

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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)

LEONARD A. GIRARD
PORTLAND GENERAL ELECTRIC COMPANY
17TH FLOOR, ONE WORLD TRADE CENTER
121 SW SALMON STREET
PORTLAND OR 97204
(503) 464-8814
(NAME, ADDRESS INCLUDING ZIP CODE, AND TELEPHONE
NUMBER INCLUDING AREA CODE, OF AGENT FOR
SERVICE)

COPY TO:
WILLIAM J. LYNCH, ESQ.
MORGAN, LEWIS & BOCKIUS
101 PARK AVENUE
NEW YORK, NY 10178

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/

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.....	\$250,000,000(1)	100%(2)	\$250,000,000(1)	\$86,207.50(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
\$250,000,000. If any of the securities are issued at an original issue
discount, the aggregate initial offering price as so discounted will not
exceed \$250,000,000, 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 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.

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 SEPTEMBER 11, 1995

PROSPECTUS

PORTLAND GENERAL ELECTRIC COMPANY

DEBT SECURITIES

Portland General Electric Company, an Oregon corporation ("PGE" or the "Company"), may offer and sell, from time to time or all at one time, in one or more series, together or separately, in amounts, at prices and on terms to be determined at the time of the offering, secured and unsecured debt securities ("Debt Securities") consisting of: (i) secured first mortgage bonds, including medium term notes ("First Mortgage Bonds"), and (ii) unsecured debt securities, which may be either Senior Unsecured Debt Securities or Junior Subordinated Debentures ("Unsecured Debt Securities"). Senior Unsecured Debt Securities will be unsecured and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company but will be junior to all first mortgage bonds, including the First Mortgage Bonds. Junior Subordinated Debentures will be unsecured and subordinate and junior in right of payment to all Senior Indebtedness (as defined herein) of the Company.

The specific terms of the offering and sale of the Debt Securities, including (a) the specific designation, the aggregate principal amount, the maturity, the rate (which may be fixed, floating, or adjustable), the time of payment of interest, any redemption or sinking fund provisions, the extent of any subordination and any other rights and restrictions of each series of the Debt Securities; and (b) the initial public offering price, listing on any securities exchange, and the agents, dealers, or underwriters, if any, to be utilized in connection with the sale of each series of the Debt Securities, will be set forth in an accompanying Prospectus Supplement. If so specified in the applicable Prospectus Supplement, the Debt Securities or a series thereof may be issued in whole or in part in the form of one or more temporary or permanent global securities. The Company reserves the sole right to accept and, together with its agents from time to time, to reject in whole or in part any proposed purchase of Debt Securities to be made directly or through agents.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Debt Securities may be sold directly by the Company or through agents, underwriters, or dealers designated from time to time. If any agents of the Company or any underwriters are involved in the sale of the Debt Securities or any series thereof in respect of which this Prospectus is being delivered, the names of such agents or underwriters and any applicable discounts or commissions with respect to the Debt Securities or any such series thereof so sold will also be set forth in the Prospectus Supplement.

THE DATE OF THIS PROSPECTUS IS , 199

AVAILABLE INFORMATION

The Company and its parent, Portland General Corporation ("Portland General"), are subject to the information requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and in accordance therewith file reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information concerning the Company and Portland General can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices at 7 World Trade Center, Suite 1300, New York, New York 10048; and 500 West Madison, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained upon written request addressed to the Commission, Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, reports, proxy statements and other information concerning the Company and Portland General may be inspected at the offices of both the New York Stock Exchange, 20 Broad Street, New York, New York 10005 and The Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104, on which Portland General Common Stock and certain of the Company's securities are listed.

The Company has filed with the Commission a registration statement on Form S-3 (herein, together with all amendments and exhibits thereto, referred to as the "Registration Statement") under the Securities Act of 1933 (the "Securities Act"). This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed with the Securities and Exchange Commission by the Company, are incorporated in this Prospectus by reference as of their respective dates of filing:

1. Annual Report on Form 10-K for the year ended December 31, 1994.
2. Quarterly Reports on Form 10-Q for the quarters ended March 31, 1995 and June 30, 1995.
3. Current Report on Form 8-K dated August 16, 1995.

All reports filed by the Company pursuant to Sections 13, 14, or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Prospectus and prior to the termination of the offering or offerings hereunder shall be deemed to be incorporated by reference in this Prospectus and to be part hereof from the date of the filing of such reports. The documents enumerated above or subsequently filed by the Company pursuant to Section 13 of the Securities Exchange Act of 1934 prior to the filing with the Commission of the Company's most recent annual report on Form 10-K shall not be incorporated by reference in this Prospectus or be a part hereof from and after the filing of such annual report on Form 10-K.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents. Requests for such copies should be directed to Steven N. Elliott, Assistant Treasurer, Portland General Electric Company, 121 S.W. Salmon Street, Portland, Oregon 97204 (telephone number: 503/464-8917).

PORTLAND GENERAL ELECTRIC COMPANY

Portland General Electric Company, incorporated in Oregon in 1930, has principal offices located at 121 S.W. Salmon Street, Portland, Oregon 97204 (telephone number: 503/464-8000). The Company is an electric utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily in the State of Oregon. The Company's 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. The Company estimates that the population of its service area at December 31, 1994 was approximately 1.35 million, constituting approximately 45% of the State's population. At June 30, 1995, the Company served more than 640,000 customers.

The Company is a wholly owned subsidiary of Portland General Corporation ("Portland General"), an electric utility holding company exempt from the application of the Public Utility Holding Company Act of 1935 except Section 9(a)(2) relating to the acquisition of securities of other public utility companies.

USE OF PROCEEDS

Unless otherwise indicated in a Prospectus Supplement, the net proceeds from the sale of the Debt Securities will be used by PGE for refunding fixed and variable rate securities, reducing short-term debt and other corporate purposes, including its construction program.

RATIO OF EARNINGS TO FIXED CHARGES

In computing the ratio of earnings to combined fixed charges (i) earnings have been based on income from continuing operations before income taxes and fixed charges (exclusive of interest capitalized), and (ii) fixed charges consist of interest and amortization of debt discount and expense (including amounts capitalized) and the estimated interest portion of rents.

	TWELVE	YEARS ENDED DECEMBER 31				
	MONTHS	-----				
	ENDED	1994	1993	1992	1991	1990
	JUNE 30, 1995	-----	-----	-----	-----	-----
Ratio of Earnings to Fixed Charges (unaudited).....	2.60	3.14	3.13	3.08	2.31	3.12

DESCRIPTION OF DEBT SECURITIES

JUNIOR SUBORDINATED DEBENTURES

Junior Subordinated Debentures may be issued from time to time in one or more series under an indenture, dated as of September 1, 1995 (the "Junior Indenture"), between PGE and The Bank of New York, as Trustee (the "Junior Trustee"), a form of which is filed as an exhibit to the Registration Statement of which this Prospectus is a part. The following summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Junior Indenture, to which reference is hereby made for a full description of such provisions, including the definition of certain terms used and for other information regarding the Junior Subordinated Debentures. Whenever particular provisions or defined terms in the Junior Indenture are referred to herein, such provisions or defined terms are incorporated by reference herein. Numerical references used herein are references to the Junior Indenture unless otherwise noted. The particular terms of the Junior Subordinated Debentures offered by any Prospectus Supplement and the extent, if any, to which the general provisions described herein may apply to such Junior Subordinated Debentures will be described in the Prospectus Supplement relating to such Junior Subordinated Debentures.

GENERAL

The Junior Subordinated Debentures will be unsecured, subordinated obligations of PGE. The Junior Indenture does not limit the aggregate principal amount of Junior Subordinated Debentures which may be

issued thereunder and provides that the Junior Subordinated Debentures may be issued thereunder from time to time in one or more series pursuant to an indenture supplemental to the Junior Indenture. (Section 2.01) The aggregate principal amount of Junior Subordinated Debentures of any series will be set forth in the Prospectus Supplement for such series.

Reference is made to the Prospectus Supplement which will accompany this Prospectus for the following terms of each particular series of Junior Subordinated Debentures being offered thereby: (i) title of such series of Junior Subordinated Debentures; (ii) the aggregate principal amount of such Junior Subordinated Debentures; (iii) the date or dates on which the principal of such series of Junior Subordinated Debentures is payable; (iv) the rate or rates, if any, at which such series of Junior Subordinated Debentures will bear interest or the method of determination of such rate or rates, the date or dates from which such interest shall accrue, the date or dates on which such interest will be payable or the manner of determination of such interest payment dates and the record dates for the interest payable on any such interest payment dates; (v) the right, if any, to extend the interest payment periods and the duration of such extension; (vi) the place where the principal of, premium, if any, and interest on such series of Junior Subordinated Debentures will be payable; (vii) the period or periods, if any, within which, the price or prices at which and the terms and conditions upon which such series of Junior Subordinated Debentures may be redeemed, in whole or in part, at the option of PGE; (viii) the obligation, if any, of PGE to redeem or purchase such series of Junior Subordinated Debentures pursuant to any sinking fund or analogous provisions or at the option of the holder thereof, and the terms and conditions upon which such series of Junior Subordinated Debentures shall be redeemed or purchased, in whole or part, pursuant to such obligations; (ix) the denominations in which such series of Junior Subordinated Debentures shall be issuable; (x) any other terms of the Junior Subordinated Debentures of such series; and (xi) whether the Junior Subordinated Debentures of such series are issuable as a global security, and in such case, the identity of the depository. (Section 2.01)

The Junior Indenture does not contain any provisions that afford holders of Junior Subordinated Debentures protection in the event of a highly leveraged transaction involving PGE.

