ are redeemable.

## U.S. Treasury Differential Percentages:

The term "U.S. Treasury Differential Percentage" shall have the meaning set forth in Section \_\_\_\_\_.

## Wall Street Journal Notice:

The term "Wall Street Journal Notice" shall refer to the newspaper notice indicating a higher interest rate and otherwise in the manner described in Section \_\_\_\_\_.

## Weekly Comparable Maturity Treasury Rate:

The term "Weekly Comparable Maturity Treasury Rate" shall mean the weekly average yield to maturity value adjusted to a constant maturity of the Comparable Maturity as read from the yield curves of the most actively traded marketable U.S. Treasury fixed interest rate securities as constructed daily by the U.S. Treasury Department and as published by the Federal Reserve Board or any Federal Reserve Bank or by any United States Government department or agency. Since February 1977, Weekly Comparable Maturity Treasury Rates have been published by the Federal Reserve Board weekly in "Statistical Release H. 15(519). Selected Interest Rates" as "U.S. Government securities -- Treasury constant maturities."

SECTION 2.01B. Certain Terms of Bonds of the \_\_\_\_\_ Series. There shall be a series of Bonds, known as and entitled "First Mortgage Bonds, \_\_\_\_\_ [% Series due \_\_\_\_\_, \_\_\_\_\_]" (2) (sometimes herein referred to as the "Bonds of the \_\_\_\_\_ Series") and the form thereof shall be substantially as hereinabove set forth. The aggregate principal amount of the Bonds of the \_\_\_\_\_ Series shall be limited to \_\_\_\_\_ excluding, however, any Bonds of the \_\_\_\_\_ Series which may be executed, authenticated and delivered in exchange for or in lieu of or in substitution for other Bonds of the \_\_\_\_\_ Series pursuant to the provisions of the Mortgage or of this Supplemental Indenture.

The definitive Bonds of the \_\_\_\_\_ Series shall be issuable only in fully registered form without coupons in the denomination of [\$1,000 and in any integral multiple thereof.] (2) [Except as provided in the next succeeding sentence and notwithstanding the provisions of Section 2.05 of the Mortgage,] (2) each Bond of the \_\_\_\_\_ Series shall be dated as of the date of its authentication, [shall mature \_\_\_\_\_, \_\_\_\_\_,] (2) and shall bear interest from [the \_\_\_\_\_ or \_\_\_\_\_, as the case may be, next preceding the date thereof to which interest has been paid, unless the date thereof is a \_\_\_\_\_ or \_\_\_\_\_ to which interest has been paid, in which case it shall bear interest from such date, or unless the date thereof is prior to \_\_\_\_\_, 199\_\_, in which case it shall bear interest from \_\_\_\_\_, 199\_\_. Each

Bond of the \_\_\_\_\_ Series authenticated between the record date (as hereinafter in this Section \_\_\_\_ defined) for any interest payment date and such interest payment date shall be dated as of the date of its authentication, but shall bear interest from such interest payment date; provided, however, that if and to the extent the Company shall default in the payment of the interest due on such interest payment date, then any Bond of the \_\_\_\_\_ Series so authenticated shall bear interest from the \_\_\_\_\_ or \_\_\_\_\_, as the case may be, next preceding the date of such Bond to which interest has been paid, or if such default shall be in respect of the interest due on \_\_\_\_\_, 199\_, then from \_\_\_\_\_, 199\_.] (2) [All] (2) Bonds of the \_\_\_\_\_ Series shall bear interest at the rate of [\_\_\_\_%] (2) per annum until the payment of the principal thereof has been made or duly provided for, such interest to be payable [semi-annually on \_\_\_\_\_ and \_\_\_\_\_ in each year.] (2) The person in whose name any Bond of the \_\_\_\_\_ Series is registered at the close of business on any record date (as hereinafter in this Section \_\_\_\_ defined) with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such record date and prior to such interest payment date, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such Bond is registered on a subsequent record date fixed by the Company, which subsequent record date shall be fifteen (15) days prior to the payment of such defaulted interest. The term "record date" as used in this Section \_\_\_\_ with respect to any [semi-annual] (2) interest payment date shall mean the [\_\_\_\_\_ or \_\_\_\_\_, as the case may be, next preceding such interest payment date, or, if such \_\_\_\_\_ or \_\_\_\_\_ is not a business day, the business day next preceding such \_\_\_\_\_ or \_\_\_\_\_.] (2) The principal of the Bonds of the \_\_\_\_\_ Series shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts at the office or agency of the Company in the Borough of Manhattan, City and State of New York, and interest on such Bonds shall be payable in like coin or currency at said office or agency.

The definitive Bonds of the \_\_\_\_\_ Series may be issued in the form of Bonds, engraved, printed or lithographed on steel engraved borders.

Upon compliance with the provisions of Section 2.06 of the Mortgage and upon payment of any taxes or other governmental charges payable upon such exchange, Bonds of the \_\_\_\_\_ Series may be exchanged for a new Bond or Bonds of different authorized denominations of like aggregate principal amount.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the registrar and transfer agent of the Company for the purpose of registering and registering the transfer of Bonds of the \_\_\_\_\_ Series.

Notwithstanding the provisions of Section 2.11 of the Mortgage, no service charge shall be made for any exchange or registration of transfer of Bonds of the \_\_\_\_\_ Series, but the Company at its option may require payment of a sum sufficient to cover any tax or other governmental charge incident thereto.

SECTION 2.02A. Redemption Provisions for Bonds of the \_\_\_\_\_ Series. The Bonds of the \_\_\_\_\_ Series shall be subject to redemption prior to maturity as a whole at any time or in part from time to time

(4) (a) during each of the twelve month periods set forth in the tabulation below, at the option of the Company (through the operation of the replacement fund provided for in Section 4.04 of the Mortgage and otherwise, except in the cases mentioned in the following clause (b)), upon payment of the applicable percentage of the principal amount thereof set forth in said tabulation under the heading "Regular Redemption Price"; provided, however, that no such redemption shall be made prior to \_\_\_\_\_, \_\_\_\_\_ directly or indirectly out of the proceeds of or in anticipation of any borrowings or the issuance of other debt obligations by or for the account of the Company having an effective interest cost (calculated after adjustment, in accordance with generally accepted financial practice, for any premium received or discount granted in connection with such borrowings or issuance) of less than \_\_\_\_\_ per annum; and

- (b) (4) (i) through the operation of the sinking fund for the Bonds of the \_\_\_\_\_ Series provided for in Section 2.02B of this Supplemental Indenture,
- (4) (ii) through the application of cash deposited with the Trustee pursuant to Section 6.04 of the Mortgage, upon the taking, purchase or sale of any property subject to the lien of the Mortgage in the manner set forth in said Section, or
- (iii) through the application of cash representing the proceeds of the sale or disposition substantially as an entirety of the electric properties of the Company at Portland, Oregon, which is required by the provisions of Section 7.01 of the Mortgage to be applied to the retirement of Bonds,

TWELVE MONTHS' PERIOD BEGINNING	REGULAR REDEMPTION PRICE	TWELVE MONTHS' PERIOD BEGINNING	REGULAR REDEMPTION PRICE
------------------------------------	-----------------------------	------------------------------------	-----------------------------

together in each case with interest accrued on the Bonds to be redeemed to the redemption date, upon prior notice by mailing such notice to the respective registered owners of such Bonds not less than thirty nor more than ninety day prior to the redemption date; and otherwise as provided in Article Nine of the Mortgage.

(9)SECTION 2.02B. Sinking Fund for Bonds of the \_\_\_\_\_ Series; Bonds Credited upon or Redeemed Through Certain Sinking Fund Payments Limited as to further use as Basis of Other Action or Credit. So long as any Bonds of the \_\_\_\_\_ Series are outstanding:

The Company covenants that, for the purpose of providing a sinking fund for the Bonds of the \_\_\_\_\_ Series, it will, subject to the provisions hereinafter in this Section set forth, pay to the Trustee on or before \_\_\_\_\_ in each year, commencing \_\_\_\_\_, and continuing to and including \_\_\_\_\_, a sum sufficient (exclusive of accrued interest) to redeem, on the next ensuing \_\_\_\_\_, at the Special Redemption Price at which the same are then redeemable, a principal amount of Bonds of the \_\_\_\_\_ Series equal to the lowest integral multiple of \$1,000 which equals or exceeds \_\_\_\_\_% of the greatest aggregate principal amount of Bonds of the \_\_\_\_\_ Series heretofore at any one time outstanding, after deducting from said greatest aggregate principal amount the sum of the following amounts, in the event that such sum would equal \$500,000 or more, namely, (1) the aggregate principal amount of Bonds of the \_\_\_\_\_ Series theretofore redeemed by the application of the proceeds of property released from the lien of the Mortgage or taken or purchased pursuant to the provisions of Article Six of the Mortgage, and (2) the aggregate principal amount of Bonds of the \_\_\_\_\_ Series theretofore redeemed and retired and made the basis for the withdrawal of such proceeds pursuant to Section 7.03 of the Mortgage or certified pursuant to Section 6.06 of the Mortgage in lieu of the deposit of cash upon the release or taking of property.

The dates upon which payments are required for the sinking fund for Bonds of the \_\_\_\_\_ Series above provided are herein referred to as "sinking fund payment dates".

The Company may

- (4) (1) in whole at any time or in part from time to time, but not later than 45 days prior to any sinking fund payment date, anticipate all or part of the sinking fund payment due on such date by delivering Bonds of the \_\_\_\_\_ Series to the Trustee as a credit to such sinking fund payment and/or by notifying the Trustee in writing that it elects to apply as a credit against such sinking fund payment any Bonds of the \_\_\_\_\_ Series which shall have been redeemed at the option of the Company at the Regular Redemption Price at which such Bonds are redeemable as provided in Section \_\_\_\_\_ of this Supplemental Indenture;
- (4) (2) within twelve months preceding any sinking fund payment date but not later than 45 days prior to such sinking fund payment date, anticipate in whole at any time or in part from time to time the sinking fund payment due on such date by causing to be redeemed, at the redemption price at which Bonds of the \_\_\_\_\_ Series are then redeemable for the sinking fund, as provided in this Section 2.02B, Bonds of the \_\_\_\_\_ Series of an aggregate principal amount not exceeding the aggregate principal amount required to be retired to satisfy such sinking fund payment, and delivering to the Trustee notice in writing that such Bonds are being redeemed for account of the sinking fund; and

- (3) in whole at any time or in part from time to time, but not later than 45 days prior to any sinking fund payment date, anticipate all or part of the sinking fund payment due on such date by delivering to the Trustee a certificate of available additions dated and prepared as provided in Section 3.03 of the Mortgage showing as a credit against such sinking fund payment an amount of available additions equal to 166-2/3% of the sinking fund payment or part thereof so anticipated; provided, however, that so long as any Bonds of the \_\_\_\_\_ Series are outstanding, any available additions thus shown as a credit against any such sinking fund payment or part thereof shall (but without limiting the use of the amount thereof in calculating any minimum provision for depreciation pursuant to the provisions of Subsection G of Section 1.10 of the Mortgage) be deemed to have been "included in an officers' certificate filed with the Trustee as the basis for a sinking fund credit" and to have been "made the basis for action or credit hereunder" as such term is defined in Subsection H of Section 1.10 of the Mortgage.

No available Bond retirements which shall theretofore have been made the basis for action or credit under the Mortgage or hereunder, and no retirements of Bonds of the \_\_\_\_\_ Series which shall theretofore have been credited upon the sinking fund for the Bonds of the \_\_\_\_\_ Series, shall be made the basis of a credit upon such sinking fund. Bonds which the Company has elected to apply as a credit upon any sinking fund payment in accordance with the provisions of clause (1) of the paragraph immediately preceding and/or redeemed in anticipation of any sinking fund payment in accordance with the provisions of clause (2) of the paragraph immediately preceding shall operate to reduce by their principal amount the principal amount of Bonds to be redeemed by such sinking fund payment, and any available additions which have been applied in anticipation of any sinking fund payment in accordance with the provisions of clause (3) of the paragraph immediately preceding shall operate to reduce by 60% of their amount the principal amount of Bonds to be redeemed by such sinking fund payment.

All Bonds made the basis of a credit upon any sinking fund payment for Bonds of the \_\_\_\_\_ Series and/or (except with respect to Bonds on which a notation of partial payment shall be made as permitted by any provision of the Original Indenture, of any supplemental indenture or of any agreement entered into as permitted by the Original Indenture or by any supplemental indenture) redeemed (whether on any sinking fund payment date or in anticipation of any such sinking fund payment) by operation of the sinking fund for such \_\_\_\_\_ Series if not theretofore canceled shall be canceled and, so long as any Bonds of the \_\_\_\_\_ Series are outstanding, shall not (but without limiting the use of the principal amount thereof in calculating any minimum provision for depreciation pursuant to the provisions of Subsection G of Section 1.10 of the Mortgage) be made the basis of the authentication and delivery of Bonds or of any other further action or credit under the Original Indenture or any supplemental indenture, including this Supplemental Indenture.

Forthwith after the 45th day prior to each sinking fund payment date on which the Company will be required to make to the Trustee a payment in cash for the sinking fund for the Bonds of the \_\_\_\_\_ Series, the Trustee shall proceed to select for redemption, in the manner provided in Article Nine of the Mortgage, a principal amount of Bonds of the \_\_\_\_\_ Series equal to the aggregate principal amount of Bonds redeemable with the money required to be paid as hereinbefore provided on the then next ensuing sinking fund payment date, and, for and on behalf of and in the name of the Company, shall give notice as required by the provisions of Section \_\_\_\_ of this Supplemental Indenture and Article Nine of the Mortgage of the redemption for the sinking fund on the next ensuing \_\_\_\_\_ the Bonds so selected. On or before the sinking fund payment date next preceding any \_\_\_\_\_ upon which any Bonds of the \_\_\_\_\_ Series shall have been so called for redemption for the sinking fund, the Company shall pay to the Trustee the sum required to redeem the Bonds so called. All moneys so paid to the Trustee shall be applied by it to the redemption of the Bonds so called for redemption for the sinking fund.

The Company will pay the interest accrued on Bonds redeemed for the sinking fund out of other moneys than those in the sinking fund, and will from time to time on request of the Trustee pay to the Trustee, otherwise than out of the sinking fund moneys, the cost of giving notice of redemption of Bonds for the sinking fund and any other expense in operating the sinking fund, the intention being that the sinking fund shall not be charged for such expenses.

