

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 16, 1997

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

121 S.W. SALMON STREET, PORTLAND, OREGON 97204  
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code 503-464-8820

1

ITEM 5. OTHER EVENTS

PRELIMINARY MERGER RECOMMENDATION - On January 16, 1997 Portland General Corporation (PGC) and Enron Corp. (ENRON) received the preliminary recommendation from the Staff of the Public Utility Commission of Oregon (OPUC) to approve, subject to certain conditions, the companies' application to merge. The OPUC Staff recommends an annual rate reduction for Portland General Electric's (PGE) customers of \$47.4 million, a result of several conditions proposed by the Staff. The proposed rate reduction includes a provision to true-up reduction amounts if certain future revenues exceed expectations.

Staff proposed reductions consist of the following items: \$11.7 million related to PGE trading floor margins, \$24.5 million related to estimated non-franchise retail sales margins, \$10 million related to administrative cost savings and \$1.2 million associated with lower natural gas fuel costs. These reductions would remain in rates for approximately four years.

Other conditions include minimum service quality standards, cost shifting protections, and competitive protections, most of which are similar to conditions already in place between PGE and PGC.

PGC and ENRON are pleased the Staff has recommended approval of the merger, however, certain of the proposed conditions raise legal, policy and monetary issues that must be addressed. Settlement conferences are scheduled for January 22 through 24, 1997.

For further background information regarding the proposed merger see the PGE

and PGC quarterly reports on Form 10-Q for the quarter ended September 30, 1996, and report on Form 8-K dated November 12, 1996.

### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Portland General Corporation  
Portland General Electric Company

January 17, 1997

By /S/ JOSEPH E. FELTZ  
Joseph E. Feltz  
Assistant Controller  
Assistant Treasurer