SUBORDINATION

The Junior Indenture provides that the Junior Subordinated Debentures are subordinate and junior in right of payment to all Senior Indebtedness (as defined below) of PGE as provided in the Junior Indenture. No payment of principal of (including redemption and sinking fund payments), premium, if any, or interest on, the Junior Subordinated Debentures may be made if any Senior Indebtedness is not paid when due, any applicable grace period with respect to such default has ended and such default has not been cured or waived, or if the maturity of any Senior Indebtedness has been accelerated because of a default. Upon any payment or distribution of assets of PGE to creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal of, and premium, if any, and interest due or to become due on, all Senior Indebtedness must be paid in full before the holders of the Junior Subordinated Debentures are entitled to receive or retain any payment. Subject to the prior payment of all Senior Indebtedness, the rights of the holders of the Junior Subordinated Debentures will be subrogated, in certain instances, to the rights of the holders of Senior Indebtedness to receive payments or distributions applicable to Senior Indebtedness until all amounts owing on the Junior Subordinated Debentures are paid in full. (Sections 14.01 to 14.05)

The term "Senior Indebtedness" shall mean the principal of, and premium, if any, and interest on and any other payment or obligations due pursuant to any of the following, whether outstanding at the date of execution of the Junior Indenture or thereafter incurred, created or assumed: (a) all indebtedness of the Company for money borrowed, (b) all indebtedness evidenced by notes, debentures, bonds, securities, or other similar instruments issued by the Company, (c) all capital lease obligations of the Company, (d) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sales obligations of the Company and all obligations of the Company under any title retention agreement (excluding trade accounts payable arising in the ordinary course of business), (e) obligations of the Company for the reimbursement of any obligor on any letter of credit, banker's acceptance, security purchase facility, surety bond or similar credit transaction entered into in the ordinary course of business of the Company, (f) all

indebtedness and obligations of others of the kinds described in the clauses (a) through (e), assumed by or guaranteed in, any manner by the Company or in effect guaranteed by the Company through an agreement to purchase, contingent or otherwise, and (g) all renewals, extensions or refundings of indebtedness of the kinds described in clauses (a) through (f) unless, in the case of any particular indebtedness, obligation, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, obligation, renewal, extension or refunding is not superior in right of payment to or is pari passu with the Debentures. Such Senior Indebtedness shall continue to be Senior Indebtedness and entitled to the benefits of the subordination provisions set forth in Article Fourteen of the Junior Indenture irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness.

The Junior Indenture does not limit the aggregate amount of Senior Indebtedness which may be issued. As of June 30, 1995, Senior Indebtedness of PGE aggregated approximately \$2,000,000,000.

CERTAIN COVENANTS

If there shall have occurred any event that would, with the giving of notice or the passage of time, or both, constitute an Event of Default under the Junior Indenture, as described under "Events of Default" below, or if PGE exercises its option to extend the interest payment period described in clause (v) under "General" above, PGE will not, until all defaulted interest on the Junior Subordinated Debentures and all interest accrued on the Junior Subordinated Debentures during any such extended interest payment period and all principal and premium, if any, then due and payable on the Junior Subordinated Debentures shall have been paid in full, (i) declare, set aside or pay any dividend or distribution on any capital stock of PGE, including its Common Stock, except for dividends or distribution in shares of its capital stock or in rights to acquire shares of its capital stock, or (ii) repurchase, redeem or otherwise acquire, or make any sinking fund payment for the purchase or redemption of, any shares of its capital stock (except by conversion into or exchange for shares of its capital stock and except for a redemption, purchase or other acquisition of shares of its capital stock made for the purpose of an employee incentive plan or benefit plan of PGE or any of its subsidiaries and except for mandatory redemption or sinking fund payments with respect to any series of preferred stock of PGE that are subject to mandatory redemption or sinking fund requirements, provided that the aggregate par value and/or stated value of all such series outstanding at the time of any such payment does not exceed five percent of the aggregate of (1) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by PGE and then outstanding and (2) the capital and surplus of PGE to be stated on the books of account of PGE after giving effect to such payment); provided, however, that any moneys deposited in any sinking fund and not in violation of this provision may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund without regard to the restrictions contained in this provision. (Section 4.06) As of June 30, 1995, the aggregate stated value of such series of PGE's preferred stock outstanding was approximately \$50 million, which represented approximately 2.7% of the aggregate of clauses (1) and (2) above at such date.

FORM, EXCHANGE, REGISTRATION AND TRANSFER

Junior Subordinated Debentures of each series will be issued in registered form and will be either certificated or represented by one or more global securities. If not represented by one or more global securities, Junior Subordinated Debentures may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) or exchange, at the office of the Debenture Registrar or at the office of any transfer agent designated by PGE for such purpose with respect to any series of Junior Subordinated Debentures and referred to in an applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Junior Indenture. Such transfer or exchange will be effected upon the Debenture Registrar or such transfer agent, as the case may be, being satisfied with the document of title and identity of the person making the request. PGE has appointed the Junior Trustee as Debenture Registrar with respect to the Junior Subordinated Debentures. (Section 2.05) If a Prospectus Supplement refers to any transfer agents (in addition to the Debenture Registrar) initially designated by PGE with respect to any series of Junior Subordinated Debentures, PGE may at any time rescind the designation of

any such transfer agent or approve a change in the location through which any such transfer agent acts, except that PGE will be required to maintain a transfer agent in each place where Junior Subordinated Debentures of such series may be presented for payment. (Section 4.02) PGE may at any time designate additional transfer agents with respect to any series of Junior Subordinated Debentures.

In the event of any redemption in part, PGE shall not be required to (i) issue, register the transfer of or exchange any Junior Subordinated Debenture during a period beginning at the opening of business 15 days before any selection for redemption of Junior Subordinated Debentures of like tenor and of the series of which such Junior Subordinated Debenture is a part, and ending at the close of business on the earliest date in which the relevant notice of redemption is deemed to have been given to all holders of Junior Subordinated Debentures of like tenor and of such series to be redeemed and (ii) register the transfer of or exchange any Junior Subordinated Debentures so selected for redemption, in whole or in part, except the unredeemed portion of any Junior Subordinated Debenture being redeemed in part. (Section 2.05)

PAYMENT AND PAYING AGENTS

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal and premium (if any) on any Junior Subordinated Debenture will be made only against surrender to the Paying Agent of such Junior Subordinated Debenture. Unless otherwise indicated in an applicable Prospectus Supplement, principal of, premium, if any, and interest on Junior Subordinated Debentures will be payable, subject to any applicable laws and regulations, at the office of such Paying Agent or Paying Agents as PGE may designate from time to time, except that at the option of PGE payment of any interest may be made by check mailed to the address of the person entitled thereto as such address shall appear in the Debenture Register with respect to such Junior Subordinated Debentures. Unless otherwise indicated in an applicable Prospectus Supplement, payment of interest on a Junior Subordinated Debenture on any Interest Payment Date will be made to the person in whose name such Junior Subordinated Debenture (or Predecessor Debenture) is registered at the close of business on the Regular Record Date for such interest payment. (Section 2.03)

The Junior Trustee will act as Paying Agent with respect to the Junior Subordinated Debentures. PGE may at any time designate additional Paying Agents or rescind the designation of any Paying Agents or approve a change in the office through which any Paying Agent acts, except that PGE will be required to maintain a Paying Agent in each place where Junior Subordinated Debentures of each series may be presented for payment. (Section 4.02)

All moneys paid by PGE to a Paying Agent for the payment of the principal of, premium, if any, or interest on any Junior Subordinated Debenture of any series which remain unclaimed at the end of two years after such principal, premium, if any, or interest shall have become due and payable will be repaid to PGE and the holder of such Junior Subordinated Debenture will thereafter look only to PGE for payment thereof. (Section 11.06)

GLOBAL DEBENTURES

If any Junior Subordinated Debentures of a series are represented by one or more global securities, the applicable Prospectus Supplement will describe the circumstances, if any, under which beneficial owners of interests in any such global security may exchange such interests for Junior Subordinated Debentures of such series and of like tenor and principal amount in any authorized form and denomination. Principal of, premium, if any, and interest on such global security will be payable in the manner described in the applicable Prospectus Supplement. (Section 2.11)

The specific terms of the depository arrangement with respect to any portion of a series of Junior Subordinated Debentures to be represented by a global security will be described in the applicable Prospectus Supplement.