SECTION 2.03. Sections 4.04, 4.05 and 4.06 to Remain in Effect. Notwithstanding the provisions of Section 4.07 of the Mortgage, the provisions of Sections 4.04, 4.05, and 4.06 of the Mortgage shall remain in full force and effect and shall be performed by the Company so long as any Bonds of the \_\_\_\_\_ Series remain outstanding.

SECTION 2.04. Certain Requirements to Remain Applicable. The requirements which are stated in the next to the last paragraph of Section 1.13 and in Clause (9) of Paragraph A of Section 3.01 of the Mortgage to be applicable so long as any of the Bonds of the 1975 Series are outstanding shall remain applicable so long as any of the Bonds of the \_\_\_\_\_ Series are outstanding.

(4)SECTION 2.05. Certain Exceptions to Sections 2.06 and 2.10 of the Mortgage. Notwithstanding the provisions of Section 2.06 or Section 2.10 of the Mortgage, the Company shall not be required (i) to issue, register, discharge from registration, exchange or register the transfer of any Bond of the \_\_\_\_\_ Series for a period of fifteen (15) days next preceding any selection by the Trustee of Bonds of the \_\_\_\_\_ Series to be redeemed or (ii) to register, discharge from registration, exchange or register the transfer of any Bond of the \_\_\_\_\_ Series so selected for redemption in its entirety or (iii) to exchange or register the transfer of any portion of a Bond of the \_\_\_\_\_ Series which portion has been so selected for redemption.

SECTION 2.06. Reference to Minimum Provision for Depreciation in Certificate of Available Additions. So long as any Bonds of the \_\_\_\_\_ Series remain outstanding, all references to the minimum provision for depreciation in the form of certificate of available additions set forth in Section 3.03 of the Mortgage shall be included in any certificate of available additions filed with the Trustee, but whenever Bonds of the \_\_\_\_\_ Series shall no longer be outstanding, all references to such minimum provisions for depreciation may be omitted from any such certificate.

SECTION 2.07. Duration of Article Two. This Article shall be of force and effect only so long as any Bonds of the \_\_\_\_\_ Series are outstanding.

ARTICLE THREE.

TRUSTEE.

SECTION 3.01. The Trustee hereby accepts the trust hereby created. The Trustee undertakes, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, to perform such duties and only such duties as are specifically set forth in the Original Indenture as heretofore and hereby supplemented and modified, on and subject to the terms and conditions set forth in the Original Indenture as so supplemented and modified, and in case of the occurrence of an event of default (which has not been cured) to exercise such of the rights and powers vested in it by the Original Indenture as so supplemented and modified, and to use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the Bonds issued hereunder or the due execution thereof by the Company. The Trustee shall be under no obligation or duty with respect to the filing, registration or recording of this Supplemental Indenture or the re-filing, re-registration or re-recording thereof. The recitals of fact contained herein or in the Bonds (other than the Trustee's authentication certificate) shall be taken as the statements solely of the Company, and the Trustee assumes no responsibility for the correctness thereof.

ARTICLE FOUR.

MISCELLANEOUS PROVISIONS.

SECTION 4.01. Although this Supplemental Indenture, for convenience and for the purpose of reference, is dated \_\_\_\_\_, 199\_\_, the actual date of execution by the Company and by the Trustee is as indicated by their respective acknowledgments hereto annexed.

SECTION 4.02. This Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture as heretofore supplemented and modified, and as supplemented and modified hereby, the Original Indenture as heretofore supplemented and modified is in all respects ratified and confirmed, and the Original Indenture as heretofore and

hereby supplemented and modified shall be read, taken and construed as one and the same instrument. All terms used in this Supplemental Indenture shall be taken to have the same meaning as in the Original Indenture except in cases where the context clearly indicates otherwise.

SECTION 4.03. In case any one or more of the provisions contained in this Supplemental Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Supplemental Indenture, but this Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

SECTION 4.04. This Supplemental Indenture may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Portland General Electric Company has caused this Supplemental Indenture to be signed in its corporate name by its President or one of its Senior Vice Presidents or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and in token of its acceptance of the trusts created hereunder, HSBC Bank USA (formerly The Marine Midland Trust Company of New York) has caused this Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents or one of its Assistant Vice Presidents or one of its Corporate Trust Officers and its corporate seal to be hereunto affixed and attested by one of its Corporate Trust Officers, all as of the day and year first above written.

PORTLAND GENERAL ELECTRIC COMPANY

By: \_\_\_\_\_

Attest:

-----  
[Title]

[Seal]

HSBC BANK USA

By: \_\_\_\_\_  
Title:

Attest:

-----  
[Title]

[Seal]

State of Oregon                    )  
                                      ) ss.:  
County of Multnomah                )

The foregoing instrument was acknowledged before me on this \_\_\_\_\_  
day of \_\_\_\_\_, 199\_ by \_\_\_\_\_, a \_\_\_\_\_ of  
PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, on behalf of said  
corporation.

-----  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

[NOTARIAL SEAL]

State of New York                    )  
  ) ss.:  
County of \_\_\_\_\_                )

The foregoing instrument was acknowledged before me on this  
\_\_\_\_\_ day of \_\_\_\_\_, 199\_ by \_\_\_\_\_, an  
\_\_\_\_\_ of HSBC BANK USA, a New York banking corporation and  
trust company, on behalf of said corporation.

-----  
Notary Public, State of New York  
No. \_\_\_\_\_  
Commission Expires \_\_\_\_\_

[NOTARIAL SEAL]

State of Oregon )  
 ) ss.:  
County of Multnomah )

\_\_\_\_\_ and \_\_\_\_\_, a \_\_\_\_\_ and \_\_\_\_\_, respectively, of PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, the mortgagor in the foregoing mortgage named, being first duly sworn, on oath depose and say that they are the officers above-named of said corporation and that this affidavit is made for and on its behalf by authority of its Board of Directors and that the aforesaid mortgage is made by said mortgagor in good faith, and without any design to hinder, delay or defraud creditors.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 199\_.

-----  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

[NOTARIAL SEAL]

State of Oregon )  
 ) ss.:  
County of Multnomah )

\_\_\_\_\_ and \_\_\_\_\_, a \_\_\_\_\_ and \_\_\_\_\_, respectively, of PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, the mortgagor in the foregoing mortgage named, being first duly sworn, on oath depose and say that they are the officers above-named of said corporation and that this affidavit is made for and on its behalf by authority of its Board of Directors and that the aforesaid mortgage is made by said mortgagor in good faith, and without any design to hinder, delay or defraud creditors.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 199\_.

-----  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

[NOTARIAL SEAL]

1. Bracketed material is to be inserted only if Bonds are to be issued as a global security held by a depository.
2. Bracketed material may be changed if Bonds of the series to which this Supplemental Indenture relates are to bear interest at a rate which may change during the life of such Bonds, or are to be authenticated and delivered periodically and with variations in the date of issuance, maturity date, interest rate, interest payment date, place of payment of interest, and/or redemption provisions as between individual Bonds of a series.
3. If Bonds are not issued as a global security held by a depository, names of record owners are to be inserted.
4. May be omitted or changed if the Bonds of the series to which this Supplemental Indenture relates are to be nonredeemable or the redemption provisions with respect thereto differ from those described.
5. Bracketed material to be omitted if there is no sinking fund to be provided for the Bonds of the series to which this Supplemental Indenture relates.
6. To be omitted if there is a sinking fund, in which case provisions providing for the sinking fund may be inserted.
7. If Article One has already been included in a Supplemental Indenture, then Article One will be deleted and subsequent Articles renumbered.
8. May be inserted if Bonds of the series to which this Supplemental Indenture relate are to bear interest at a rate which may change during the life of the Bonds.
9. May be omitted or changed if there is no sinking fund to be provided for the Bonds of the Series to which this Supplemental Indenture relates or if the sinking fund provisions with respect thereto differ from those described.

=====

PORTLAND GENERAL ELECTRIC COMPANY

TO

HSEC BANK USA  
(FORMERLY THE MARINE MIDLAND TRUST  
COMPANY OF NEW YORK)

TRUSTEE.

-----

\_\_\_\_\_ SUPPLEMENTAL INDENTURE

DATED \_\_\_\_\_

-----

FIRST MORTGAGE BONDS,  
MEDIUM TERM NOTE SERIES \_\_\_

-----

SUPPLEMENTAL TO INDENTURE OF MORTGAGE AND DEED OF TRUST,  
DATED JULY 1, 1945 OF PORTLAND GENERAL ELECTRIC COMPANY.

THIS INSTRUMENT GRANTS A SECURITY INTEREST BY A TRANSMITTING UTILITY  
THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS

=====

SUPPLEMENTAL INDENTURE, dated \_\_\_\_\_, \_\_\_\_\_  
 made by and between Portland General Electric Company, an Oregon corporation  
 (hereinafter called the "Company"), party of the first part, and HSBC Bank USA  
 (formerly The Marine Midland Trust Company of New York), a New York banking  
 corporation and trust company (hereinafter called the "Trustee"), party of the  
 second part.

WHEREAS, the Company has heretofore executed and delivered its  
 Indenture of Mortgage and Deed of Trust (herein sometimes referred to as the  
 "Original Indenture"), dated July 1, 1945, to the Trustee to secure an issue of  
 First Mortgage Bonds of the Company; and

WHEREAS, Bonds in the aggregate principal amount of \$34,000,000 have  
 heretofore been issued under and in accordance with the terms of the Original  
 Indenture as Bonds of an initial series designated "First Mortgage Bonds, 31/8%  
 Series due 1975" (herein sometimes referred to as the "Bonds of the 1975  
 Series"); and

WHEREAS, the Company has heretofore executed and delivered to the  
 Trustee several supplemental indentures which provided, among other things, for  
 the creation or issuance of several new series of First Mortgage Bonds under the  
 terms of the Original Indenture as follows:

SUPPLEMENTAL INDENTURE	DATED	SERIES DESIGNATION	PRINCIPAL AMOUNT
First	11-1-47	3-1/2% Series due 1977	\$ 6,000,000 (1)
Second	11-1-48	3-1/2% Series due 1977	4,000,000 (1)
Third	5-1-52	3-1/2% Second Series due 1977	4,000,000 (1)
Fourth	11-1-53	4-1/8% Series due 1983	8,000,000 (2)
Fifth	11-1-54	3-3/8% Series due 1984	12,000,000 (1)
Sixth	9-1-56	4-1/4% Series due 1986	16,000,000 (1)
Seventh	6-1-57	4-7/8% Series due 1987	10,000,000 (1)
Eighth	12-1-57	5-1/2% Series due 1987	15,000,000 (3)
Ninth	6-1-60	5-1/4% Series due 1990	15,000,000 (1)
Tenth	11-1-61	5-1/8% Series due 1991	12,000,000 (1)
Eleventh	2-1-63	4-5/8% Series due 1993	15,000,000 (1)
Twelfth	6-1-63	4-3/4% Series due 1993	18,000,000 (1)
Thirteenth	4-1-64	4-3/4% Series due 1994	18,000,000 (1)
Fourteenth	3-1-65	4.70% Series due 1995	14,000,000 (1)
Fifteenth	6-1-66	5-7/8% Series due 1996	12,000,000 (1)
Sixteenth	10-1-67	6.60% Series due October 1, 1997	24,000,000 (1)
Seventeenth	4-1-70	8-3/4% Series due April 1, 1977	20,000,000 (1)
Eighteenth	11-1-70	9-7/8% Series due November 1, 2000	20,000,000 (4)
Nineteenth	11-1-71	8% Series due November 1, 2001	20,000,000 (4)
Twentieth	11-1-72	7-3/4% Series due November 1, 2002	20,000,000 (4)
Twenty-first	4-1-73	7.95% Series due April 1, 2003	35,000,000 (4)
Twenty-second	10-1-73	8-3/4% Series due October 1, 2003	17,000,000 (4)
Twenty-third	12-1-74	10-1/2% Series due December 1, 1980	40,000,000 (1)
Twenty-fourth	4-1-75	10% Series due April 1, 1982	40,000,000 (1)
Twenty-fifth	6-1-75	9-7/8% Series due June 1, 1985	27,000,000 (1)
Twenty-sixth	12-1-75	11-5/8% Series due December 1, 2005	50,000,000 (4)
Twenty-seventh	4-1-76	9-1/2% Series due April 1, 2006	50,000,000 (4)
Twenty-eighth	9-1-76	9-3/4% Series due September 1, 1996	62,500,000 (4)
Twenty-ninth	6-1-88	8-3/4% Series due June 1, 2007	50,000,000 (4)
Thirtieth	10-1-78	9.40% Series due January 1, 1999	25,000,000 (4)

SUPPLEMENTAL INDENTURE	DATED	SERIES DESIGNATION	PRINCIPAL AMOUNT
Thirty-first	11-1-78	9.80% Series due November 1, 1998	50,000,000 (4)
Thirty-second	2-1-80	13-1/4% Series due February 1, 2000	55,000,000 (4)
Thirty-third	8-1-80	13-7/8% Series due August 1, 2010	75,000,000 (4)
Thirty-sixth	10-1-82	13-1/2% Series due October 1, 2012	75,000,000 (4)
Thirty-seventh	11-15-84	11-5/8% Extendable Series A due November 15, 1999	75,000,000 (4)
Thirty-eighth	6-1-85	10-3/4% Series due June 1, 1995	60,000,000 (4)
Thirty-ninth	3-1-86	9-5/8% Series due March 1, 2016	100,000,000 (4)
Fortieth	10-1-90	Medium Term Note Series	200,000,000
Forty-first	12-1-91	Medium Term Note Series I	150,000,000
Forty-second	4-1-93	7-3/4% Series due April 15, 2023	150,000,000
Forty-third	7-1-93	Medium Term Notes Series II	75,000,000
Forty-fourth	8-1-94	Medium Term Notes Series III	75,000,000
Forty-fifth	5-1-95	Medium Term Notes Series IV	75,000,000
Forty-sixth	8-1-96	Medium Term Notes Series V	50,000,000

(1) Paid in full at maturity.

(2) This entire issue of Bonds was redeemed out of proceeds from the sale of First Mortgage Bonds, 3-3/8% Series due 1984.

(3) This entire issue of Bonds was redeemed out of proceeds from the sale of First Mortgage Bonds, 4-5/8% Series due 1993.