AGREED TAX TREATMENT

The Junior Indenture provides that each holder of a Junior Subordinated Debenture, each person that acquires a beneficial ownership interest in a Junior Subordinated Debenture and PGE agree that for United States federal, state and local tax purposes it is intended that such Junior Subordinated Debenture constitutes indebtedness. (Section 13.12)

MODIFICATION OF THE JUNIOR INDENTURE

The Junior Indenture contains provisions permitting PGE and the Junior Trustee, with the consent of the holders of not less than a majority in principal amount of the Junior Subordinated Debentures of each series which are affected by the modification, to modify the Junior Indenture or any supplemental indenture affecting that series or the rights of the holders of that series of Junior Subordinated Debentures; provided, that no such modification may, without the consent of the holder of each outstanding Junior Subordinated Debenture then outstanding and affected thereby, (i) extend the fixed maturity of any Junior Subordinated Debentures of any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of any interest thereon, or reduce any premium payable upon the redemption thereof, or (ii) reduce the percentage of Junior Subordinated Debentures, the holders of which are required to consent to any such supplemental indenture. (Section 9.02)

The Junior Indenture contains provisions permitting PGE and the Junior Trustee to execute, without the consent of any holder of Junior Subordinated Debentures, any supplemental indenture for certain other usual purposes including creating any new series of Junior Subordinated Debentures. (Sections 2.01, 9.01, and 10.01)

EVENTS OF DEFAULT

The Junior Indenture provides that any one or more of the following described events, which has occurred and is continuing, constitutes an "Event of Default" with respect to each series of Junior Subordinated Debentures: (i) failure for 10 days to pay interest on the Junior Subordinated Debentures of that series when due; (ii) failure to pay principal of or premium, if any, on the Junior Subordinated Debentures of that series when due whether at maturity, upon redemption or otherwise, or to make any sinking fund payment with respect to that series; (iii) failure to observe or perform any other covenant (other than those specifically relating to another series) contained in the Junior Indenture for 90 days after notice; or (iv) certain events of bankruptcy, insolvency or reorganization of PGE. (Section 6.01)

The holders of a majority in aggregate outstanding principal amount of any series of Junior Subordinated Debentures have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Junior Trustee for that series. (Section 6.06) The Junior Trustee or the holders of not less than 25% in aggregate outstanding principal amount of any particular series of Junior Subordinated Debentures may declare the principal due and payable immediately upon an Event of Default with respect to such series, but the holders of a majority in aggregate outstanding principal amount of such series may annul such declaration and waive such Event of Default if it has been cured and a sum sufficient to pay all matured installments of interest and principal and any premium has been deposited with the Junior Trustee. (Section 6.01)

The holders of a majority in aggregate outstanding principal amount of all series of Junior Subordinated Debentures affected thereby may, on behalf of the holders of all Junior Subordinated Debentures of such series, waive any past default, except a default in the payment of principal, premium, if any, or interest. (Section 6.06) PGE is required to file annually with the Junior Trustee a certificate as to whether or not PGE is in compliance with all the conditions and covenants under the Junior Indenture. (Section 5.03)

CONSOLIDATION, MERGER AND SALE

The Junior Indenture does not contain any covenant which restricts PGE's ability to merge or consolidate with or into any other corporation, sell or convey all or substantially all of its assets to any person, firm or corporation or otherwise engage in restructuring transactions. (Section 10.01)

DEFEASANCE AND DISCHARGE

Under the terms of the Junior Indenture, PGE will be discharged from any and all obligations in respect of the Junior Subordinated Debentures of any series (except in each case for certain obligations to register the transfer or exchange of Junior Subordinated Debentures, replace stolen, lost or mutilated Junior Subordinated Debentures, maintain paying agencies and hold moneys for payment in trust) if PGE deposits with the Junior Trustee, in trust, moneys or Government Obligations, in an amount sufficient to pay all the principal of, and interest on, the Junior Subordinated Debentures of such series on the dates such payments are due in accordance with the terms of such Junior Subordinated Debentures and, if, among other things, such Junior Subordinated Debentures are neither due and payable nor to be called for redemption within one year, PGE delivers to the Trustee an Opinion of Counsel to the effect that the holders of Junior Subordinated Debentures of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and discharge 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 if such deposit and discharge had not occurred. In addition, if PGE delivers to the Trustee an Opinion of Counsel (in lieu of the Opinion of Counsel referred to above) to the effect that PGE has received from, or there has been published by, the United States Internal Revenue Service a ruling, or there has been a change in tax law, in either case to the effect that holders of the Junior Subordinated Debentures will not recognize gain or loss for federal income tax purposes as a result of such deposit, defeasance, and discharge and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge were not to occur, and such deposit will not result in PGE, the Junior Trustee or the trust resulting from the defeasance being deemed an "investment company" under the Investment Company Act of 1940, as amended, then, PGE will be deemed to have paid and discharged the entire indebtedness and holders of Junior Subordinated Debentures of such series would be able to look only to the trust fund for payment of principal, premium, if any, and interest on the Junior Subordinated Debentures of such series. (Sections 11.01, 11.02, and 11.03)

GOVERNING LAW

The Junior Indenture and the Junior Subordinated Debentures will be governed by and construed in accordance with, the laws of the State of New York. (Section 13.04)

INFORMATION CONCERNING THE TRUSTEE

The Junior Trustee, prior to default, undertakes to perform only such duties as are specifically set forth in the Junior Indenture and, after default, shall exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. (Section 7.01) Subject to such provision, the Junior Trustee is under no obligation to exercise any of the powers vested in it by the Junior Indenture at the request of any holder of Junior Subordinated Debentures, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. (Section 7.02) The Junior Trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the Junior Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it. (Section 7.01)

MISCELLANEOUS

PGE will have the right at all times to assign any of its rights or obligations under the Junior Indenture to Portland General or a direct or indirect wholly owned subsidiary of Portland General or PGE; provided, that, in the event of any such assignment, PGE will remain liable for all such obligations. Subject to the foregoing, the Junior Indenture will be binding upon and inure to the benefit of the parties thereto and their respective

successors and assigns. The Junior Indenture provides that it may not otherwise be assigned by the parties thereto. (Section 13.11)

FIRST MORTGAGE BONDS

First Mortgage Bonds are to be issued under the Indenture of Mortgage and Deed of Trust, dated July 1, 1945 (the "Original Indenture"), made by PGE to The Marine Midland Trust Company of New York (now Marine Midland Bank), as Trustee ("Trustee"), as supplemented by forty-five supplemental indentures (the "Supplemental Indentures") heretofore executed by PGE and as to be supplemented by one or more additional supplemental indentures to be dated the first day of the month or months of issuance of each series of the First Mortgage Bonds, all of which are collectively referred to as the "Mortgage".

The statements herein concerning the First Mortgage Bonds and the Mortgage are an outline and do not purport to be complete. They make use of defined terms and are qualified in their entirety by reference to the Mortgage, which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part. References herein are to sections and articles of the Original Indenture unless otherwise indicated. References to the New Supplementals are to the drafts of the form of New Supplemental Indenture and the form of New MTN Supplemental Indenture, respectively (collectively the "New Supplementals"), which are filed as exhibits to the Registration Statement of which this Prospectus forms a part.

A Prospectus Supplement will set forth any variation in the terms and provisions of the First Mortgage Bonds from those described in this Prospectus.

FORM, DENOMINATIONS AND EXCHANGEABILITY

The First Mortgage Bonds are issuable in fully registered form in denominations of \$1,000, or such other amounts as may be authorized by PGE, or any amount in excess thereof that is a multiple of \$1,000. (New Supplementals Section 1.01)

The First Mortgage Bonds will be transferable or exchangeable for First Mortgage Bonds of other authorized denominations without any service charge at the office of the Trustee in New York, N.Y. (Sections 2.06 and 2.10; New Supplementals Section 1.01)

INTEREST AND PAYMENT

Reference is made to the Prospectus Supplement for the interest rate or rates (which may be either fixed or variable) and/or the method of determination of such rate or rates, of the First Mortgage Bonds, the date or dates on which such 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.

SECURITY AND PRIORITY; BONDABLE PUBLIC UTILITY PROPERTY

In the opinion of PGE's counsel, the First Mortgage Bonds are to be secured, equally with all other bonds heretofore or hereafter issued under the Mortgage, by a direct first lien on PGE's interests in substantially all of its property (except cash, securities, contracts and accounts receivable, motor vehicles, materials and supplies, fuel, certain minerals and mineral rights and certain other assets) now owned or hereafter acquired by PGE; subject, however, to certain permitted encumbrances and to various exceptions, reservations, reversions, easements and minor irregularities and deficiencies in title, which, in the opinion of such counsel, will not interfere with their proper operation and development. Until such time as the amendment discussed below becomes effective, the lien of the Mortgage does not extend to properties located outside of Oregon or contiguous states (principally PGE's interest in the Colstrip units located in Montana).

The Mortgage permits the acquisition of property subject to prior liens. However, no property subject to prior liens (other than liens securing the unpaid purchase price of equipment or machinery) may be acquired (a) if at the date of acquisition thereof the principal amount of indebtedness secured by such prior liens, together with all other prior lien indebtedness of PGE, exceeds 10% of the aggregate principal amount of bonds outstanding under the Mortgage, or (b) if at the date of acquisition thereof the principal amount of

indebtedness secured by such prior liens exceeds 60% of the cost of such property to PGE, or (c) in certain cases of property used by another in a business similar to that of PGE, unless the net earnings of such property meet certain tests. (Section 8.11)

The term "bondable public utility property", as presently defined in the Mortgage, means specified types of tangible property, including property then in the process of construction, now owned or hereafter acquired by PGE and subjected to the lien of the Original Indenture as the same has been or may be in the future supplemented, modified or amended, which is located in the State of Oregon or in any state contiguous thereto. (Section 1.10A) When the holders of 75% in principal amount of bonds of all series then outstanding, including the holders of not less than 60% in principal amount of the bonds then outstanding of each series which is affected by such amendment, shall have consented thereto, the term "bondable public utility property" will be amended to mean the same types of tangible property now owned or hereafter acquired by PGE and subjected to the lien of the Original Indenture as the same has been or may be in the future supplemented, modified or amended, which is located in the States of Oregon, Washington, California, Arizona, New Mexico, Idaho, Montana, Wyoming, Utah, Nevada and Alaska. Each holder of a First Mortgage Bond, by his acceptance of such First Mortgage Bond, shall thereby consent to such amendment; no further vote or consent of holders of the First Mortgage Bonds shall be required to permit such amendment to become effective; and in determining whether the holders of not less than 75% of principal amount of bonds outstanding at the time such amendment becomes effective have consented thereto, the holders of all First Mortgage Bonds then outstanding shall be deemed to have so consented. (New Supplementals Section 1.08 and 1.07) Similar provisions are contained in all recent Supplemental Indentures under which new series of bonds have been issued. Similar provisions amending the definition of "bondable public utility property" to include all of the states named above (other than Alaska) are included in certain prior Supplemental Indentures, as well as in the New Supplementals.

PGE has covenanted, among other things, to not issue bonds under the Mortgage in any manner other than in accordance with the Mortgage, to keep the Mortgage a first priority lien on the Trust Estate and, except as permitted by the Mortgage, to not suffer any act or thing whereby the Trust Estate might or could be impaired. (Article EIGHT) Neither the Original Indenture nor the Supplemental Indentures contain any provisions that afford holders of bonds special protection in the event of a highly leveraged transaction by PGE, however the bonds would continue to be entitled to the benefit of a first priority lien on the Trust Estate as described above. Any special provisions applicable to the First Mortgage Bonds will be set forth in the New Supplementals and described in a Prospectus Supplement with respect to the First Mortgage Bonds.

REDEMPTION AND PURCHASE OF BONDS

Reference is made to the Prospectus Supplement for the terms and conditions under which the First Mortgage Bonds, or any series of the First Mortgage Bonds if there shall be more than one series, may be redeemed or purchased at the option of PGE. The First Mortgage Bonds will be redeemable at any time at 100% of the principal amount thereof, together with interest accrued to the date of redemption, by use of proceeds from the sale or disposition substantially as an entirety of PGE's electric properties at Portland, Oregon. (Section 7.01)

Cash deposited under any provision of the Mortgage (with certain exceptions) may be applied to the purchase of the First Mortgage Bonds or any series of the First Mortgage Bonds if there shall be more than one series. (Section 7.05)

SINKING FUND PROVISIONS

If a Prospectus Supplement with respect to all of the First Mortgage Bonds offered as a single series, or to any separate series of the First Mortgage Bonds if there shall be more than one series, states that there will be a sinking fund for the benefit of such series, then so long as any First Mortgage Bonds of such series shall be outstanding, PGE will be required to deposit with the Trustee in each year (except the year of maturity) commencing with such year as shall be set forth in such Prospectus Supplement, cash sufficient to redeem on the first day of the month of issuance of the first of the First Mortgage Bonds of such series, at the Special

Redemption Price, First Mortgage Bonds equal to the percentage set forth in such Prospectus Supplement of the aggregate principal amount of First Mortgage Bonds of such series theretofore issued, after deducting from such aggregate principal amount (but only if such deductions would aggregate \$500,000 or more) the sum of (1) the aggregate principal amount of First Mortgage Bonds of such series theretofore redeemed out of the proceeds of property released from the lien of the Mortgage and (2) First Mortgage Bonds of such series theretofore redeemed and retired and made the basis for the withdrawal of such proceeds or certified in lieu of the deposit of cash upon the release or taking of property. If so set forth in such Prospectus Supplement, credit against such cash required to be deposited may be taken at PGE's election in an amount equal to the principal amount of First Mortgage Bonds of such series (i) delivered to the Trustee, (ii) at any time theretofore redeemed at the option of PGE at the Regular Redemption Price, and/or (iii) redeemed at the Special Redemption Price in anticipation of any sinking fund payment at any time during the twelve months preceding the payment date therefor. If so set forth in such Prospectus Supplement, PGE may also satisfy all or any part of any 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 being so satisfied. If so set forth in such Prospectus Supplement, cash so deposited to satisfy all or any part of any sinking fund payment shall be used by the Trustee for the redemption of First Mortgage Bonds of such series and PGE is required to pay all accrued interest and expenses with respect to any First Mortgage Bonds of such series so redeemed. If sinking fund payments for the First Mortgage Bonds of any series may be satisfied in whole or in part by delivering to the Trustee First Mortgage Bonds of such series acquired by PGE through purchase in the open market or otherwise, by redemption and/or by certifying available additions, there will be no assurance that any of the First Mortgage Bonds of any series will ever be called for redemption through operation of the sinking fund therefor. In the event that less than all of the First Mortgage Bonds of any series then outstanding were to be redeemed, the selection would be made by the Trustee by lot in any manner deemed by the Trustee to be proper. (Section 9.03)

REPLACEMENT FUND

PGE is required, on or before May 1 in each year, to pay to the Trustee an amount in cash and/or deliver bonds of any series in principal amount equal to the amount by which the minimum provision for depreciation upon bondable public utility property (see below) for the preceding calendar year exceeds property additions (as specified below) and, in the event of any deficiency in property additions, the sum of certain other credits described below, which are optional. Credit must be taken in an amount equal to the aggregate amount and/or cost of property additions acquired or constructed by PGE from March 31, 1945 to the end of the preceding calendar year, less (1) property additions theretofore made the basis for action or credit under the Mortgage, (2) available additions theretofore made the basis for action or credit under the Mortgage, and (3) property additions theretofore credited against any previous replacement fund requirement. PGE may at its election credit against the amount, if any, required to be paid (i) any available bond retirements, (ii) certain expenditures for the acquisition of or for improvements, additions, renewals or replacements to bondable public utility property subject to a prior lien, and (iii) certain retirements of prior lien indebtedness. To the extent that such credits at any time exceed the replacement fund requirement, PGE may withdraw cash or bonds held by the Trustee in the replacement fund or, under certain circumstances, reinstate available bond retirements previously taken as a credit against any replacement fund requirement. Any cash so deposited with the Trustee for the replacement fund may, at the option of PGE, be applied to the redemption or purchase of bonds. Redemptions of First Mortgage Bonds are at the then applicable Regular Redemption Prices. (Section 4.04; New Supplementals Sections 1.04 and 1.03)

The amount of the mandatory credit for property additions has always exceeded the replacement fund requirement and therefore PGE has not been required (or permitted) to pay cash or deliver bonds to the Trustee. PGE expects this to continue in the foreseeable future.

MINIMUM PROVISION FOR DEPRECIATION

The "minimum provision for depreciation" as applied to bondable public utility property, as presently defined in the Mortgage, is, for any period (other than periods of less than a calendar year), 15% of the gross

operating revenues derived from such property during such period, after deducting the cost of purchased power and lease or rental payments for generating or transmission facilities, less all amounts expended for maintenance of such property during such period. The "minimum provision for depreciation" as applied to bondable public utility property not subject to a prior lien is similarly determined on the basis of gross operating revenues from, and maintenance expenditures upon, bondable public utility property not at the time subject to a prior lien. (Section 1.10G)

When the holders of 75% in principal amount of bonds of all series then outstanding, including the holders of not less than 60% in principal amount of the bonds then outstanding of each series which is affected by such amendments, shall have consented thereto:

(1) The definitions of minimum provision for depreciation will be amended so that the 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 lien, shall mean \$35,023,487.50 (which is the amount of such minimum provision for such period under the existing definitions of minimum provision for depreciation); the minimum provision for depreciation as applied to bondable public utility property for any calendar year subsequent to December 31, 1966, shall mean the greater of (i) an amount equal to 2% of such property, as shown by PGE's books as of January 1 of such year, with respect to which PGE was then required to make appropriations to a reserve or reserves for depreciation or obsolescence, or (ii) the amount actually appropriated in respect of such property to such reserve or reserves 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 made the basis for a sinking fund credit, pursuant to the provisions of a sinking fund for bonds of any series, and (b) 166 2/3% of the principal amount of bonds of any series which were credited against any sinking fund payment due during such calendar year for bonds of any series, or which were 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 the aggregate amount of the minimum provision for depreciation as applied to bondable public utility property from March 31, 1945 to any date shall mean \$35,023,487.50 plus the sum of the minimum provision for depreciation for each calendar year or fraction thereof between December 31, 1966 and such date, calculated as set forth immediately above.

(2) The amended definitions of minimum provision for depreciation as applied to bondable public utility property set forth in (1) above will be further amended so that (A) the property additions and bonds referred to in (a) and (b) of (1) above will be limited to property additions and bonds which, as a result of having been made the basis of a sinking fund credit for bonds of any series or having been redeemed in anticipation of or out of moneys paid to the Trustee on account of a sinking fund payment for bonds of any series, become disqualified from being made the basis of the authentication and delivery of bonds or any other further action or credit under the Mortgage, either without time limit or only for as long as any bonds of such series are outstanding, and (B) the amended definition of the aggregate amount of the minimum provision for depreciation as applied to bondable public utility property from March 31, 1945 to any date set forth in (1) above will be further amended by adding thereto (1) the amount of any property additions referred to in (a) of (1) above, as so amended, which between December 31, 1966 and such date were made the basis for a sinking fund credit pursuant to the provisions of a sinking fund for bonds of any series, and thereafter and on or prior to such date become "available additions" as a result of the fact that all bonds of such series ceased to be outstanding and (ii) 166 2/3% of the principal amount of bonds referred to in (b) of (1) above, as so amended, which between December 31, 1966 and such date 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, due between December 31, 1966 and such date for bonds of any series, and thereafter and on or prior to such date became "available bond retirements" as a result of the fact that all bonds of such series ceased to be outstanding.