(4) Redeemed in full prior to maturity.

which bonds are sometimes referred to herein as the "Bonds of the 1977 Series", "Bonds of the 1977 Second Series", "Bonds of the 1983 Series", "Bonds of the 1984 Series", "Bonds of the 1986 Series", "Bonds of the 47/8% Series due 1987", "Bonds of the 5 1/2% Series due 1987", "Bonds of the 1990 Series", "Bonds of the 1991 Series", "Bonds of the 45/8% Series due 1993", "Bonds of the 4 3/4% Series due 1993", "Bonds of the 1994 Series", "Bonds of the 1995 Series", "Bonds of the 1996 Series", "Bonds of the 1997 Series", "Bonds of the 1977 Third Series", "Bonds of the 2000 Series", "Bonds of the 2001 Series", "Bonds of the 2002 Series", "Bonds of the 2003 Series", "Bonds of the 2003 Second Series", "Bonds of the 1980 Series", "Bonds of the 1982 Series", "Bonds of the 1985 Series", "Bonds of the 2005 Series", "Bonds of the 2006 Series", "Bonds of the 1996 Second Series", "Bonds of the 2007 Series", "Bonds of the 1999 Series", "Bonds of the 1998 Series", "Bonds of the 2000 Second Series", "Bonds of the 2010 Series", "Bonds of the 2012 Series", "Bonds of the Extendable Series A", "Bonds of the 1995 Second Series", "Bonds of the 2016 Series", "Bonds of the Medium Term Note Series", "Bonds of the Medium Term Note Series I", "Bonds of the 2023 Series", "Bonds of the Medium Term Note Series II", "Bonds of the Medium Term Note Series III", "Bonds of the Medium Term Note Series IV", and "Bonds of the Medium Term Note Series V," respectively; and

WHEREAS, the Original Indenture provides that the Company and the Trustee, subject to the conditions and restrictions in the Original Indenture contained, may enter into an indenture or indentures supplemental thereto, which shall thereafter form a part of said Original Indenture, among other things, to mortgage, pledge, convey, transfer or assign to the Trustee and to subject to the lien of the Original Indenture with the same force and effect as though included in the granting clauses thereof, additional properties acquired by the Company after the execution and delivery of the Original Indenture, and to provide for the creation of any series of Bonds (other than the Bonds of the 1975 Series), designating the series to be created and specifying the form and provisions of the Bonds of such series as therein provided or permitted, and to provide a sinking, amortization, replacement or other analogous fund for the benefit of all or any of the Bonds of any one or more series, of such character and of such amount, and upon such terms and conditions as shall be contained in such supplemental indenture; and

WHEREAS, the Company has heretofore executed and delivered to the Trustee the Fortieth Supplemental Indenture and the Forty-first Supplemental Indenture amending in certain respects the Original Indenture, as theretofore supplemented (such Original Indenture as so supplemented and amended is hereinafter referred to as the "Mortgage"); and

WHEREAS, the Company desires to further amend the Mortgage in certain respects pursuant to Section 17.01 of the Original Indenture, and the Trustee has agreed to such amendments; and

WHEREAS, the Company desires to provide for the creation of a new series of bonds to be known as "First Mortgage Bonds, Medium Term Note Series " (sometimes herein referred to as the "Bonds of the Medium Term Note Series "), and to specify the form and provisions of the Bonds of such series, and to mortgage, pledge, convey, transfer or assign to the Trustee and to subject to the lien of the Mortgage certain additional properties acquired by the Company since the execution and delivery of the Original Indenture; and

WHEREAS, the Company intends at this time and from time to time to issue an aggregate principal amount of Bonds of the Medium Term Note Series not to exceed \$ under and in accordance with the terms of the Mortgage; and

WHEREAS, the Bonds of the Medium Term Note Series and the Trustee's authentication certificate to be executed on the Bonds of the Medium Term Note Series are to be substantially in the following forms, respectively:

(Form of Bond of the Medium Term Note Series \_\_\_)  
[Face of Bond]

[THIS BOND IS A BOOK-ENTRY GLOBAL BOND WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED BELOW, AND NO TRANSFER OF THIS BOND (OTHER THAN A TRANSFER OF THIS BOND AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE OF THE DEPOSITORY TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]1

Registered No. Registered \$

PORTLAND GENERAL ELECTRIC COMPANY  
FIRST MORTGAGE BOND, MEDIUM TERM NOTE SERIES  
[Fixed Rate] (2)

ORIGINAL ISSUE DATE: [INITIAL INTEREST RATE: %] (3) MATURITY DATE:  
INTEREST PAYMENT DATES: INTEREST PAYMENT PERIOD: INITIAL REGULAR REDEMPTION DATE:  
INITIAL REGULAR REDEMPTION PERCENTAGE: ANNUAL REGULAR REDEMPTION PERCENTAGE REDUCTION: OPTIONAL REPAYMENT DATE(S):  
[BASE RATE:] (2) [INTEREST RESET PERIOD: ] (2)  
[SPREAD MULTIPLIER:] (2) [MAXIMUM INTEREST RATE: %] (2) [INTEREST RESET DATES: ] (2)  
[SPREAD:] (2) [MINIMUM INTEREST RATE: %] (2) [INDEX MATURITY:] (2)

Portland General Electric Company, an Oregon corporation (hereinafter sometimes called the "Company"), for value received, hereby promises to pay to [Cede & Co.,]1 [.....,]3 or registered assigns, ..... Dollars on the Maturity Date specified above (except to the extent redeemed or repaid prior to the Maturity Date), and to pay interest thereon [at the Interest Rate per annum]2 specified above, [until

the principal hereof is paid or duly made available for payment, monthly, quarterly, semiannually or annually, as specified above as the Interest Payment Period, and on the Interest Payment Dates specified above, in each year commencing on the first Interest Payment Date next succeeding the Original Issue Date specified above, unless the Original Issue Date occurs between a Regular Record Date, as defined below, and the next succeeding Interest Payment Date, in which case commencing on the second Interest Payment Date succeeding the Original Issue Date, to the registered holder of this bond on the Regular Record Date with respect to such Interest Payment Date, and on the Maturity Date shown above (or any Redemption Date as described on the reverse hereof or any Optional Repayment Date specified above).]2 Interest on this bond will accrue from [the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the Original Issue Date specified above, until the principal hereof has been paid or duly made available for payment.]2 If the Maturity Date (or any Redemption Date or any Optional Repayment Date) or an Interest Payment Date falls on a day which is not a Business Day as defined below, principal or interest payable with respect to such Maturity Date (or Redemption Date or Optional Repayment Date) or Interest Payment Date will be paid [on the next succeeding Business Day]2 with the same force and effect as if made on such Maturity Date (or Redemption Date or Optional Repayment Date) or Interest Payment Date, as the case may be, and no interest shall accrue for the period from and after such Maturity Date (or Redemption Date or Optional Repayment Date) or Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions, be paid to the person in whose name this bond (or one or more predecessor bonds) is registered at the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date (the "Regular Record Date"); provided, however, that interest payable on the Maturity Date (or any Redemption Date or any Optional Repayment Date) will be payable to the person to whom the principal hereof shall be payable. Should the Company default in the payment of interest ("Defaulted Interest"), the Defaulted Interest shall be paid to the person in whose name this bond (or one or more predecessor bonds) is registered on a subsequent record date fixed by the Company, which subsequent record date shall be fifteen (15) days prior to the payment of such Defaulted Interest. As used herein, "Business Day" means any day, other than a Saturday or Sunday, [on which banks in The City of New York are not required or authorized by law to close.]2

Payment of the principal of and interest on this bond will be made in immediately available funds at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest on any Interest Payment Date other than the Maturity Date (or any Redemption Date or any Optional Repayment Date) may be made at the option of the Company by check mailed to the address of the person entitled thereto as such address shall appear in the bond register of the Company. A person holding \$10,000,000 or more in aggregate principal amount of bonds having the same Interest Payment Date (whether having identical or different terms and provisions) will be entitled to receive payments of interest by wire transfer of immediately available funds if appropriate written wire transfer instructions have been received by the Trustee not less than sixteen days prior to the applicable Interest Payment Date.

Reference is hereby made to the further provisions of this bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not become or be valid or obligatory for any purpose until the authentication certificate hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, PORTLAND GENERAL ELECTRIC COMPANY has caused this instrument to be executed manually or in facsimile by its duly authorized officers and has caused a facsimile of its corporate seal to be imprinted hereon.

Dated \_\_\_\_\_

PORTLAND GENERAL ELECTRIC COMPANY,

By: \_\_\_\_\_  
[Title]

Attest: \_\_\_\_\_  
Secretary.

(Form of Trustee's Authentication Certificate  
for Bonds of the Medium Term Note Series )

This is one of the bonds, of the series designated herein, described in the within-mentioned Indenture.

HSBC BANK USA, AS TRUSTEE,

By: \_\_\_\_\_  
Authorized Officer

This bond is one of the bonds, of a series designated as Medium Term Note Series of an authorized issue of bonds of the Company, known as First Mortgage Bonds, not limited as to maximum aggregate principal amount, all issued or issuable in one or more series under and equally secured (except insofar as any sinking fund, replacement fund or other fund established in accordance with the provisions of the Indenture hereinafter mentioned may afford additional security for the bonds of any specific series) by an Indenture of Mortgage and Deed of Trust dated July 1, 1945, duly executed and delivered by the Company to The Marine Midland Trust Company of New York (now HSBC Bank USA), as Trustee, as supplemented and modified by \_\_\_\_\_ supplemental indentures (such Indenture of Mortgage and Deed of Trust as so supplemented and modified being hereinafter called the "Indenture"), to which Indenture and all indentures supplemental thereto, reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the nature and extent of the security, and the rights, duties and immunities thereunder of the Trustee, the rights of the holders of said bonds and of the Trustee and of the Company in respect of such security, and the terms upon which said bonds may be issued thereunder.

[This bond will not be subject to any sinking fund.]4

This bond may be subject to repayment at the option of the holder on the Optional Repayment Date(s), if any, indicated on the face hereof. If no Optional Repayment Dates are set forth on the face hereof, this bond may not be so repaid at the option of the holder hereof prior to maturity. On any Optional Repayment Date this bond shall be repayable in whole or in part in increments of \$1,000 (provided that any remaining principal hereof shall be at least \$100,000) at the option of the holder hereof at a repayment price equal to 100% of the principal amount to be repaid, together with interest thereon payable to the date of repayment. For this bond to be repaid in whole or in part at the option of the holder hereof, this bond must be received, with the form entitled "Option to Elect Repayment" below duly completed, by the Trustee at 140 Broadway, New York, New York 10015-1180, or such address which the Company shall from time to time notify the holders of the bonds, not more than 60 nor less than 20 days prior to an Optional Repayment Date. Exercise of such repayment option by the holder hereof shall be irrevocable.

This bond may be redeemed by the Company on any date on and after the Initial Regular Redemption Date, if any, indicated on the face hereof. If no Initial Regular Redemption Date is set forth on the face hereof, this bond may not be redeemed prior to maturity, except as provided in the second succeeding paragraph. On and after the Initial Regular Redemption Date, if any, this bond may be redeemed at any time in whole or from time to time in part in increments of \$1,000 (provided that any remaining principal hereof shall be at least \$100,000) at the option of the Company at the applicable Regular Redemption Price (as defined below) together with interest thereon payable to the date of such redemption, on notice given not more than 90 nor less than 30 days prior to such date. Any date on which Bonds are to be redeemed is herein called a "Redemption Date".

The "Regular Redemption Price" shall initially be the Initial Regular Redemption Percentage, shown on the face hereof, of the principal amount of this bond to be redeemed and shall decline at each anniversary of the Initial Regular Redemption Date, shown on the face hereof, by the Annual

Regular Redemption Percentage Reduction, if any, shown on the face hereof, of the principal amount to be redeemed until the Regular Redemption Price is 100% of such principal amount.

The Bonds may be redeemed prior to maturity as a whole at any time or in part from time to time (in increments as specified in the second preceding paragraph) in the instances provided in the Indenture by the application of proceeds of the sale or disposition substantially as an entirety of the Company's electric properties at Portland, Oregon, upon payment of the principal amount thereof, together with interest accrued to the date of such redemption, on notice given as provided in such second preceding paragraph.

[Interest payments on this bond will include interest accrued to but excluding the Interest Payment Date or the Maturity Date, as the case may be. Interest payments for this bond will be computed and paid on the basis of a 360-day year of twelve 30-day months.]2

If this bond or any portion thereof (\$1,000 or an integral multiple thereof) is duly called for redemption and payment duly provided for as specified in the Indenture, this bond or such portion thereof shall cease to be entitled to the lien of the Indenture from and after the date payment is so provided for and shall cease to bear interest from and after the redemption date fixed for such redemption.

In the event of the selection for redemption of a portion only of the principal of this bond, payment of the redemption price will be made only upon surrender of this bond in exchange for a bond or bonds (but only of authorized denominations) for the unredeemed balance of the principal amount of this bond.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than seventy-five percent in principal amount of the bonds (exclusive of bonds disqualified by reason of the Company's interest therein) at the time outstanding, including, if more than one series of bonds shall be at the time outstanding, not less than sixty percent in principal amount of each series affected, to effect, by an indenture supplemental to the Indenture, modifications or alterations of the Indenture and of the rights and obligations of the Company and of the holders of the bonds and coupons; provided, however, that no such modification or alteration shall be made without the written approval or consent of the holder hereof which will (a) extend the maturity of this bond or reduce the rate or extend the time of payment of interest hereon or reduce the amount of the principal hereof or reduce any premium payable on the redemption hereof, (b) permit the creation of any lien, not otherwise permitted, prior to or on a parity with the lien of the Indenture, or (c) reduce the percentage of the principal amount of the bonds upon the approval or consent of the holders of which modifications or alterations may be made as aforesaid.

The transfer of this bond is registrable by the registered owner hereof in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee in the Borough of Manhattan, City and State of New York, upon surrender of this bond for cancellation and upon payment of any taxes or other governmental charges payable upon such transfer, and thereupon a new registered bond or bonds of the same series and of a like aggregate principal amount will be issued to the transferee or transferees in exchange therefor.

The Company, the Trustee and any paying agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payments of or an account of the principal hereof and interest due hereon, and for all other purposes, whether or not this bond shall be overdue, and neither the Company, the Trustee nor any paying agent shall be affected by any notice to the contrary.