The "minimum provision for depreciation" as applied to bondable public utility property not subject to a prior lien for any period subsequent to December 31, 1966 will be calculated on similar bases except that the property referred to in clauses (i) and (ii) of (1) above will be bondable public utility property not subject to prior lien. If the revised definitions set forth in (1) above or in both (1) and (2) above should become

effective it is expected that the minimum provisions for depreciation for periods subsequent to December 31, 1966 will be reduced from such minimum provisions as computed in accordance with the existing definitions. Each holder of a First Mortgage Bond, by his acceptance of such First Mortgage Bond, shall thereby consent to both such amendments; no further vote or consent of holders of the First Mortgage Bonds shall be required to permit either such amendment to become effective; and in determining whether the holders of not less than 75% in principal amount of bonds outstanding at the time either such amendment becomes effective have consented thereto, the holder of all First Mortgage Bonds then outstanding shall be deemed to have so consented. (New Supplementals Sections 1.08 and 1.07) Similar provisions amending the definitions of "minimum provision for depreciation" set forth in (1) above have been included in all prior Supplemental Indentures under which new series of bonds have been issued, commencing with the Sixteenth Supplemental Indenture. Similar provisions amending the definitions of "minimum provision for depreciation" set forth in (2) have been included in all prior Supplemental Indentures under which new series of bonds have been issued, commencing with the Twenty-fifth Supplemental Indenture.

The amendment set forth in (1) above also contains provisions to the effect that all bonds of any series and all property additions made the basis of a credit upon any sinking fund payment for bonds of any series or redeemed by operation of the sinking fund for bonds of any series (whether on any sinking fund payment date or in anticipation of any sinking fund payment) shall not be made the basis of the authentication and delivery of bonds or of any other further action or credit under the Mortgage. The amendment set forth in (2) above will eliminate such provisions. Certain presently outstanding series of bonds are entitled to the benefits of similar provisions, presently effective, prohibiting the use of bonds or property additions made the basis of a credit upon or redeemed by operation of the sinking fund, if any, for bonds of that series or certain previously issued series. None of such provisions limit the use of such bonds or property additions in calculating the amended definitions of minimum provision for depreciation referred to in either (1) or (2) above. When the holders of 75% in principal amount of bonds of all series then outstanding, including holders of not less than 60% of the bonds then outstanding of each series which is affected by such amendment, shall have consented thereto, the foregoing provisions prohibiting the use of bonds or property additions so credited against (or redeemed out of the proceeds of) any sinking fund payment for bonds of any series, or for bonds of certain series, as the case may be, will remain effective only so long as any such bonds of such series are outstanding. When all bonds of a series cease to be outstanding, bonds and/or property additions so credited (or redeemed) by operation of the sinking fund for bonds of such series equal to 1% per annum of the principal amount of bonds of such series theretofore issued (after making certain deductions) will remain unavailable for further action or credit under the Mortgage, but the amount of such bonds and property additions in excess of such 1% per annum will become "available additions" or "available bond retirements", as the case may be. (New Supplementals Sections 1.08 and 1.07) Similar provisions with respect to the use of bonds and property additions so credited against (or redeemed out of the proceeds of) sinking fund payments and the amount of such bonds and property additions in excess of such 1% per annum becoming "available additions" or "available bond retirements", as the case may be, have been included in all prior Supplemental Indentures under which new series of bonds have been issued, commencing with the Twenty-fifth Supplemental Indenture.

ISSUANCE OF ADDITIONAL BONDS

The principal amount of bonds which may be issued under the Mortgage is unlimited. Additional bonds may from time to time be issued on the basis of (1) 60% of available additions, (2) the deposit of cash or (3) available bond retirements. With certain exceptions in the case of (3) above, the issuance of bonds 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 bonds to be outstanding and prior lien indebtedness. (Article FIVE) Cash deposited with the Trustee pursuant to (2) above may be (i) withdrawn in an amount equal to 60% of available additions, (ii) withdrawn in an amount equal to available bond retirements or (iii) applied to the purchase or redemption of bonds. (Article SEVEN) At June 30, 1995, PGE had available additions and available bond retirements sufficient to permit the issuance of approximately \$230,000,000 and \$100,000,000, respectively, in principal amount of additional bonds, including the First Mortgage Bonds. As of June 30, 1995, net earnings available for interest would permit the issuance of up to \$750,000,000 principal

amount of additional bonds, including the First Mortgage Bonds. This amount would increase to the extent proceeds of the issuance of bonds are used to retire presently outstanding first mortgage bonds.

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. (Sections 1.10.I, 3.01 and 3.03.A) Property additions taken as a credit against the replacement fund requirement are not deemed to be "made the basis for action or credit". (Section 1.10.H)

DIVIDEND RESTRICTIONS

So long as any of the First Mortgage Bonds, or bonds of any other series heretofore authenticated under the Mortgage, are outstanding, dividends (other than dividends in capital stock of PGE) may not be declared or paid or other distributions made on Common Stock of PGE, nor may any shares of capital stock of PGE be purchased (other than in exchange for or from the proceeds of other shares of capital stock of PGE), if the aggregate amount so distributed or expended after December 31, 1944 would exceed the aggregate amount of PGE's net income, as adjusted, available for dividends on its Common Stock accumulated after December 31, 1944. (Section 4.06; New Supplementals Sections 1.04 and 1.03) At June 30, 1995, \$531,000,000 of accumulated net income was available for payment of dividends under the foregoing 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 bond retirements. (Article SIX)

MODIFICATION OF THE MORTGAGE

The rights of the bondholders may be modified with the consent of the holders of 75% of the bonds, including the consent of the holders of 60% of the bonds of each series the rights of the holders of which are affected by such modification. In general, no modification of the terms of principal and interest, and no modification affecting the lien of the Mortgage or reducing the percentage required for modification, is effective against any bondholder without his consent. (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 bonds. (Section 17.01)

DEFAULTS AND NOTICE THEREOF

Defaults are defined as being: default in payment of principal; default for 60 days in payment of interest or of any sinking fund or replacement or improvement fund obligation; certain events of bankruptcy, insolvency or reorganization; or default continuing for 60 days after notice in performance or observance of other covenants, agreements or conditions. (Section 11.01) The Trustee may withhold notice of defaults (except in payment of principal, interest or any sinking or purchase fund installment) if it in good faith determines it to be in the interest of the bondholders. (Section 14.09) The holders of 25% of the bonds may declare the principal and accrued interest due on default, but the holders of a majority may annul such declaration if such default has been cured. (Section 11.01) No holder of bonds may enforce the lien of the Mortgage without giving the Trustee written notice of a default and unless the holders of 25% of the bonds have requested the Trustee to act and offered the Trustee indemnity against expenses and the Trustee has failed to act within 60 days. (Section 11.21) The holders of a majority of the bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, but the Trustee is not required to incur personal liability if there is reasonable ground for believing that it will not be sufficiently indemnified for any expenditures in connection therewith. (Section 11.20)

EVIDENCE TO BE FURNISHED TO THE TRUSTEE

Compliance with Mortgage provisions is evidenced by written statements of officers of PGE or persons selected and paid by PGE. 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 in certain events, including an annual certificate with respect to compliance with the terms of the Mortgage and absence of defaults.

SENIOR UNSECURED DEBT SECURITIES

The Senior Unsecured Debt Securities may be issued from time to time in one or more series under an indenture to be dated as of the first day of the month of its execution ("Senior Indenture"), between PGE and a trustee to be selected by PGE (the "Senior Trustee"). A copy of the Senior Indenture will be filed as an exhibit to the Registration Statement of which this Prospectus is a part on or before execution thereof by PGE and the Senior Trustee. The following description of the general provisions of the Senior Indenture is not complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Senior Indenture in the form in which it is filed as an exhibit to the Registration Statement of which this Prospectus is a part. Reference is hereby made to the Senior Indenture as so filed for a full description of such provisions, including the definitions of certain terms used and for other information regarding the Senior Unsecured Debt Securities. The particular terms of the Senior Unsecured Debt Securities offered by any Prospectus Supplement and the extent, if any, to which the general provisions described herein may apply to such Senior Unsecured Debt Securities will be described in the Prospectus Supplement relating to such Senior Unsecured Debt Securities.

GENERAL

The aggregate principal amount of the Senior Unsecured Debt Securities issuable under the Senior Indenture will be unlimited. The Senior Unsecured Debt Securities may be issued from time to time in one or more series pursuant to an indenture supplemental to the Senior Indenture. The specific terms for each particular series of the Senior Unsecured Debt Securities, including (i) the title of such series; (ii) the aggregate principal amount of such series; (iii) the date or dates on which the principal of such series is payable; (iv) the rate or rates, if any, at which such series will bear interest or the method of determination of such rate or rates, the date or dates from which such interest will accrue, the date or dates on which such interest will be payable or the manner of determination of such interest payment dates and the record dates for the interest payable on such interest payment dates; (v) the place where the principal of, premium, if any, and interest on such series will be payable; (vi) the period or periods, if any, within which, the price or prices at which and the terms and conditions upon which such series may be redeemed, in whole or in part, at the option of PGE; (vii) the terms and conditions, if any, on which such series may be discharged prior to redemption or maturity; (viii) the obligation, if any, of PGE to redeem or purchase such series pursuant to any sinking fund or analogous provisions or at the option of a holder thereof, and the terms and conditions upon which such series shall be redeemed or purchased, in whole or in part, pursuant to such obligations; (ix) the denominations in which such series shall be issuable; (x) any other terms of such series; and (xi) whether the Senior Unsecured Debt Securities of such series will be issued as a global security, and in such case, the circumstances, if any, under which beneficial owners of interests in any such global security may exchange such interests for Senior Unsecured Debt Securities of such series, the manner for payment of principal of and any premium and interest on such global security, the identity of the depository, and the terms of the depository arrangement, will be set forth in the Prospectus Supplement relating thereto which will accompany this Prospectus.

The Senior Unsecured Debt Securities will not be secured by any lien, but will rank on a parity with all other unsecured and unsubordinated indebtedness of PGE.

The Senior Unsecured Debt Securities or any series thereof may be issued as "original issue discount securities" to be sold at a discount below their principal amount. Special federal income tax and other considerations applicable thereto will be described in the Prospectus Supplement relating thereto.

THE SENIOR INDENTURE

The Senior Indenture will contain provisions, which will be described in the Prospectus Supplement relating to the Senior Unsecured Debt Securities, with regard to (i) PGE's consolidating or merging with or into any other corporation or selling or conveying its property as an entirety or substantially as an entirety to another corporation, (ii) PGE's granting to any holder of its outstanding unsecured debt for money borrowed a mortgage, lien, encumbrance or security interest in its property, (iii) the terms and conditions with regard to amending or modifying the Senior Indenture; (iv) Events of Default with respect to Senior Unsecured Debt Securities of any series; and (v) the duties and responsibilities of the Senior Trustee.

The Senior Indenture will not contain any provisions that afford protection to the holders of Senior Unsecured Debt Securities in the event of a highly leveraged transaction involving PGE.

PGE will have the right at all times to assign any of its rights or obligations under the Senior Indenture to Portland General or a direct or indirect wholly owned subsidiary of Portland General or PGE; provided, that, in the event of any such assignment, PGE will remain liable for all such obligations. Subject to the foregoing, the Senior Indenture will be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns, and may not otherwise be assigned.

The Senior Indenture and the Senior Unsecured Debt Securities will be governed by and construed in accordance with, the laws of the State of New York.

PLAN OF DISTRIBUTION

PGE may offer the Debt Securities ("Offered Securities") in one or more of the following ways from time to time: (i) through underwriters or dealers; (ii) directly to a limited number of purchasers or to a single purchaser; (iii) through agents or (iv) 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 PGE 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.

If underwriters are utilized, the Offered Securities being sold to them will be acquired by the underwriters for their own account and may be resold from time to time 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 with respect to the Offered Securities being offered will be named in a Prospectus Supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth 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 will be obligated to purchase all of the Offered Securities to which such underwriting agreement relates if any are purchased. Any underwriter utilized may be entitled to indemnification from PGE against certain civil liabilities, including liabilities under the Securities Act of 1933.

The Offered Securities may be sold directly by PGE or through agents designated by PGE from time to time. Any agent involved in the offer or sale of the Offered Securities or any series thereof in respect of which this Prospectus is delivered will be named, and any commissions payable by PGE to such agent will be set forth, in a Prospectus Supplement. Agents who participate in the distribution of the Offered Securities may be entitled to indemnification by PGE against certain liabilities, including liabilities under the Securities Act of 1933.

If so indicated in the Prospectus Supplement, PGE will authorize underwriters or other persons acting as agents to solicit offers by certain institutions to purchase the Offered Securities from PGE 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 the approval of PGE. The obligations of any purchaser under any such contract will be subject to the condition that the purchase of the Offered Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters and such agents will not have any responsibility in respect of the validity or performance of such contracts.

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 PGE for public offering and sale may make a market in such 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.

LEGAL OPINIONS

Legal matters in connection with the issuance and sale of the Offered Securities are being passed upon for PGE by Steven F. McCarrel, Deputy General Counsel of Portland General and Assistant Secretary of PGE, and for the underwriters or agents by Morgan, Lewis & Bockius, 101 Park Avenue, New York, NY 10178. As to all matters governed by Oregon law, Morgan, Lewis & Bockius will rely upon the opinion of Mr. McCarrel.

EXPERTS

PGE's consolidated financial statements and schedules included in its Annual Report on Form 10-K for the year ended December 31, 1994, which are incorporated by reference in this Prospectus, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports 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 the Company, are as follows:

Securities and Exchange Commission registration fee.....	\$ 86,207.50
Printing and engraving expenses.....	50,000.00*
Fees and expenses of independent public accountants.....	20,000.00*
Listing fees (if any).....	30,000.00*
Rating Agency fees.....	25,000.00*
Trustee fees.....	50,000.00*
Blue Sky fees.....	25,000.00*
Miscellaneous expenses.....	50,000.50*

Total.....	\$336,208.00*
	=====

* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article 10 of the Bylaws of PGE provides as follows:

"To the full extent permitted by law, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the corporation or otherwise) by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees and attorneys' fees on appeal), judgments, fines and amounts paid in settlement actually and reasonably incurred by such director or officer in connection with such action, suit or proceeding; and the Board may, at any time, approve indemnification of any other person which the corporation has the power to indemnify under the law. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract. The corporation shall purchase and maintain indemnification insurance for any person to the extent not prohibited by applicable law. It is the intention of this Bylaw to recognize the responsibility inherent in being a director or officer of Portland General Electric Company and by means of this Bylaw to protect and indemnify the individual who has held, is holding or will hold such positions or any of them against any personal liability for their actions unless such actions involve individual dishonesty."

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 directors and officers of PGE are covered by insurance policies indemnifying 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 article 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 11th day of September, 1995.

PORTLAND GENERAL ELECTRIC COMPANY
(Registrant)

/s/ KEN L. HARRISON

(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 -----	TITLE -----	DATE -----
PRINCIPAL EXECUTIVE OFFICER:		
/s/ KEN L. HARRISON ----- (Ken L. Harrison)	Chairman of the Board and Chief Executive Officer	September 11, 1995
PRINCIPAL FINANCIAL OFFICER AND PRINCIPAL ACCOUNTING OFFICER:		
/s/ JOSEPH M. HIRKO ----- (Joseph M. Hirko)	Vice President, Finance, Chief Financial Officer, Chief Accounting Officer and Treasurer	September 11, 1995
DIRECTORS:		
*GWYNETH E. GAMBLE BOOTH *PETER J. BRIX *CAROLYN S. CHAMBERS *JOHN W. CREIGHTON, JR. *KEN L. HARRISON *JERRY E. HUDSON WARREN MCCAIN *JEROME J. MEYER *RANDOLPH L. MILLER *RICHARD G. REITEN *BRUCE G. WILLISON	Directors	
* Signed on behalf of each of these persons.		
By /s/ STEVEN N. ELLIOTT ----- (Attorney-in-Fact)		September 11, 1995

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 February 7, 1995, except with respect to the matter discussed in Note 15A, as to which the date is March 29, 1995, included in the Portland General Electric Company Annual Report on Form 10-K for the year ended December 31, 1994 and to all references to our firm included in this Registration Statement.

ARTHUR ANDERSEN LLP

Portland, Oregon,
September 8, 1995

CONSENT OF COUNSEL

The consent of Steven F. McCarrel is contained in his opinion filed herewith.

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PORTLAND GENERAL ELECTRIC COMPANY

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIALLY NUMBERED PAGE -----
(1)(a)	Form of Underwriting Agreement relating to Debt Securities.....	
(b)	Form of Distribution Agreement relating to First Mortgage Bonds...	
(4)(a)**	Articles of Incorporation of Portland General Electric Company (Registration No. 2-85001, Exhibit 4).....	
(b)	Form of Indenture for Junior Subordinated Debentures.....	
(c)	Form of Supplemental Indenture for Junior Subordinated Debentures, including form of Junior Subordinated Debentures.....	
(d)*	Form of Indenture for Senior Unsecured Debt Securities.....	
(e)*	Form of Supplemental Indenture for Senior Unsecured Debt Securities, including form of Senior Unsecured Debt Securities....	
(f)**	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).....	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
**	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 the 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).....	
**	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).....	
(g)	Form of New Supplemental Indenture, including form of First Mortgage Bond.....	
(h)	Form of New MTN Supplemental Indenture, including form of MTN.....	
(5)	Opinion of Steven F. McCarrel.....	
(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 First Mortgage Bonds (Form T-1).....	
(b)*	Statement of Eligibility of Trustee with regard to Senior Unsecured Debt Securities (Form T-1).....	
(c)	Statement of Eligibility of Trustee with regard to Junior Subordinated Debentures (Form T-1).....	

* To be filed by amendment.

** Incorporated by reference as indicated.

Form of Underwriting Agreement
Portland General Electric Company

[_____]

UNDERWRITING AGREEMENT

[_____]

[Insert names of Representatives]

As representatives of the several
Underwriters named in Schedule I hereto
c/o

Ladies and Gentlemen:

The undersigned, Portland General Electric Company, an Oregon corporation (the "Company"), hereby confirms its agreement with the several Underwriters (as defined in Section I hereof), for whom you are acting as representatives (in such capacity, you shall hereinafter be referred to as the "Representatives"), as follows:

1. Definitions of Certain Terms. Except as may otherwise be defined herein, capitalized terms used herein shall have the following meanings:

- (a) "Act" shall mean the Securities Act of 1933, as amended.
- (b) "Articles" shall mean the Articles of Incorporation of the Company, as amended.
- (c) "Business Day" shall mean any day on which the NYSE and banks in the City of New York are open.
- (d) "Commission" shall mean the Securities and Exchange Commission.

(e) "Counsel for the Company" shall mean Steven F. McCarrel, Deputy General Counsel of the Company.

(f) "Counsel for the Underwriters" shall mean Morgan, Lewis & Bockius.

(g) "Debt Securities" shall mean the \$250,000,000 in aggregate principal amount of debt securities of the Company registered under the Registration Statement.