Bonds of this series are issuable only in fully registered form without coupons in denominations of \$1,000 or integral multiples thereof. The registered owner of this bond at his option may surrender the same for cancellation at said office of the Trustee and receive in exchange therefor the same aggregate principal amount of registered bonds of the same series and with the same terms and provisions, including the same issue date, maturity date, and redemption provisions, if any, and which bear interest at the same rate, but of other authorized denominations, upon payment of any taxes or other governmental charges payable upon such exchange and subject to the terms and conditions set forth in the Indenture.

If an event of default as defined in the Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in the Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and as provided in the Indenture, waive certain defaults thereunder and the consequences of such defaults.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, against any incorporator, shareholder, director or officer, past, present or future, as such, of the Company or of any predecessor or successor corporation, either directly or through the Company or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, shareholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and as provided in the Indenture.

The Indenture provides that this bond shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this bond (or portion hereof specified below) pursuant to its terms at a price equal to the principal amount hereof together with interest to the repayment date, to the undersigned, at.....

(Please print or typewrite name and address of the undersigned)

For this bond to be repaid, the Trustee must receive at 140 Broadway, New York, New York 10015-1180, or at such other place or places of which the Company shall from time to time notify the holder of this bond, not more than 60 nor less than 20 days prior to an Optional Repayment Date,

if any, shown on the face of this bond, this bond with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this bond is to be repaid, specify the portion hereof (which shall be in increments of \$1,000) which the holder elects to have repaid and specify the denomination or denominations (which shall be \$1,000 or an integral multiple of \$1,000) of the bonds to be issued to the holder for the portion of this bond not being repaid (in the absence of any such specification, one such bond will be issued for the portion not being repaid).

\$.....  
Date.....  
NOTICE: The signature on this Option to Elect Repayment must correspond with the name as written upon the face of this bond in every particular, without alteration or enlargement or any change whatever.

(End of Form of Bond of the Medium Term Note Series )

and

WHEREAS, all acts and proceedings required by law and by the charter or articles of incorporation and bylaws of the Company necessary to make the Bonds of the Medium Term Note Series to be issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute this Supplemental Indenture a valid and binding instrument, have been done and taken; and the execution and delivery of this Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, that, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time issued and outstanding under the Original Indenture as supplemented and modified by the \_\_\_\_\_ supplemental indentures hereinbefore described and as supplemented and modified by this Supplemental Indenture, according to their tenor, purport and effect, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and for the purpose of confirming and perfecting the lien of the Mortgage on the properties of the Company hereinafter described, or referred to, and for and in consideration of the premises and of the mutual covenants herein contained, and acceptance of the Bonds of the Medium Term Note Series by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Company has executed and delivered this Supplemental Indenture and by these presents does grant, bargain, sell, warrant, alien, convey, assign, transfer, mortgage, pledge, hypothecate, set over and confirm unto the Trustee the following property, rights, privileges and franchises (in addition to all other property, rights, privileges and franchises heretofore subjected to the lien of the Original Indenture as supplemented by the \_\_\_\_\_ supplemental indentures hereinbefore described and not heretofore released from the lien thereof), to wit:

## CLAUSE I

Without in any way limiting anything hereinafter described, all and singular the lands, real estate, chattels real, interests in land, leaseholds, ways, rights-of-way, easements, servitudes, permits and licenses, lands under water, riparian rights, franchises, privileges, electric generating plants, electric transmission and distribution systems, and all apparatus and equipment appertaining thereto, offices, buildings, warehouses, garages, and other structures, tracks, machine shops, materials and supplies and all property of any nature appertaining to any of the plants, systems, business or operations of the Company, whether or not affixed to the realty, used in the operation of any of the premises or plants or systems or otherwise, which have been acquired by the Company since the execution and delivery of the Original Indenture and not heretofore included in any indenture supplemental thereto, and now owned or which may hereafter be acquired by the Company (other than excepted property as defined in the Mortgage).

## CLAUSE II

All corporate, Federal, State, municipal and other permits, consents, licenses, bridge licenses, bridge rights, river permits, franchises, grants, privileges and immunities of every kind and description, owned, held, possessed or enjoyed by the Company (other than excepted property as defined in the Mortgage) and all renewals, extensions, enlargements and modifications of any of them, which have been acquired by the Company since the execution and the delivery of the Original Indenture and not heretofore included in any indenture supplemental thereto, and now owned or which may hereafter be acquired by the Company.

## CLAUSE III

Together with all and singular the plants, buildings, improvements, additions, tenements, hereditaments, easements, rights, privileges, licenses and franchises and all other appurtenances whatsoever belonging or in any wise pertaining to any of the property hereby mortgaged or pledged, or intended so to be, or any part thereof, and the reversion and reversions, remainder and remainders, and the rents, revenues, issues, earnings, income, products and profits thereof, and every part and parcel thereof, and all the estate, right, title, interest, property, claim and demand of every nature whatsoever of the Company at law, in equity or otherwise howsoever, in, of and to such property and every part and parcel thereof (other than excepted property as defined in the Mortgage).

TO HAVE AND TO HOLD all of said property, real, personal and mixed, and all and singular the lands, properties, estates, rights, franchises, privileges and appurtenances hereby mortgaged, conveyed, pledged or assigned, or intended so to be, together with all the appurtenances thereto appertaining and the rents, issues and profits thereof, unto the Trustee and its successors and assigns, forever:

SUBJECT, HOWEVER, to the exceptions, reservations, restrictions, conditions, limitations, covenants and matters contained in all deeds and other instruments whereunder the Company has acquired any of the property now owned by it, and to permitted encumbrances as defined in Subsection B of Section 1.11 of the Mortgage;

BUT IN TRUST NEVERTHELESS, for the equal and proportionate use, benefit, security and protection of those who from time to time shall hold the Bonds authenticated and delivered under the Original Indenture and the \_\_\_\_\_ supplemental indentures hereinbefore described or this Supplemental Indenture, and duly issued by the Company, without any discrimination, preference or priority of any one Bond over any other by reason of priority in the time of issue, sale or negotiation thereof or otherwise, except as provided in Section 11.28 of the Mortgage, so that, subject to said Section 11.28, each and all of said Bonds shall have the same right, lien and privilege under the Original Indenture and the \_\_\_\_\_ supplemental indentures hereinbefore described, or this Supplemental Indenture, and shall be equally secured thereby and hereby and shall have the same proportionate interest and share in the trust estate, with the same effect as if all of the Bonds had been issued, sold and negotiated simultaneously on the date of delivery of the Original Indenture;

AND UPON THE TRUSTS, USES AND PURPOSES and subject to the covenants, agreements and conditions in the Original Indenture and the \_\_\_\_\_ supplemental indentures hereinbefore described and herein set forth and declared.

(5) [ARTICLE ONE.

AMENDMENTS TO THE MORTGAGE

SECTION 1.01. Amendments to Subsections A and G of Section 1.10 of the Mortgage. The holders of all outstanding Bonds of all Series having consented thereto, Subsections A and G of Section 1.10 of the Mortgage are and shall hereby be amended so as to read as follows:

"A. The term 'bondable public utility property' shall mean and comprise any tangible property now owned or hereafter acquired by the Company and subjected to the lien of this Indenture, which is located in the States of Oregon, Washington, California, Arizona, New Mexico, Idaho, Montana, Wyoming, Utah, Nevada and Alaska and is used or is useful to it in the business of furnishing or distributing electricity for heat, light or power or other use, or supplying hot water or steam for heat or power or steam for other purposes, including, without limiting the generality of the foregoing, all properties necessary or appropriate for purchasing, generating, manufacturing, producing, transmitting, supplying, distributing and/or disposing of electricity, hot water or steam; provided, however, that the term 'bondable public utility property' shall not be deemed to include any nonbondable property, as defined in Subsection B of this Section 1.10, or any excepted property."

"G. The term 'minimum provision for depreciation' for the period from March 31, 1945 through December 31, 1966, as applied to bondable public utility property, whether or not subject to a prior lien, shall mean \$35,023,487.50.

"The term 'minimum provision for depreciation' for any calendar year subsequent to December 31, 1966, as applied to bondable public utility property, shall mean the greater of (i) an amount equal to 2% of depreciable bondable public utility property, as shown by the books of the Company as of January 1 of such year, with respect to which the Company was as of that date required, in accordance with sound accounting practice, to make

appropriations to a reserve or reserves for depreciation or obsolescence, or (ii) the amount actually appropriated by the Company on its books of account to a reserve or reserves for depreciation or obsolescence in respect of depreciable bondable public utility property for such calendar year, in either case less an amount equal to the aggregate of (a) the amount of any property additions which during such calendar year were included in an officers' certificate filed with the Trustee as the basis for a sinking fund credit pursuant to the provisions of a sinking fund for Bonds of any series and which as a result of having been so included have been deemed, either without time limit or only so long as any Bonds of such series are outstanding, to have been 'included in an officers' certificate filed with the Trustee as the basis for a sinking fund credit' and to have been 'made the basis for action or credit hereunder' as such term is defined in Subsection H of Section 1.10 of the Original Indenture, and (b) 1662/3% of the principal amount of Bonds of any series which shall have been delivered to the Trustee as a credit, or which the Company shall have elected to apply as a credit, against any sinking fund payment due during such calendar year for Bonds of any series, or which shall have been redeemed in anticipation of, or out of moneys paid to the Trustee on account of, any sinking fund payment due during such calendar year for Bonds of any series and which as a result of having been so made the basis of a credit upon a sinking fund payment and/or so redeemed by operation of a sinking fund shall have been disqualified, either without time limit or only so long as any Bonds of such series are outstanding, from being made the basis of the authentication and delivery of Bonds or of any other further action or credit under the Original Indenture or any supplemental indenture. Bonds delivered to the Trustee as, or applied as, a credit against any sinking fund payment and Bonds redeemed in anticipation of any sinking fund payment, regardless of the time when they were actually delivered, applied or redeemed, for purposes of the preceding sentence shall be deemed to have been delivered, applied or redeemed, as the case may be, on the sinking fund payment date when such sinking fund payment was due. Bonds redeemed out of moneys paid to the Trustee on account of any sinking fund payment shall, regardless of the date when they were redeemed, for purposes of the second preceding sentence, be deemed to have been redeemed on the later of (i) the date on which such moneys were paid to the Trustee or (ii) the sinking fund payment date when such sinking fund payment was due."

"The minimum provision for depreciation for any calendar year subsequent to December 31, 1966, as applied to bondable public utility property not subject to a prior lien, shall be determined as set forth in the paragraph immediately preceding, except that all references therein to 'depreciable bondable public utility property' shall be deemed to be 'depreciable bondable public utility property not subject to a prior lien'.

"The minimum provision for depreciation as applied to bondable public utility property and the minimum provision for depreciation as applied to bondable public utility property not subject to a prior lien for any period commencing subsequent to December 31, 1966 which is of twelve whole calendar months' duration but is other than a calendar year or which is of less than twelve whole calendar months' duration shall be determined by multiplying the number of whole calendar months in such period by one-twelfth of the corresponding minimum provision for depreciation for the most recent calendar year

completed prior to the end of such period, and fractions of a calendar month shall be disregarded.

"The aggregate amount of the minimum provision for depreciation as applied to bondable public utility property and the aggregate amount of the minimum provision for depreciation as applied to bondable public utility property not subject to a prior lien from March 31, 1945 to any date shall be the sum of the corresponding minimum provision for depreciation for each completed calendar year between December 31, 1966 and such date, plus (1) the corresponding minimum provision for depreciation for the period, if any, from the end of the most recent such completed calendar year to such date, in each case determined as set forth above, plus (2) \$35,023,487.50, plus (3) an amount equal to the aggregate of (a) the amount of any property additions which, between December 31, 1966 and such date, became property additions of the character described in clause (a) of the second paragraph of this Subsection G and which, thereafter, also between December 31, 1966 and such date, became 'available additions' as a result of the fact that all Bonds of such series ceased to be outstanding, and (b) 1662/3% of the principal amount of Bonds of any series which, between December 31, 1966 and such date, become Bonds of the character described in clause (b) of the second paragraph of this Subsection G and which, thereafter, also between December 31, 1966 and such date, became 'available Bond retirements' as a result of the fact that all Bonds of such series ceased to be outstanding."

SECTION 1.02. Other Amendments to the Mortgage. The holders of all outstanding Bonds of all Series having consented thereto:

(1) Subsection H of Section 1.10 of the Mortgage is and hereby shall be amended by inserting before the semicolon preceding clause (ii) thereof, and as a part of clause (1) thereof, the words "if, to the extent that, and so long as, the provisions of this Indenture or any supplemental indentures creating or providing for any such fund or any supplemental indentures amending the provisions creating or providing for any such fund shall preclude the use of property additions so included in an officers' certificate as the basis for further action or credit hereunder"; Subsection I of Section 1.10 of the Mortgage is and hereby shall be amended by changing the reference therein from "Item 5" to "Item 7"; and Subsection J of Section 1.10 of the Mortgage is and hereby shall be amended by changing the reference therein from "Item 4" to "Item 5";

(2) Paragraph (3) of Section 3.01(A) of the Mortgage is and hereby shall be amended by changing the period at the end thereof to a comma and adding the following words thereto: "except to the extent otherwise provided in this Indenture or in any supplemental indenture";

(3) The Certificate of Available Additions set forth in Section 3.03.A. of the Mortgage is and hereby shall be amended by

(i) adding new paragraphs (5) and (6) thereto immediately preceding existing paragraph (5) thereof, as follows:

"(5) The aggregate amount, if any, of available additions included in Item 4 above which were so included because the same were made the basis of a credit upon any sinking fund payment for Bonds of any series and which have subsequently again become 'available additions' as a result of the fact that all Bonds of such series ceased to be outstanding, is \$....."

"(6) The aggregate amount of available additions heretofore made the basis for action or credit under said Indenture of Mortgage and which have not subsequently again become 'available additions' as set forth in Item 5 above, namely Item 4 above minus Item 5 above is \$....."

(ii) renumbering existing paragraph (5) as paragraph (7) and changing the references in renumbered paragraph (7) from "Item 3 above minus Item 4 above" to "Item 3 above minus Item 6 above",

(iii) renumbering existing paragraphs (6) and (7) as paragraphs (8) and (9) and changing the references in renumbered paragraph (9) from "Item 5 above minus Item 6 above" to "Item 7 above minus Item 8 above", and

(iv) deleting "Item 7 above" in the second line of the paragraph immediately succeeding renumbered paragraph (9) and substituting "Item 9 above" therefor; and

(4) The Certificate of Available Bond Retirements set forth in Section 3.03.B. of the Mortgage is and hereby shall be amended by

(i) adding a new paragraph (4) thereto immediately preceding the existing paragraph (4) thereof, as follows:

"(4) The aggregate amount, if any, of Bonds previously made the basis of a credit upon any sinking fund payment for Bonds of any series, and/or redeemed (whether on a sinking fund payment date or in anticipation of sinking fund payment) by operation of the sinking fund for Bonds of such series, which have subsequently become 'available Bond retirements' as a result of the fact that all Bonds of such series ceased to be outstanding is \$....."

(ii) renumbering the existing paragraph (4) as paragraph (5) and revising the same to read as follows: "The amount of presently available Bond retirements, namely the sum of Items (1), (2), (3) and (4) above, is \$....."

(iii) renumbering the existing paragraphs (5) and (6) as (6) and (7), respectively, and changing the reference in renumbered paragraph (7) from "Item 4 minus Item 5" to "Item 5 minus Item 6".]

ARTICLE TWO.

BONDS OF THE MEDIUM TERM NOTE SERIES AND  
CERTAIN PROVISIONS RELATING THERETO.

SECTION 2.01. Certain Terms of Bonds of the Medium Term Note Series .

The aggregate principal amount of the Bonds of the Medium Term Note Series shall be limited to \$ , excluding, however, any Bonds of the Medium Term Note Series which may be executed, authenticated and delivered in exchange for or in lieu of or in substitution for other Bonds of such Series pursuant to the provisions of the Mortgage or of this Supplemental Indenture.

The definitive Bonds of the Medium Term Note Series shall be issuable only in fully registered form without coupons in the denomination of \$1,000, or any amount in excess thereof that is an integral multiple of \$1,000. Notwithstanding the provisions of Section 2.05 of the Mortgage, each Bond of the Medium Term Note Series shall be dated as of the date of its authentication, and shall mature on such date not less than nine months nor more than thirty years from such date, shall bear interest from such date, shall bear interest at such rate or rates, which may be fixed or variable, and have such other terms and conditions not inconsistent with the Mortgage as the Board of Directors of the Company, or any officer of the Company acting pursuant to authority granted by the Board of Directors may determine (the execution of any bond of the Medium Term Note Series by any authorized officer of the Company being, with regard to any holder of such bond, conclusive evidence of such approval). Interest on Bonds of the Medium Term Note Series shall be payable on the dates established on the date of first authentication of such Bond ("Original Issue Date"). The person in whose name any Bond of the Medium Term Note Series is registered at the close of business on the applicable record date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such record date and prior to such interest payment date, unless the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such Bond is registered on a subsequent record date fixed by the Company, which subsequent record date shall be fifteen (15) days prior to the payment of such defaulted interest. Such interest payments shall be made in such manner and in such places as provided on the Form of Bonds of the Medium Term Note Series set forth in this Supplemental Indenture. The principal of the Bonds of the Medium Term Note Series shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts at the office or agency of the Company in the Borough of Manhattan, City and State of New York, and interest and premium, if any, on such Bonds shall be payable in like coin or currency at said office or agency.

The definitive Bonds of the Medium Term Note Series may be issued in the form of Bonds, engraved, printed or lithographed on steel engraved borders.

Upon compliance with the provisions of Section 2.06 of the Mortgage and as provided in this Supplemental Indenture, and upon payment of any taxes or other governmental charges payable upon such exchange, Bonds of the Medium Term Note Series may be exchanged for a new Bond or Bonds of different authorized denominations of like aggregate principal amount.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the registrar and transfer agent of the Company for the purpose of registering and registering the transfer of Bonds of the Medium Term Note Series.

Notwithstanding the provisions of Section 2.11 of the Mortgage, no service charge shall be made for any exchange or registration of transfer of Bonds of the Medium Term Note Series, but the Company at its option may require payment of a sum sufficient to cover any tax or other governmental charge incident thereto.

SECTION 2.02. Redemption Provisions for Bonds of the Medium Term Note Series. The Bonds of the Medium Term Note Series shall be subject to redemption prior to maturity as a whole at any time or in part from time to time, including by operation of a sinking fund, as the Board of Directors of the Company, or any officer of the Company acting pursuant to authority granted by the Board of Directors may determine, and as set forth on the Form of Bonds of the Medium Term Note Series set forth in this Supplemental Indenture.

The Bonds of the Medium Term Note Series which are redeemable on the payment of a Regular Redemption Price as provided for in this Section 2.02 may be redeemed at such Regular Redemption Price through the application of cash deposited with the Trustee pursuant to Section 6.04 of the Mortgage upon the taking, purchase or sale of any property subject to the lien of the Mortgage in the manner set forth in said Section.

The Bonds of the Medium Term Note Series are also subject to redemption through the application of proceeds of the sale or disposition substantially as an entirety of the Company's electric properties at Portland, Oregon, which proceeds are required by the provisions of Section 7.01 of the Mortgage to be applied to the retirement of Bonds, upon payment of the principal amount thereof together with interest thereon payable to the date of redemption.

SECTION 2.03. Sections 4.04, 4.05 and 4.06 to Remain in Effect. Notwithstanding the provisions of Section 4.07 of the Mortgage, the provisions of Sections 4.04, 4.05, and 4.06 of the Mortgage shall remain in full force and effect and shall be performed by the Company so long as any Bonds of the Medium Term Note Series remain outstanding. The Bonds of the Medium Term Note Series which are redeemable on the payment of a Regular Redemption Price as provided for in Section 2.02 of this Supplemental Indenture may be redeemed at such Regular Redemption Price with moneys remaining in the replacement fund provided for in said Section 4.04 of the Mortgage.

SECTION 2.04. Certain Requirements to Remain Applicable. The requirements which are stated in the next to the last paragraph of Section 1.13 and in Clause (9) of Paragraph A of Section 3.01 of the Mortgage to be applicable so long as any of the Bonds of the 1975 Series are outstanding shall remain applicable so long as any of the Bonds of the Medium Term Note Series are outstanding.

SECTION 2.05. Certain Exceptions to Sections 2.06 and 2.10 of the Mortgage. Notwithstanding the provisions of Section 2.06 or Section 2.10 of the Mortgage, the Company shall not be required (i) to issue, register, discharge from registration, exchange or register the transfer of any Bond of the Medium Term Note Series for a period of fifteen (15) days next preceding any selection by the Trustee of Bonds of the Medium Term Note Series to be redeemed or (ii) to register, discharge from registration, exchange or register the transfer of any Bond of the Medium Term Note Series so selected for redemption in its entirety or (iii) to exchange or register the transfer of any portion of a Bond of the Medium Term Note Series which portion has been so selected for redemption.

SECTION 2.06. Reference to Minimum Provision for Depreciation in Certificate of Available Additions. So long as any Bonds of the Medium Term Note Series remain outstanding, all references to the minimum provision for depreciation in the form of certificate of available additions set forth in Section 3.03 of the Mortgage shall be included in any certificate of available additions filed with the Trustee, but whenever Bonds of the Medium Term Note Series shall no longer be outstanding, all references to such minimum provisions for depreciation may be omitted from any such certificate.

SECTION 2.07. Duration of Article Two. This Article shall be of force and effect only so long as any Bonds of the Medium Term Note Series are outstanding.

#### ARTICLE THREE.

##### TRUSTEE.

SECTION 3.01. The Trustee hereby accepts the trust hereby created. The Trustee undertakes, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, to perform such duties and only such duties as are specifically set forth in the Original Indenture as heretofore and hereby supplemented and modified, on and subject to the terms and conditions set forth in the Original Indenture as so supplemented and modified, and in case of the occurrence of an event of default (which has not been cured) to exercise such of the rights and powers vested in it by the Original Indenture as so supplemented and modified, and to use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the Bonds issued hereunder or the due execution thereof by the Company. The Trustee shall be under no obligation or duty with respect to the filing, registration, or recording of this Supplemental Indenture or the re-filing, re-registration, or re-recording thereof. The recitals of fact contained herein or in the Bonds (other than the Trustee's authentication certificate) shall be taken as the statements solely of the Company, and the Trustee assumes no responsibility for the correctness thereof.

## ARTICLE FOUR.

## MISCELLANEOUS PROVISIONS.

SECTION 4.01. Although this Supplemental Indenture, for convenience and for the purpose of reference, is dated , the actual date of execution by the Company and by the Trustee is as indicated by their respective acknowledgments hereto annexed.

SECTION 4.02. This Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture as heretofore supplemented and modified, and as supplemented and modified hereby, the Original Indenture as heretofore supplemented and modified is in all respects ratified and confirmed, and the Original Indenture as heretofore and hereby supplemented and modified shall be read, taken and construed as one and the same instrument. All terms used in this Supplemental Indenture shall be taken to have the same meaning as in the Original Indenture except in cases where the context clearly indicates otherwise.

SECTION 4.03. In case any one or more of the provisions contained in this Supplemental Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Supplemental Indenture, but this Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

SECTION 4.04. This Supplemental Indenture may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Portland General Electric Company has caused this Supplemental Indenture to be signed in its corporate name by its President or one of its Senior Vice Presidents or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and in token of its acceptance of the trusts created hereunder, HSBC Bank USA (formerly The Marine Midland Trust Company of New York) has caused this Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents or one of its Assistant Vice Presidents or one of its Corporate Trust Officers and its corporate seal to be hereunto affixed and attested bone of its Corporate Trust Officers, all as of the day and year first above written.

PORTLAND GENERAL ELECTRIC COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

- \_\_\_\_\_  
Title: \_\_\_\_\_

(Seal)

HSBC BANK USA

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

- \_\_\_\_\_  
Title: \_\_\_\_\_

(Seal)

State of Oregon

County of Multnomah) ss.:

The foregoing instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_ by \_\_\_\_\_, a \_\_\_\_\_ of PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, on behalf of said corporation.

-----  
Notary Public for Oregon  
My Commission Expires

[NOTARIAL SEAL]

State of New York

County of \_\_\_\_\_ } ss.:

The foregoing instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_ by \_\_\_\_\_, a(an) \_\_\_\_\_ of HSEC BANK USA, a New York banking corporation and trust company, on behalf of said corporation.

-----  
Notary Public, State of New York  
No. \_\_\_\_\_  
Commission Expires \_\_\_\_\_

[NOTARIAL SEAL]

State of Oregon

County of Multnomah} ss.:

\_\_\_\_\_ and \_\_\_\_\_, a \_\_\_\_\_ and \_\_\_\_\_, respectively, of PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, the mortgagor in the foregoing mortgage named, being first duly sworn, on oath depose and say that they are the officers above named of said corporation and that this affidavit is made for and on its behalf by authority of its Board of Directors and that the aforesaid mortgage is made by said mortgagor in good faith, and without any design to hinder, delay or defraud creditors.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_.

-----  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

[NOTARIAL SEAL]

## NOTES

1. Bracketed material is to be inserted only if Bonds are to be issued as a global security held by a depository.
2. Bracketed material may be added, deleted, or changed to reflect whether the Bonds of the series to which this Supplemental Indenture relates are to bear interest at a rate which may change during the life of such Bonds or at a rate which is to be fixed during the life of such Bonds.
3. If Bonds are not issued as a global security held by a depository, names of record owners are to be inserted.
4. If any Bond to which this Supplemental Indenture relates includes a sinking fund, the provision thereof will be set forth in such Bond.
5. If Article One has already been included in a Supplemental Indenture, then Article One will be deleted and subsequent Articles renumbered.

=====

PORTLAND GENERAL ELECTRIC COMPANY

TO

HSBC BANK USA  
TRUSTEE

-----

INDENTURE

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Dated as of April 30, 1999

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## PORTLAND GENERAL ELECTRIC COMPANY

CERTAIN SECTIONS OF THIS INDENTURE RELATING TO  
SECTIONS 310 THROUGH 318, INCLUSIVE OF THE  
TRUST INDENTURE ACT OF 1939:

Trust Indenture Act Section -----	Indenture Section -----
Section 310 (a) (1) .....	609
(a) (2) .....	609
(a) (3) .....	Not Applicable
(a) (4) .....	Not Applicable
(b) .....	608
Section 311 (a) .....	610
(b) .....	613
Section 312 (a) .....	613
(b) .....	701
(c) .....	702 (a)
Section 313 (a) .....	702 (b)
(b) .....	702 (c)
(c) .....	703 (a)
(d) .....	703 (a)
Section 314 (a) .....	703 (b)
(a) (4) .....	704
(b) .....	101
(c) (1) .....	1004
(c) (2) .....	Not Applicable
(c) (3) .....	102
(d) .....	102
(e) .....	Not Applicable
Section 315 (a) .....	Not Applicable
(b) .....	102
(c) .....	601
(d) .....	602
(e) .....	601
Section 316 (a) .....	601
(a) (1) (A) .....	514
(a) (1) (B) .....	101
(a) (2) .....	101
(b) .....	502
(c) .....	512
Section 317 (a) (1) .....	513
(a) (2) .....	Not Applicable
(b) .....	508
(c) .....	104 (c)
Section 318 (a) .....	503
(a) (1) (A) .....	504
(a) (1) (B) .....	1003
(a) (2) .....	107
(b) .....	
Section 318 (a) .....	

Note: This reconciliation and tie sheet shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of April 30, 1999, between PORTLAND GENERAL ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of Oregon (herein called the "Company"), having its principal office at 121 S.W. Salmon Street, Portland, Oregon 97204, and HSEC Bank USA, a banking corporation duly organized and existing under the laws of the State of New York, as Trustee (herein called the "Trustee"), the office of the Trustee at which at the date hereof its corporate trust business is principally administered being 140 Broadway, New York, New York 10005-1180.

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its senior unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as provided in this Indenture.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of a series thereof, as follows.

ARTICLE ONE  
DEFINITIONS AND OTHER PROVISIONS  
OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;
- (3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date of such computation; and

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Act," when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day," means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which banking institutions in New York, New York or the Place of Payment for the Securities are authorized or obligated by law or executive order to close.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the corporation named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in New York, New York at which at any particular time its corporate trust business with respect to this Indenture shall be administered, which office at the date hereof is that indicated in the introductory paragraph of this Indenture.