(h) "Effective Date" shall mean, at any time, the later of (i) the date that the Registration Statement or any post-effective amendment thereto was or is declared effective by the Commission under the Act and (ii) the date that the Company's Annual Report on Form 10-K for its most recently completed fiscal year is filed with the Commission under the Exchange Act, in each case at such time.

(i) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(j) "Incorporated Documents" shall mean the documents filed by the Company with the Commission under the Exchange Act that are, or are deemed to be, incorporated by reference in the Prospectus pursuant to Item 12 of Form S-3 under the Act.

(k) "Indenture" shall mean the Indenture dated as of [____] between the Company and [____], as trustee (the "Trustee").

(l) "NYSE" shall mean the New York Stock Exchange.

(m) "Offered Debt Securities" shall mean the [____] due [____] of the Company issued under the Indenture.

(n) "Prospectus" shall mean the prospectus relating to the Debt Securities included in the Registration Statement, as supplemented by a prospectus supplement specifying the terms of the Offered Debt Securities and the plan of distribution thereof (the "Prospectus Supplement"), as first filed pursuant to Rule 424(b) of the Regulations under the Act, including the Incorporated Documents.

(o) "Registration Statement" shall mean the registration statement on Form S-3 (No. 33-[____]) filed with the Commission for the registration under the Act of the Debt Securities, as amended and supplemented to the date of this Agreement, and shall be deemed to include the Incorporated Documents.

(p) "Regulations" shall mean the applicable published rules and regulations of the Commission under the Act, the Exchange Act or the Trust Indenture Act, as the case may be.

(q) "Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended.

(r) "Underwriters" shall mean the several firms or corporations named in Schedule I hereto and any underwriter substituted as provided in Section 4(c) hereof and "Underwriter" shall mean one of the Underwriters.

(s) "amend," "amendment," "amended," "supplement" or "supplemented" with respect to the Registration Statement or the Prospectus shall mean amendments or supplements to the Registration Statement or the Prospectus, as the case may be, and incorporated Documents filed after the date of this Agreement and prior to the completion of the distribution of any series of the Debt Securities to which this Underwriting Agreement is applicable.

2. Purchase and Sale. Upon the basis of the representations and warranties herein contained, and subject to the terms and conditions set forth in this Agreement, the Company agrees to sell to each Underwriter named in Schedule I hereto, severally and not jointly, and such Underwriter agrees, severally and not jointly, to purchase from the Company, the principal amount of Offered Debt Securities set forth opposite such Underwriter's name in Schedule I hereto at a purchase price of [____]% of the principal amount thereof.

The Company has been advised by the Representatives that the Underwriters propose to (i) make a public offering of the Offered Debt Securities as soon as the Underwriters deem advisable after this Agreement has been executed and delivered and (ii) initially offer the Offered Debt Securities to the public at the public offering price set forth in the Prospectus.

3. Representations and Warranties of Company.

(a) The Company represents and warrants to, and agrees with, the several Underwriters as follows:

(i) Registration Statement; Prospectus; Incorporated Documents. (1) The Registration Statement, at the Effective Date, and each preliminary prospectus relating to the Offered Debt Securities, if any, at the time it was filed with the Commission, complied and the Prospectus, at the time it is filed with the Commission, will comply, except in each case for Incorporated Documents, in all material respects with the applicable requirements of the Act and the Trust Indenture Act and the respective Regulations thereunder; (2) the Registration Statement, at the Effective Date, did not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; (3) the Prospectus, at the time it is filed with the Commission, will not and each preliminary prospectus relating to the Offered Debt Securities, if any, at the time it was filed with the Commission, did not include an untrue statement of a material fact or omit 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; and (4) each Incorporated

Document, at the time originally filed with the Commission pursuant to the Exchange Act, complied and will comply, as the case may be, in all material respects with the applicable requirements of the Exchange Act and the Regulations thereunder; provided, however, that the Company makes no representation or warranty as to (A) such part of the Registration Statement that constitutes the Statement of Eligibility on Form T-1 under the Trust Indenture Act of the Trustee or (B) the information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished in writing to the Company by the Representatives specifically for use in connection with the preparation of the Registration Statement or the Prospectus.

(ii) Offered Debt Securities. The Offered Debt Securities have been duly authorized, executed and authenticated and, when paid for in accordance herewith, will constitute valid and legally binding obligations of the Company; and the execution and delivery of, and compliance with this Agreement, the Offered Debt Securities and the Indenture will not conflict with or constitute a breach of or default under the Articles of Incorporation or Bylaws of the Company, any indenture, mortgage, deed of trust or other agreement or instrument by which the Company is bound, or any law, administrative regulation or court decree.

(iii) Due Incorporation; Good Standing. The Company and each of its active subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of the respective jurisdictions of their incorporation, with power and authority (corporate and other) to own their respective properties and conduct their respective businesses as described in the Prospectus; and each of the Company and such subsidiaries is duly qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or, to the Company's knowledge, the nature of the business it transacts makes such qualification necessary.

(iv) Permits, etc. The Company and each of its active subsidiaries have valid and sufficient grants, franchises, miscellaneous permits and easements, free from unduly burdensome restrictions, adequate for the conduct of their respective businesses in the territories in which they are now conducting such businesses and the ownership of the respective properties now owned by them and, except as otherwise set forth in the Prospectus, there are no legal or governmental proceedings pending or, to the Company's knowledge, threatened which might result in a material modification, suspension or revocation thereof.

(v) Title. Except as described in the Prospectus, the Company has good and marketable title in fee to all the real property, including fixtures, and satisfactory title to all other property and assets described in the Prospectus as owned by it, free and clear of all liens, charges, encumbrances, and restrictions except such as are permitted by the Indenture.

(vi) Accountants. The accountants who certified the financial statements included or incorporated by reference in the Prospectus are independent public accountants within the meaning of the Act and the Regulations.

(vii) Financial Statements. The financial statements and any supporting schedules of the Company and its consolidated subsidiaries included or incorporated by reference in the Registration Statement and the Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; and, except as stated therein, said financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis; and the supporting schedules included in the Registration Statement present fairly the information required to be stated therein.

(viii) Regulatory Approvals. The Public Utility Commission of Oregon has authorized the issuance and sale of the Offered Debt Securities; and no other consent, approval, authorization, order or decree of any court or governmental agency or body (including the Federal Energy Regulatory Commission) is required for the consummation by the Company of the transactions contemplated by this Agreement, except such as may be required under the Act, the Trust Indenture Act, the respective Regulations thereunder and Blue Sky laws.

(ix) Agreement. This Agreement has been duly authorized, executed and delivered by the Company and is a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

(x) Indenture. The Indenture has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act and is a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

(xi) Capital Stock. The authorized, issued and outstanding capital stock of the Company is as set forth in the Registration Statement and the Prospectus except for changes referred to therein or contemplated thereby).

(xii) Public Utility Holding Company Act. In the opinion of counsel for the Company, the Company is a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended (the

"PUHCA"), which holding company is exempt from application of all provisions of the PUHCA except Section 9(a)(2) thereof.

(b) Additional Certifications. Any certificate signed by any officer of the Company and delivered to the Agents or to counsel for the Agents in connection with an offering of Offered Debt Securities or the sale of Offered Debt Securities to the Agents as principals shall be deemed a representation and warranty by the Company to the Agents as to the matters covered thereby on the date of such certificate and at each representation date referred to in Section 2(a) hereof subsequent thereto.

4. Closing; Delivery of Offered Debt Securities; Defaulting Underwriters.

(a) Closing. Unless otherwise agreed to in writing by the Representatives and the Company, delivery of the Offered Debt Securities to the Underwriters, against payment of the purchase price therefor in next day funds by certified or bank check or checks payable to the order of the Company and drawn on a bank which is a member of the New York Clearing House Association, shall be made prior to 1:00 P.M., New York City time, on [____] through the facilities of The Depository Trust Company ("DTC"), or in such other manner and at such other time, date and location as may be agreed upon in writing by the Company and the Representatives. Delivery of the documents required by Section 6 hereof shall be made at such time and date at the offices of Morgan, Lewis & Bockius, 101 Park Avenue, New York, New York, or such other location as may be agreed upon in writing by the Company and the Representatives. The hour and date of such delivery and payment are herein called the "Closing Date"

(b) Delivery of Offered Debt Securities. Unless otherwise agreed to in writing by the Representatives and the Company, the Offered Debt Securities shall be registered in the name of "Cede & Co.," as nominee of DTC, and delivered to DTC in such denominations as the Representatives may reasonably request in writing not later than 12:30 P.M., New York City time, on the third Business Day prior to the Closing Date or, to the extent not so requested, in such authorized denominations as the Company shall determine. For the purpose of expediting the checking of the Offered Debt Securities by the Representatives on behalf of the Underwriters, the Company agrees to make the Offered Debt Securities available to the Representatives for such purpose at the offices of DTC in New York, New York, not later than 2:00 P.M. New York City time, on the Business Day preceding the Closing Date or at such other time and place as may be agreed upon by the Company and the Representatives.