"corporation" means a corporation, association, company, joint-stock company or business trust.

"Defaulted Interest" has the meaning specified in Section 307.

"Depository" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository for such series by the Company pursuant to Section 301.

"Eligible Obligations" means interest-bearing obligations as a result of the deposit of which the Securities are rated in the highest generic long-term debt rating category assigned to legally defeased debt by one or more nationally recognized rating agencies.

"Event of Default" has the meaning specified in Section 501.

"Federal Bankruptcy Act" means the Bankruptcy Code of 1978, as amended, or Title 11 of the United States Code.

"Global Security" means a Security bearing the legend specified in Section 204 evidencing all or part of a series of Securities, issued to the Depository for such series or its nominee, and registered in the name of such Depository or nominee.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"indebtedness," as applied to the Company or any Subsidiary, shall mean bonds, debentures, notes and other instruments representing obligations created or assumed by any such Person for the repayment of money borrowed (other than unamortized debt discount or premium). All indebtedness secured by a Lien upon property owned by the Company or any Subsidiary and upon which indebtedness any such Person customarily pays interest, although any such Person has not assumed or become liable for the payment of such indebtedness, shall for all purposes hereof be deemed to be indebtedness of any such Person. All indebtedness for money borrowed incurred by other Persons which is directly guaranteed as to payment of principal by the Company or any Subsidiary shall for all purposes hereof be deemed to be indebtedness of any such Person, but no other contingent obligation of any such Person in respect of indebtedness incurred by other Persons shall for any purpose be deemed indebtedness of such Person. Indebtedness of the Company or any Subsidiary shall not include (i) any amount representing capitalized lease obligations; (ii) indirect guarantees or other contingent obligations in connection with the indebtedness of others, including agreements, contingent or otherwise, with such other Persons or with third Persons with respect to, or to permit or ensure the payment of, obligations of such other Persons, including, without limitation, agreements to purchase or repurchase obligations of such other Persons, agreements to advance or supply funds to or to invest in such other Persons, or agreements to pay for property, products, or services of such other Persons (whether or not conferred, delivered or rendered), and any demand charge, throughput, take-or-pay, keep-well, make-whole, cash deficiency, maintenance of working capital or earnings or similar agreements; and (iii) any guarantees with respect to lease or other similar periodic payments to be made by other Persons.

"Indenture" means this instrument as originally executed as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301; provided, however, that if at any time more than one Person is acting as Trustee under this instrument, "Indenture" shall mean with respect to any one or more series of Securities for which such Person is Trustee, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities for which such Person is Trustee established as contemplated by Section 301, exclusive, however, of any provisions or terms which relate solely to other series of Securities for which such Person is not Trustee, regardless of when such terms or provisions were adopted, and exclusive of any provisions or terms adopted by means of one or more indentures supplemental hereto executed and delivered after such Person had become such Trustee but to which such Person, as such Trustee, was not a party.

"interest," when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Lien" means any mortgage, pledge, lien, security interest or similar charge or encumbrance.

"Maturity", when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Company, and who shall be acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (i) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and
- (iii) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee or Authenticating Agent proof satisfactory to it and the Company that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether a quorum is present at a meeting of Holders of Securities, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof pursuant to Section 502, (ii) the principal amount of a Security denominated in one or more foreign currencies or currency units shall be the U.S. dollar equivalent, determined in the manner provided as contemplated by Section 301 on the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the date of original issuance of such Security of the amount determined as provided in (i) above) of such security, and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which a Responsible Officer of the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or ally other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of or any premium or interest on any one or more series of Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment," when used with respect to the Securities of any series, means the place or places where the principal of and any premium and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Responsible Officer," when used with respect to the Trustee, means any officer of the Trustee with direct responsibility for the administration of this Indenture, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture; provided, however, that if at any time there is more than one Person acting as Trustee under this instrument, "Securities" with respect to the Indenture as to which such Person is Trustee shall have the meaning stated in the first recital of this instrument and shall more particularly mean Securities authenticated and delivered under this instrument, exclusive, however, of Securities of any series as to which such Person is not Trustee.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity," when used with respect to any Security, or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" means a Person other than an individual more than 50% of the outstanding voting power of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting power" means power for the election of directors or other persons managing the affairs of such Person, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Tax-Free Debt" means indebtedness of the Company or a Subsidiary to a state, territory or possession of the United States or any political subdivision thereof issued in a transaction in which such state, territory, possession or political subdivision issued obligations the interest on which is excludable from gross income pursuant to the provisions of Section 103 of the Internal Revenue Code of 1986, as amended, or any federal statute hereafter enacted which relates to such matters, as in effect at the time of issuance of such obligations, and debt to a bank issuing a letter of credit with respect to the principal of or interest on such obligations.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder; provided, however, that if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean only the Trustee with respect to Securities of that series.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"U.S. Government Obligations" means securities which are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligations evidenced by such depository receipt.

"Vice President", when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president".

## SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by an officer of the Company, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, such individual has made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

## SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders of Securities of such series. If not set by the Company prior to the first solicitation of a Holder of Securities of such series made by any Person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation or vote, as the case may be. With regard to any record date for action to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

(d) The ownership of Securities shall be proved by the Security Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange

therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 105. Notices, Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this Indenture or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at such Holder's address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the provision of the Trust Indenture Act shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

## SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

## SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

## SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

## SECTION 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

## SECTION 112. Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

## SECTION 113. Interest Limitation.

It is the intention of the Company to conform strictly to all applicable usury laws and any subsequent revisions, repeals or judicial interpretations thereof. Accordingly, if the transactions contemplated hereby would be usurious under any applicable law then, in that event, notwithstanding anything to the contrary in the Securities or this Indenture, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law with respect to a Security shall under no circumstances exceed the maximum amount allowed by applicable law, and any excess shall be credited to the principal amount of such Security (or, if the principal amount of such Security shall have been paid in full, refunded to the Company), to the extent permitted by applicable law, and (ii) in the event that the maturity of any Security is accelerated or in the event of any redemption of such Security, then such consideration that constitutes interest under applicable law may never include more than the maximum amount allowed by applicable law, and any excess shall be credited to the principal amount of such Security (or, if the principal amount of such Security shall be paid in full, refunded to the Company), to the extent permitted by applicable law. All calculations made to compute the rate of interest with respect to a Security for the purpose of determining whether such rate exceeds the maximum amount allowed by applicable law shall be made, to the extent permitted by such applicable law, by allocating and spreading during the period of the full stated term of such Security all interest any time contracted for, taken, reserved, charged

or received by such Holder or by the Trustee on behalf of any such Holder in connection therewith so that the amount or rate of interest charged for any and all periods of time during the term of the Security does not exceed the maximum amount or rate of interest allowed to be charged by law during the relevant period of time. Notwithstanding any of the foregoing, if at any time applicable laws shall be changed so as to permit a higher rate or amount of interest to be charged than that permitted prior to such change, then unless prohibited by law, references in this Indenture or any Security to "applicable law" when used in the context of determining the maximum interest or rate of interest that can be charged shall be deemed to refer to such applicable law as so amended to allow the greater amount or rate of interest.

The right to accelerate maturity of any Security does not include the right to accelerate any interest which has not otherwise accrued to the date of such acceleration, provided, however, that the foregoing shall not prohibit the continuing accrual after acceleration of interest in accordance with the terms of the Indenture and such Security.

#### SECTION 114. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of the Securities of any series which specifically states that such provision shall apply in lieu of this Section)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, provided that payment on such succeeding Business Day shall not include interest accrued for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

### ARTICLE TWO SECURITY FORMS

#### SECTION 201. Forms Generally.

The Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any applicable law or any applicable rule or regulation promulgated thereunder, with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities. Any form of Security approved by or pursuant to a Board Resolution shall be acceptable as to form

to the Trustee, such acceptance to be evidenced by the Trustee's authentication of Securities in that form or a certificate signed by a Responsible Officer of the Trustee and delivered to the Company.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Face of Security.

[If the Security is an Original Issue Discount Security, insert --- FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THIS SECURITY IS .....% OF ITS PRINCIPAL AMOUNT, THE ISSUE DATE IS ..... 19...[,] [AND] THE YIELD TO MATURITY IS .....%[, THE METHOD USED TO DETERMINE THE YIELD IS ..... AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT APPLICABLE TO THE SHORT ACCRUAL PERIOD OF ..... 19.... TO ..... 19.... IS .....% OF THE PRINCIPAL AMOUNT OF THIS SECURITY].

PORTLAND GENERAL ELECTRIC COMPANY  
[INSERT TITLE OF SECURITIES]

No. .... \$.....

Portland General Electric Company, a corporation duly organized and existing under the laws of the State of Oregon (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to ..... or registered assigns, the principal sum of ..... Dollars on ..... [If the Security is to bear interest prior to Maturity, insert - , and to pay interest thereon from ..... or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on ..... and ..... in each year, commencing ....., at the rate of .....% per annum, until the principal hereof is paid or made available for payment [if applicable, insert - , and (to the extent that the payment of such interest shall be legally enforceable) at the rate of .....% per annum on any overdue principal and premium and on any overdue installment of interest]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture described on the reverse hereof, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be ..... or ..... (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than

10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture].

[If the Security is not to bear interest prior to Maturity, insert - The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of this Security shall bear interest at the rate of .....% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in payment to the date payment of such principal has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on any overdue principal that is not so paid on demand shall bear interest at the rate of .....% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.]

Payment of the principal of (and premium, if any) and [if applicable, insert - any such] interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York, State of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts [if applicable, insert - ; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register].

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: PORTLAND GENERAL ELECTRIC COMPANY

By \_\_\_\_\_  
Title:

Attest:

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SECTION 203. Form of Reverse of Security.

This security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of \_\_\_\_\_, 1999 (herein called the "Indenture"), between the Company and HSBC Bank USA, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [, limited in aggregate principal amount to \$.....].

[If applicable, insert - The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, [if applicable, insert -- (1) on ..... in any year commencing with the year ..... and ending with the year ..... through operation of the sinking fund for this series at a Redemption Price equal to .....% of the principal amount, and (2)] at any time [on or after ....., 19....], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [on or before ....., .....%, and if redeemed] during the 12-month period beginning ..... of the years indicated,

	REDEMPTION		REDEMPTION
YEAR	PRICE	YEAR	PRICE
----	-----	----	-----

and thereafter at a Redemption Price equal to .....% of the principal amount, together in the case of any such redemption [if applicable, insert - (whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert - The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, (1) on ..... in any year commencing with the year ..... and ending with the year ..... through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after .....], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set

forth in the table below: If redeemed during the 12-month period beginning  
 ..... of the years indicated,

YEAR ----	REDEMPTION PRICE FOR REDEMPTION THROUGH OPERATION OF THE SINKING FUND -----	REDEMPTION PRICE FOR REDEMPTION OTHERWISE THAN THROUGH OPERATION OF THE SINKING FUND -----
--------------	---	--

and thereafter at a Redemption Price equal to .....% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert - Notwithstanding the foregoing, the Company may not, prior to ....., redeem any Securities of this series as contemplated by [Clause (2) of] the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having all interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than .....% per annum.]

[If applicable, insert -The sinking fund for this series provides for the redemption on ..... in each year beginning with the year and ending with the year ..... of [not less than] \$..... [("mandatory sinking fund") and not more than \$.....] aggregate principal amount of Securities of this series. [Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made [in the [describe order] in which they become due].]

[If the Security is subject to redemption, insert - In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

[If the Security is not an Original Issue Discount Security, insert - If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.]

[If the Security is an Original issue Discount Security, insert - If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the

Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to - insert formula for determining the amount. Upon payment of (i) the amount of principal so declared due and payable and (ii) interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series shall terminate.]

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of more than 50% in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange here for or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of the Company on this Security upon compliance by the Company with certain conditions set forth therein, which provisions apply to this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall, without the consent of the Holder, alter or impair the right of the Holder, which is absolute and unconditional, to receive payment of principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed, except for Section 113 of the Indenture (which limits interest to the maximum amount permissible by law), the provisions of which are incorporated herein by reference.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registerable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$..... and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

SECTION 204. Form of Legend for Global Securities.

Any Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

"This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee of a Depository. This Security is exchangeable for Securities registered in the name of a Person other than the Depository or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Security (other than a transfer of this Security as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee of the Depository to a successor Depository or a nominee of such successor Depository) may be registered except in such limited circumstances."

SECTION 205. Form of Legend for Global Securities.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

HSBC Bank USA  
as Trustee

By .....  
Authorized Signatory

ARTICLE THREE  
THE SECURITIES

## SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) The Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest,

(4) the date or dates on which the principal of and any premium on the Securities of the series is payable,

(5) the rate or rates (which may be fixed or variable), or the method by which such rate or rates shall be determined, at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, or the method by which such date or dates shall be determined, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any interest payable on any Interest Payment Date,

(6) the place or places where the principal of and any premium and interest on Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company, if the Company is to have that option;

(8) the obligation, if any, and the option, if any, of the Company to redeem, purchase or repay Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the

price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation or option;

(9) if other than denominations of \$ 1,000 and any integral multiple thereof, the denominations in which Securities of the series shall be issuable,

(10) the currency, currencies or currency units in which payment of the principal of and any premium and interest on any Securities of the series shall be payable if other than the currency of the United States of America and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of "Outstanding" in Section 101;

(11) if the amount of payments of principal of or any premium or interest on any Securities of the series may be determined with reference to an index, the manner in which such amounts shall be determined;

(12) If the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or a Holder thereof, in one or more currencies or currency units other than that or those in which the Securities are stated to be payable, the currency, currencies or currency units in which payment of the principal of and any premium and interest on Securities of such series as to which such election is made shall be payable, and the periods within which and the terms and conditions upon which such election is to be made;

(13) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502 or provable in bankruptcy pursuant to Section 504 or the method by which such portion shall be determined;

(14) any trustees, paying agents, transfer agents or registrars with respect to Securities of such series;

(15) whether the Securities of the series shall be issued upon original issuance in whole or in part in the form of one or more Global Securities and, in such case, (a) the Depository with respect to such Global Security or Securities, which Depository at the time of designation and at all times while it serves as Depository shall be a clearing agency registered under the Securities Exchange Act of 1934, as amended; and (b) the circumstances under which any such Global Security may be exchanged for Securities registered in the name of, and any transfer of such Global Security may be registered to, a Person other than such Depository or its nominee, if other than as set forth in Section 305; and

(16) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(5)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities of each series shall be executed on behalf of the Company by its Chairman of the Board, a Vice Chairman of the Board, its President or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate, Board Resolution, supplemental indenture or Opinion of Counsel otherwise required pursuant to Sections 102, 201 or 301 or the Company Order otherwise required pursuant to such preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

A Company Order, Officer's Certificate or Board Resolution or supplemental indenture delivered by the Company to the Trustee in the circumstances set forth in the preceding paragraph may provide that Securities which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time in the aggregate principal amount, if any,

established for such series pursuant to such procedures acceptable to the Trustee as may be specified from time to time by Company Order upon the telephonic, electronic, or written order of Persons designated in such Company Order, Officers' Certificate, supplemental indenture or Board Resolution (any such telephonic or electronic instructions to be promptly confirmed in writing by such Persons) and that such Persons are authorized to determine, consistent with such Company Order, Officers' Certificate, supplemental indenture or Board Resolution, such terms and conditions of said Securities as are specified in such Company Order, Officers' Certificate, supplemental indenture or Board Resolution.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309, together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

The Trustee shall not be required to authenticate such Securities if the issue thereof will adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture.

#### SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

## SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept a register for each series of Securities (the registers so maintained being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided shall be either the Company or such other Person as the Company may appoint, including the Trustee.

In no case shall there be more than one Security Register for a series of Securities. If the Trustee shall at any time not be authorized to keep and maintain the Security Register with respect to any series of Securities, the Trustee shall have the right to inspect the Security Register for such series of Securities at all reasonable times and to rely conclusively upon a certificate of the Person in charge of such Security Register as to the names and addresses of the Holders of the Securities and the principal amounts and numbers of such Securities so held.

Upon surrender for registration of transfer of any Security of any series at the office or agency in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of a like tenor and aggregate principal amount.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer

of or exchange any Security so selected for redemption in whole or in part except the unredeemed portion of any Security being redeemed in part.

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 301, any Global Security shall be exchangeable pursuant to this Section 305 for Securities registered in the names of, and a transfer of a Global Security of any series may be registered to, any Person other than the Depository for such Security or its nominee only if (i) such Depository notifies the Company that it is unwilling or unable to continue as Depository for such Global Security or if at any time such Depository ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, (ii) the Company executes and delivers to the Trustee a Company Order that such Global Security shall be so exchangeable and the transfer thereof so registrable or (iii) there shall have occurred and be continuing an Event of Default or an event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default with respect to the Securities of such series. Upon the occurrence in respect of any Global Security of any series of any one or more of the conditions specified in clauses (i), (ii) or (iii) of the preceding sentence or such other conditions as may be specified as contemplated by Section 301 for such series, such Global Security may be exchanged for Securities registered in the names of, and the transfer of such Global Security may be registered to, such Persons (including Persons other than the Depository with respect to such series and its nominees) as such Depository shall direct. Notwithstanding any other provision of this Indenture, any Security authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any Global Security shall also be a Global Security and bear the legend specified in Section 204 except for any Security authenticated and delivered in exchange for, or upon registration of transfer of, a Global Security pursuant to the preceding sentence.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a purchaser without notice of any adverse claim, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series

(or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Unless otherwise specified pursuant to Section 301, at the option of the Company, interest on the Securities of any series that bears interest may be paid by mailing a check to the address of any Holder as such address shall appear in the Securities Register.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

#### SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Notwithstanding the foregoing, with respect to any Global Security, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by a Depository or impair, as between a Depository and holders of beneficial interests in any Global Security, the operation of customary practices governing the exercise of the rights of the Depository (or its nominee) as Holder of such Global Security.

#### SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by

this Indenture. All canceled Securities held by the Trustee shall be disposed of by the Trustee in accordance with its customary procedures unless the Trustee is otherwise directed by a Company Order.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE FOUR  
SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture.

With respect to any series of Securities, if at any time (a) the Company shall have paid or caused to be paid the principal of and any premium and interest on all the Securities of such series Outstanding hereunder, as and when the same shall have become due and payable, or (b) the Company shall have delivered to the Trustee for cancellation all Securities of such series theretofore authenticated (other than any Securities of such series which shall have been apparently destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 306) or (c) the Company and the Trustee shall have entered into an agreement in form and substance satisfactory to the Company and the Trustee providing for the creation of an escrow fund and the Company shall have irrevocably deposited or caused to be so deposited in trust with the Trustee, as escrow agent of said fund, sufficient funds in cash and/or Eligible Obligations and/or U.S. Government Obligations, maturing as to principal and interest in such amounts and at such times, as will be sufficient without consideration of any reinvestment of such interest, and as further expressed in the opinion of a nationally recognized firm of independent public accountants in a written certification thereof delivered to the Trustee at or prior to the time of such deposit, to pay at the Stated Maturity or Redemption Date all such Securities of such series not theretofore delivered to the Trustee for cancellation, including principal and any premium and interest to the Stated Maturity or Redemption Date, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect with respect to the Securities of such series (except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, defaced, or apparently destroyed, lost or stolen Securities of such series, (iii) rights of Holders of Securities of such series to receive payments of principal thereof (and premium, if any) and interest thereon and remaining obligations to make mandatory sinking fund payments, (iv) the rights, remaining obligations, if any, and immunities of the Trustee hereunder and (v) the rights of the Holders of Securities of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Securities of such series have been complied with, and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to the Securities of such series. In the event Eligible Obligations are to be deposited with the Trustee pursuant to this Section, the Opinion of Counsel to be delivered hereunder

shall state substantially to the effect that neither the Trustee nor any trust fund deposit created pursuant to this Section will be required to be registered under the Investment Company Act of 1940, as amended, and that, based on a ruling of the Internal Revenue Service or other change in applicable federal income tax law, holders of the Securities affected will not recognize income, gain or loss for federal income tax purposes as a result of such deposit or defeasance and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case as if such deposit and defeasance had not occurred. The Company agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities of such series.

Notwithstanding the satisfaction and discharge of this Indenture with respect to the Securities of such series, the obligations of the Company to the Trustee under Section 607 and, if funds shall have been deposited with the Trustee pursuant to subclause (c) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

SECTION 402. Application of Trust Money.

Subject to provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities of the relevant series and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee, which funds need not be segregated except to the extent required by law.

SECTION 403. Reinstatement.

If the Trustee or Paying Agent is unable to apply any money or securities in accordance with Section 402 of this Indenture, by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 401 of this Indenture, until such time as the Trustee or Paying Agent is permitted to apply all such money or securities in accordance with Section 402 of this Indenture; provided that, if the Company has made any payment of principal or interest on any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or securities held by the Trustee or Paying Agent.

ARTICLE FIVE  
REMEDIES

## SECTION 501. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) which shall have occurred and is continuing:

(1) default in the payment of any interest upon any Security of that series when such interest becomes due and payable or default in the payment of any mandatory sinking fund payment provided for by the terms of any series of Securities, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

(3) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than that series), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in the principal amount of the Outstanding Securities of such series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) without petition, approval or consent of the Company, a period of 60 days shall have elapsed after

(a) the entry of an order for relief under the Federal Bankruptcy Act by a court of competent jurisdiction, or

(b) The entry by a court of competent jurisdiction of an order granting relief under any applicable bankruptcy, insolvency or other similar law or statute of the United States of America or any State thereof; or

(c) the appointment by such a court of a trustee, custodian, receiver or other similar official of the Company or of all or any substantial part of its property upon the application of any creditor in any insolvency or bankruptcy proceeding or other creditor's suit;

but such period of 60 days shall not include any period during which any such decree or order shall be stayed upon appeal or otherwise; or

(5) the filing by the Company of, or consenting or acquiescing by the Company to a petition seeking an order for relief under the Federal Bankruptcy Act or the making by it of an assignment for the benefit of creditors or the consenting by it to, or failure by it to contest, the appointment of a custodian or receiver of all or any substantial part of the property of the Company; or the filing by the Company of a petition or answer seeking, consenting to or acquiescing in the granting of relief under any other applicable bankruptcy, insolvency or other similar law or statute of the United States of America or any State thereof; or

(6) any other Event of Default provided with respect to Securities of that series.

The Trustee shall not be charged with or be deemed to have knowledge of any default or Event of Default, except for Events of Default specified in clause (1) or (2) of this Section 501, until a Responsible Officer has actual notice thereof or until a written notice of any such event is received by the Trustee at the Corporate Trust Office, Attention: Corporate Trust Department and such notice refers to the Securities generally, the Company or this Indenture.

#### SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default described in clause (1), (2) or (6) of Section 501 with respect to Securities of any series at the time Outstanding has occurred, then in every such case, during the continuance of any such Event of Default, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if the Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable. If an Event of Default described in clause (3) of Section 501 occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of all the Securities then Outstanding may declare the principal amount (or, if any such Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders), and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable. If an Event of Default described in clause (4) or (5) of Section 501 occurs and is continuing, the principal of and any interest on all of the Securities then Outstanding shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series (or of all series, as the

case may be), by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series (or of all series, as the case may be),

(B) the principal of (and premium, if any, on) any Securities of that series (or of all series, as the case may be) which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,

(C) to the extent that payment of such interest is legally enforceable, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607;

and

(2) all Events of Default with respect to Securities of that series (or of all series, as the case may be), other than the non-payment of the principal of Securities of that series (or of all series, as the case may be), which has become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses,

disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

If an Event of Default with respect to Securities of any series (or of all series, as the case may be) occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series (or of all series, as the case may be) by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607) and of the Holders allowed in such judicial proceeding, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607, be for the

ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively; and

THIRD: The balance, if any, to the Person or Persons entitled thereto.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) The Holders of not less than 25% in principal amount of the Outstanding Securities of that series in the case of any Event of Default described in clause (1), (2) or (6) of Section 501, or the Holders of not less than 25% in principal amount of all Outstanding Securities in the case of any Event of Default described in clause (3), (4) or (5) of Section 501, shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) The Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of not less than a majority in principal amount of the Outstanding Securities of that series in the case of any Event of Default described in clause (1), (2) or (6) of Section 501, or, in the case of any Event of Default

described in clause (3), (4) or (5) of Section 501, by the Holders of not less than a majority in principal amount of all Outstanding Securities;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of the same series, in the case of any Event of Default described in clause (1), (2) or (6) of Section 501, or of Holders of all Securities in the case of any Event of Default described in clause (3), (4) or (5) of Section 501, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Securities of the same series, in the case of any Event of Default described in clause (1), (2) or (6) of Section 501, or of Holders of all Securities in the case of any Event of Default described in clause (3), (4) or (5) of Section 501.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 307) any interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

## SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

## SECTION 512. Control by Holders.

With respect to the Securities of any series, the Holders of not less than a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, relating to or arising under clause (1), (2) or (6) of Section 501, and, with respect to all Securities, the Holders of not less than a majority in principal amount of all Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, not relating to or arising under clause (1), (2) or (6) of Section 501, provided that in each case

(1) such direction shall not be in conflict with any rule of law or with this Indenture, and

(2) The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

## SECTION 513. Waiver of Past Defaults.

Subject to Section 502, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default described in clause (1), (2) or (6) of Section 501 (or, in the case of a default described in clause (3), (4) or (5) of Section 501, the Holders of not less than a majority in principal amount of all Outstanding Securities may waive any such past default), and its consequences, except a default

(1) in respect of the payment of the principal of or any premium or interest on any Security, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

## SECTION 514. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company or the Trustee.

## SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX  
THE TRUSTEE

## SECTION 601. Certain Duties and Responsibilities.

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

## SECTION 602. Notice of Defaults.

If a default occurs hereunder with respect to Securities of any series and the Trustee knows of such default, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that (a) in the case of any default of the character specified in Section 501(3) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof, and (b) except in the case of a default in the payment of the principal of or any premium or interest on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the Executive Committee or Trust Committee of Directors or a Responsible Officer of the Trustee in good faith determines that the withholding of such notice is in the interest

of the Holders of the Securities of such series. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

SECTION 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee shall have no responsibility to determine whether any payments with respect to the Securities are in compliance with any applicable usury laws and subsequent revisions, repeals or judicial interpretations thereof. Notwithstanding any provisions of this Indenture or the Securities, the Trustee and any Paying Agent shall have the right to assume that payments with respect to the Securities are in compliance with any applicable usury laws unless and until it shall have received from the Company, in conformity with Sections 102 and 103 of this Indenture, (1) an Opinion of Counsel to the effect that, as the result of a final judicial interpretation by a court of competent jurisdiction, any payments with respect to the Securities will exceed the maximum amount allowed by applicable law and that any direction to the Trustee by the Company for action under Section 113 of this Indenture is in compliance with all applicable usury laws and the provisions of this Indenture and the Securities and (2) an Officers' Certificate setting forth the action required to be taken with respect to the Securities pursuant to Section 113 of this Indenture, together with any computations or calculations with respect thereof, and stating that such action is in compliance with the provisions of this Indenture and the Securities;

(i) before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, which shall conform to Section 102. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion; and

(j) the Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the legality, validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee and any Paying Agent shall be under no liability for

interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

#### SECTION 607. Compensation and Reimbursement

The Company agrees

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of any express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including, without limitation, the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

To secure the Company's payment obligations in this Section 607, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, in its capacity as Trustee under this Indenture, except money or property held in trust to pay principal of, premium, if any, and interest on particular Securities;

If the Trustee incurs expenses or renders services after the occurrence of an Event of Default specified in clause (4) or (5) of Section 501, the expenses and the compensation for the services will be intended to constitute expenses of administration under Title 11 of the United States Bankruptcy Code or any applicable federal or state law for relief of debtors; and

The provisions of this Section 607 shall survive the resignation or removal of the Trustee and the termination of this Indenture.

#### SECTION 608. Disqualification; Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

## SECTION 609. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000 and its Corporate Trust Office in New York, New York. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

## SECTION 610. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security of the applicable series for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting with respect to any series of Securities or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to any one or more of such series of Securities, or (ii) subject to Section 514, any

Holder who has been a bona fide Holder of a Security of that series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee or Trustees with respect to Securities of that series.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Outstanding Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect, to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 611. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all series of Outstanding Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each Successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) and (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication

and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

SECTION 614. Appointment of Authenticating Agent.

The Trustee may, with notice to the Company, appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company

and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

.....  
HSBC Bank USA  
As Trustee

By.....  
As Authenticating Agent

By .....  
Authorized Officer

ARTICLE SEVEN  
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company will, with respect to each series of Securities Outstanding, furnish or cause to be furnished to the Trustee

(a) semi-annually, on dates mutually acceptable to the Trustee and the Company, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of such series as of a date mutually acceptable to the Trustee and the Company, and

(b) at such other times as the Trustee may request in writing, within, 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date

not more than 15 days prior to the time such list is furnished (or if any provision of this Indenture or any Security requires the Trustee to interact with Holders of any Security as of a given date, such list to provide the names and addresses of the Holders as of such date);

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Paying Agent. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of the Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) Within 60 days after each May 15, beginning May 15, 2000, the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities as to which it is Trustee are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

SECTION 704. Reports by Company.

The Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act; provided, however, that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission.

ARTICLE EIGHT  
CONSOLIDATION, MERGER AND SALE

## SECTION 801. Consolidation, Merger or Sale Permitted Under Certain Conditions.

Nothing contained in this Indenture or in the Securities shall be deemed to prevent the consolidation or merger of the Company with or into any other Person, or the merger into the Company of any other Person, or the sale by the Company of its property and assets as, or substantially as, an entirety, or otherwise; provided, however, (a) that, in case of any such consolidation or merger, the Person resulting from such consolidation or any Person other than the Company into which such merger shall be made shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the party of the first part hereto and shall become liable and be bound for, and shall expressly assume, by an indenture supplemental hereto in form satisfactory to the Trustee executed and delivered to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on, all the Securities then Outstanding and the performance and observance of each and every covenant and condition of this Indenture on the part of the Company to be performed or observed, and (b) that, as a condition of any such sale of the property and assets of the Company as, or substantially as, an entirety, the Person to which such property and assets shall be sold shall (i) expressly assume, as a part of the purchase price thereof, the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities and the performance and observance of all the covenants and conditions of this Indenture on the part of the Company to be performed or observed, and (ii) simultaneously with the delivery to it of the conveyances or instruments of transfer of such property and assets, execute and deliver to the Trustee an indenture supplemental hereto in form satisfactory to the Trustee, whereby such purchasing Person shall so assume the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities then outstanding and the performance and observance of each and every covenant and condition of this Indenture on the part of the Company to be performed or observed, to the same extent that the Company be bound and liable and provided further that no such consolidation, merger or sale shall be made if, immediately after such transaction the Person (whether the Company or such other Person) formed by or surviving any such consolidation or merger, or to which such sale or conveyance shall have been made, shall be in default in the performance or observance of any of the terms, covenants and conditions of this Indenture to be kept or performed by the Company, and (if other than the Company) shall not be a Person organized under the laws of the United States or a State thereof.

## SECTION 802. Substitution of Successor Person for the Company.

The Company will not consolidate with any other Person or permit the Company to be merged into any other Person, or sell its property and assets as, or substantially as, an entirety except upon the terms and conditions set forth in this Article Eight. If at any time there be any consolidation, merger, sale or conveyance of property to which the covenants of this Article Eight are applicable, then in any such event the successor Person will promptly deliver to the Trustee: (i) an Officers' Certificate stating that as of the time immediately after the effective date of any such transaction the covenants of the Company contained in this Article Eight have been complied with and the successor Person is not in default under the provisions of this Indenture; and (ii) an Opinion of Counsel stating that in his opinion such covenants have been complied with and that any

instrument or instruments executed in the performance of such covenants comply with the requirements thereof. Upon any consolidation or merger, or any sale of the property and assets of the Company as, or substantially as, an entirety in accordance with the provisions of this Article Eight, the Person formed by such consolidation or into which the Company shall have been merged or to which such sale shall have been made shall succeed to and be substituted for the Company with the same effect as if it had been named herein as a party hereto, and thereafter from time to time such Person may exercise each and every right and power of the Company under this Indenture, in the name of the Company or in its own name; and any act or proceeding by any provision of this Indenture required or permitted to be done by any board or officer of the Company may be done with like force and effect by the like board or officer of any Person that shall at the time be the successor of the Company hereunder; and in the event of any such conveyance or transfer, the Company (which term shall for this purpose mean the Person named as the "Company" in the first paragraph of this Indenture or any prior successor Person which shall theretofore have become such in the manner described in Section 801) shall be discharged from all obligations and covenants under the Indenture and the Securities and may be dissolved and liquidated.

SECTION 803. Opinion of Counsel and Officers' Certificate to be given to Trustee.

The Trustee shall be entitled to receive an Opinion of Counsel and Officers' Certificate as conclusive evidence that any such consolidation, merger, sale or conveyance and any assumption permitted or required by the terms of this Article Eight comply with the provisions of this Article Eight.

ARTICLE NINE  
SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(3) to add any additional Events of Default with respect to all or any series of Securities (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are being included solely for the benefit of such series); or

(4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(5) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, provided that any such addition, change or elimination (i) shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) shall become effective with respect to any such series only when there is no Security of such series Outstanding; or

(6) to secure the Securities; or

(7) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(9) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this clause (9) shall not, as evidenced by an Opinion of Counsel delivered to the Trustee, adversely affect the interests of the Holders of Securities of any series in any material respect.

#### SECTION 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of more than 50% in principal amount of all Outstanding Securities affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the right of the Holders of Securities under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a

declaration of acceleration of the Maturity thereof pursuant to Section 502 or the amount thereof provable in bankruptcy pursuant to Section 504, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1009, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby, provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1009, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(8).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

#### SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, in addition to the documents required by Section 102, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and that it will be valid and binding upon the Company. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, immunities or liabilities under this Indenture or otherwise.

## SECTION 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

## SECTION 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

## SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for outstanding Securities of such series.

ARTICLE TEN  
COVENANTS

## SECTION 1001. Payment of Principal, Premium and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay or cause to be paid the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

## SECTION 1002. Maintenance of Office or Agency.

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such

purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee and the Holders of such series of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of or any premium or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal and any premium and interest so becoming due, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, and upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

## SECTION 1004. Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

## SECTION 1005. Maintenance of Properties.

The Company will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Holders.

## SECTION 1006. Payment of Taxes and Other Claims.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment or charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

## SECTION 1007. Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate signed by the principal executive officer, principal financial officer or principal accounting officer of the Company, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture, and, if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

## SECTION 1008. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in Sections 1002, and 1004 to 1006, inclusive, if before the time for such compliance the Holders of more than 50% in principal amount of the Outstanding Securities shall, by Act of such Holders, waive such compliance in such instance with such term, provision or

condition. In the event that there shall be included in this Indenture any covenant, other than a covenant to pay principal, premium (if any) and interest, solely for the benefit of one or more, but less than all, series of Securities, then, unless otherwise expressly provided with respect to such covenant, the Company may similarly omit in any particular instance to comply with any term, provision or condition of such covenant if before the time for such compliance the Holders of more than 50% in principal amount of all Outstanding Securities entitled to the benefit of such covenant, by Act of such Holders, waive such compliance in such instance with such term, provision or condition. No such waiver contemplated by this Section 1008 shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 1009. Negative Pledge and Exceptions Thereto.

So long as any of the Securities are outstanding, the Company shall not, directly or indirectly, create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, except in favor of the Company or any Subsidiary, any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, to secure any indebtedness of the Company or any Subsidiary, without making effective provisions whereby the Securities shall be equally and ratably secured with any and all such indebtedness so secured and with any other indebtedness similarly entitled to be equally and ratably secured; provided, however, that this restriction shall not apply to or prevent the creation or existence of any:

(1) Liens for taxes, assessments or charges imposed on the Company or any Subsidiary or any of their property by any governmental authority not yet due or which are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company or any of its Subsidiaries, as the case may be, in accordance with generally accepted accounting principles applicable to electric utilities generally at the time;

(2) Liens imposed by law, such as carriers' warehousemen's, mechanics', materialmen's, repairmen's or other like Liens incurred in the ordinary course of business and securing obligations that are not yet due or that are being contested in good faith by appropriate proceedings, and Liens arising out of judgments or awards not exceeding \$25,000,000 in the aggregate with respect to which appeals are being prosecuted, execution pending such appeals having been effectively stayed;

(3) pledges or deposits in connection with worker's compensation, unemployment insurance and other social security laws, or to secure the performance of bids, tenders contracts (other than for borrowed money), leases, statutory obligations, surety or appeal bonds, or indemnity, performance or other similar bonds, in the ordinary course of business;

(4) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not in any

case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries;

(5) the Lien of the Indenture of Mortgage and Deed of Trust dated July 1, 1945, as supplemented and in effect from time to time, from the Company to the Marine Midland Trust Company of New York (now HSBC Bank USA) (the "Mortgage");

(6) Permitted Encumbrances (as defined in Section 1.11 of the Mortgage);

(7) Liens securing the payment of Tax-Free Debt, provided that each such Lien shall extend only to the property, and proceeds thereof, being financed by the Tax-Free Debt secured thereby;

(8) Liens on or over the whole or any part of the assets of the Company as security for any indebtedness owing by the Company to any Subsidiary whose primary function is that of acting as a financing Subsidiary of the Company and consisting of one or more loans made to the Company by such Subsidiary and repayable on the same date as a loan or other indebtedness incurred by such Subsidiary; provided, however, that the aggregate principal amount of the indebtedness secured by all such Liens shall not exceed the aggregate principal amount of all such indebtedness incurred by such Subsidiary; and provided further, that the aggregate principal amount of the indebtedness secured by all such Liens shall not exceed \$100,000,000;

(9) Liens over all or any part of the assets of the Company or any Subsidiary of the Company constituting a specific construction project or generating plant as security for any indebtedness incurred for the purpose of financing all or such part, as the case may be, of such construction project or generating plant, and undetermined Liens and charges incidental to such construction;

(10) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or designate a purchaser of, any property;

(11) Liens on property or assets of any Subsidiary in favor of the Company;

(12) Liens with respect to which cash in the amount of the indebtedness secured by such Liens has been deposited with the Person serving as the Agent under the Credit Agreement dated as of July 29, 1993 among the Company and the banks listed on the signature pages thereof, as amended from time to time, or any agreement taking the place thereof entered into hereafter by the Company; or

(13) Liens on or over specific assets hereafter acquired which are created or assumed contemporaneously with, or within 120 days after such acquisition, for the sole purpose of financing or refinancing the acquisition of such assets.

ARTICLE ELEVEN  
REDEMPTION OF SECURITIES

## SECTION 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

## SECTION 1102. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all the Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

## SECTION 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless all of the Securities of such series and of a specified tenor are to be redeemed), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. If less than all of the Securities of such series and of a specified tenor are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

## SECTION 1104. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption of any Securities, the principal amounts) of the particular Securities to be redeemed,
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and
- (6) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company, in which event the Company shall provide the Trustee with the information required by clauses (1) through (6) above.

## SECTION 1105. Deposit of Redemption Price.

Prior to 11:00 a.m., New York City time, on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date. The Paying Agent shall provide notice to the Trustee of such deposit.

## SECTION 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company

at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 1107. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered. If a Global Security is so surrendered, such new Security so issued shall be a new Global Security.

ARTICLE TWELVE  
SINKING FUNDS

SECTION 1201. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver to the Trustee Outstanding Securities of a series (other than any previously called for redemption) theretofore purchased or otherwise acquired by the Company and (2) may receive credit for Securities of a series which have been previously delivered to the Trustee by the Company or for Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted

optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 1203. Redemption of Securities for Sinking Fund.

Not less than 45 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 (which Securities will, if not previously delivered, accompany such certificate) and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series, and will deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

ARTICLE THIRTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 1301. Liability Solely Corporate.

No recourse shall be had for the payment of the principal of (or premium, if any) or interest on any Securities or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement of this Indenture, against any incorporator, or against any stockholder, officer or director, as such, past, present or future, of the Company, or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Indenture and all the Securities are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be insured by, any such incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants, promises or agreements contained in this Indenture or in any of the Securities or to be implicit herefrom or therefrom; and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issue of the Securities; provided, however, that nothing herein or in the Securities contained shall be taken to prevent recourse to and the enforcement of the

liability, if any, of any stockholder or subscriber to capital stock of the Company upon or in respect of shares of capital stock not fully paid up.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

PORTLAND GENERAL ELECTRIC COMPANY

By \_\_\_\_\_  
Name:  
Title:

HSBC BANK USA  
as Trustee

By \_\_\_\_\_  
Name:  
Title:

## SEC EARNINGS TO FIXED CHARGES

PORTLAND GENERAL ELECTRIC COMPANY  
EARNINGS TO FIXED CHARGES - SEC BASIS  
6/9/99

Prepared by: Larry Anderson

(Thousands of Dollars)	3 months ended					
	31-Mar-99	31-Dec-98	31-Dec-97	31-Dec-96	31-Dec-95	31-Dec-94
NET INCOME	\$ 45,033	\$ 137,490	\$ 125,986	\$ 155,915	\$ 92,787	\$ 106,118
INCOME TAXES	27,747	82,453	70,019	114,112	59,709	74,937
INCOME BEFORE CUMULATIVE EFFECT ITEMS AND INCOME TAXES	72,780	219,943	196,005	270,027	152,496	181,055
FIXED CHARGES, EXCLUDING PREFERRED DIVIDEND REQUIREMENT	23,157	91,136	91,268	92,809	93,102	84,650
EARNINGS BEFORE INCOME TAXES AND FIXED CHARGES	95,937	311,079	287,273	362,836	245,508	265,705
FIXED CHARGES:						
INTEREST EXPENSE (long & short-term)	19,471	75,943	75,587	77,158	76,584	69,027
INTEREST ON LONG-TERM POWER CONTRACTS (PUD'S)	2,311	9,242	9,594	9,507	9,486	9,679
INTEREST FACTOR IN LONG-TERM LEASES	1,375	5,951	6,087	6,144	6,942	7,690
TOTAL FIXED CHARGES	\$ 23,157	\$ 91,136	\$ 91,268	\$ 92,809	\$ 93,012	\$ 84,650
RATIO EARNINGS TO FIXED CHARGES BEFORE INCOME TAXES	4.14	3.41	3.15	3.91	2.64	3.14