(c) Defaulting Underwriters. If on the Closing Date any Underwriter shall fail (other than for a reason sufficient to justify the termination of this Agreement) to purchase and pay for the Offered Debt Securities that such Underwriter has agreed to purchase and pay for hereunder on such date, the non-defaulting Underwriters shall be obligated, severally and not jointly, to take up and pay for (in addition to the respective principal amount of Offered Debt Securities set forth opposite their respective names in

Schedule I hereto) the principal amount of Offered Debt Securities that such defaulting Underwriter or Underwriters failed to take up and pay for, up to a principal amount of Offered Debt Securities equal to, in the case of each such non-defaulting Underwriter, ten percent (10%) of the principal amount of Offered Debt Securities set forth opposite the name of such non-defaulting Underwriter in Schedule I hereto and such non-defaulting Underwriters shall have the right, within 24 hours of such default, either to take up and pay for (in such proportion as may be agreed upon among them), or to substitute another Underwriter or Underwriters to take up and pay for the remaining principal amount of Offered Debt Securities that the defaulting Underwriter or Underwriters agreed but failed to purchase. If any unpurchased Offered Debt Securities still remain, then the Company shall be entitled to a further period of 24 hours within which to procure another party or other parties, members of the National Association of Securities Dealers, Inc. (or, if not members of such Association, who are not eligible for membership in such Association and who agree (i) to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and (ii) in making sales to comply with such Association's Rules of Fair Practice) and satisfactory to the Representatives, to purchase such Offered Debt Securities on the terms herein set forth. In the event that, within the respective prescribed periods, the non-defaulting Underwriters notify the Company that they have arranged for the purchase of such Offered Debt Securities, or the Company notifies the non-defaulting Underwriters that it has arranged for the purchase of such Offered Debt Securities, then the non-defaulting Underwriters or the Company shall have the right to postpone the Closing Date for a period of not more than three full Business Days beyond the expiration of the respective prescribed periods in order to effect whatever changes may thus be made necessary in the Registration Statements or the Prospectus or in any other documents or arrangements. In the event that none of the non-defaulting Underwriters or the Company has arranged for the purchase of such Offered Debt Securities by another party or parties as above provided, then this Agreement shall terminate without any liability on the part of the Company or any Underwriter (other than an Underwriter which shall have failed or refused, otherwise than for some reason sufficient to justify, in accordance with the terms hereof, the cancellation or termination of its obligations hereunder, to purchase and pay for the Offered Debt Securities that such Underwriter has agreed to purchase as provided in Section 2 hereof), except as otherwise provided in Section 5(i) hereof.

5. Covenants of Company. The Company covenants and agrees with the Underwriters that:

(a) Filing of Prospectus. The Company will promptly transmit copies of the Prospectus, and any amendments or supplements thereto, to the Commission for filing pursuant to Rule 424(b) of the Regulations under the Act.

(b) Copies of Registration Statement and Prospectus; Stop Orders. The Company will deliver to each of the Representatives and Counsel for the Underwriters (i) one signed copy of the Registration Statement as originally filed, including copies of

exhibits thereto (other than any exhibits incorporated by reference therein), (ii) signed copies of any amendments and supplements to the Registration Statement (other than amendments and supplements which relate to securities other than the Offered Debt Securities), including copies of the Incorporated Documents (other than exhibits thereto), and (iii) a signed copy of each consent and certificate included or incorporated by reference in, or filed as an exhibit to, the Registration Statement as so amended or supplemented; the Company will deliver to the Underwriters through the Representatives as soon as practicable after the date of this Agreement as many copies of the Prospectus as the Representatives may reasonably request for the purposes contemplated by the Act; the Company will promptly advise the Representatives of the issuance of any stop order under the Act with respect to the Registration Statement (as it may be amended or supplemented) or the institution of any proceedings therefor, or the suspension of the qualification of the Offered Debt Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, of which the Company shall have received notice prior to the completion of the distribution of the Offered Debt Securities; and the Company will use its best efforts to prevent the issuance of any such stop order and to secure the prompt removal thereof, if issued.

(c) Filing of Amendments and Supplements. During the period when a prospectus relating to the Offered Debt Securities is required to be delivered under the Act by any Underwriter or dealer, the Company will not file any amendment or supplement to the Registration Statement (other than amendments and supplements which relate to securities other than the Offered Debt Securities), the Prospectus (including a prospectus relating to the Offered Debt Securities filed pursuant to Rule 424(b) of the Regulations under the Act that differs from the Prospectus as first filed pursuant to such Rule 424(b)) or any Incorporated Document to which [name of managing underwriter] shall reasonably object as to substance or Counsel for the Underwriters shall reasonably object as to form.

(d) Compliance with Act. During the period when a prospectus relating to the Offered Debt Securities is required to be delivered under the Act by any Underwriter or dealer, the Company will comply so far as it is able, and at its own expense, with all requirements imposed upon it by the Act, as now and hereafter amended, and by the Regulations thereunder, as from time to time in force, so far as necessary to permit the continuance of sales of or dealing in the Offered Debt Securities during such period in accordance with the provisions hereof and the Prospectus.

(e) Certain Events and Amendments or Supplements. If, during the period when a prospectus relating to the Offered Debt Securities is required to be delivered under the Act by any Underwriter or dealer, (i) any event relating to or affecting the Company or of which the Company shall be advised in writing by the Representatives shall occur as a result of which, in the opinion of the Company, the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the

circumstances under which they were made, not misleading or (ii) it shall be necessary to amend or supplement the Registration Statement or the Prospectus to comply with the Act, the Exchange Act or the Trust Indenture Act or the respective Regulations thereunder, the Company will forthwith at its expense prepare and furnish to the Representatives a reasonable number of copies of such amendment or supplement that will correct such statement or omission or effect such compliance; provided, however, that should such event relate solely to activities of any of the Underwriters, then the Underwriters will assume the expense of preparing and furnishing copies of any such amendment or supplement. Notwithstanding the foregoing, in case any Underwriter is required to deliver a prospectus relating to the Offered Debt Securities after the expiration of nine months after the date of this Agreement, the Company upon the request of the Representatives will furnish to the Representatives, at the expense of such Underwriter, a reasonable quantity of a supplemented or amended Prospectus or supplements or amendments to the Prospectus complying with Section 10 of the Act.

(f) Blue Sky Qualifications. During the time a prospectus relating to the Offered Debt Securities is required to be delivered under the Act by any underwriter or dealer, the Company will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Offered Debt Securities for offer and sale under the blue sky laws of such jurisdictions as the Representatives may reasonably designate and will file and make in each year such statements or reports as are or may be reasonably required by laws of such jurisdictions; provided, however, that the Company shall not be required to qualify as a foreign corporation or dealer in securities or to file any consents to service of process under the laws of any jurisdiction.

(g) Earning Statement. In accordance with Rule 158 of the Regulations under the Act, the Company will make generally available to its security holders, as soon as practicable (but not later than 90 days after the close of the period covered thereby), an earning statement (which need not be audited) in form complying with the provisions of Rule 158 of the Regulations under the Act, in reasonable detail covering the 12 months beginning not later than the first day of the Company's fiscal quarter next succeeding the "effective date" (within the meaning of such Rule 158) of the Registration Statement.

(h) Exchange Act Documents; Ratings Notification. The Company, during the period when a prospectus relating to any of the Offered Debt Securities is required to be delivered under the Act by any Underwriter or dealer, will file promptly all documents required to be filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and the Company will promptly notify the Representatives of any written notice given to the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 15c3-1 under the Exchange Act) of any intended decrease in any rating of any of the Offered Debt Securities or any preferred stock or first mortgage bonds of the Company or of any intended change in any such rating that does not indicate the direction of the possible change, in each case by any such rating organization.

(i) Payment of Expenses. Whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, the Company will pay, except as otherwise expressly provided herein, all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation and filing of the Registration Statement and the Prospectus (and any amendments or supplements thereto), any preliminary prospectus relating to the Offered Debt Securities and any Incorporated Documents and exhibits thereto, and this Agreement, (ii) the preparation, printing, issuance and delivery of the Offered Debt Securities to the Underwriters, (iii) the fees and disbursements of the Company's counsel and accountants, (iv) the fees and expenses of the Trustee and its counsel, (v) the reasonable fees and disbursements of Counsel to the Underwriters incurred from time to time in connection with the transactions contemplated hereby, (vi) the fees and expenses in connection with the rating of the Offered Debt Securities by securities rating organizations, (vii) the expenses in connection with the qualification of the Offered Debt Securities under securities laws in accordance with the provisions of Section 5(f) hereof, including filing fees and the reasonable fees and disbursements of Counsel for the Underwriters in connection therewith and in connection with the preparation of any Blue Sky Survey, (viii) the printing and delivery to the Underwriters of copies of the Registration Statement and the Prospectus (and any amendments or supplements thereto), the Indenture and the Incorporated Documents, (ix) the printing and delivery to the Underwriters of copies of any Blue Sky Survey and (x) the fees and expenses, if any, incurred with respect to any filing with the National Association of Securities Dealers, Inc. [if, in the judgment of the Company and the Representatives, it shall be necessary or advisable to list the Offered Debt Securities on the NYSE, then insert: and the fees and expenses in connection with any listing of the Offered Debt Securities on the NYSE and the registration thereof under the Exchange Act in accordance with Section 5(l) hereof]. The Company shall not be required to pay any amount for any expenses of the Representatives or of any other of the Underwriters except as provided in this Section 5(i).

(j) No Issuance Period. During the 30 days following the Closing Date, the Company will not, without the prior written consent of the Representatives, offer for sale, sell or enter into any agreement to sell, or otherwise dispose of, any Offered Debt Securities or any preferred stock or other securities of the Company that are substantially similar to the Offered Debt Securities or any securities convertible into or exchangeable for Offered Debt Securities, preferred stock or such substantially similar securities of the Company.

[If, in the judgment of the Company and the Representatives, it shall be necessary or advisable to list the Offered Debt Securities on the NYSE, then insert:

(k) Listing and Registration. The Company will take, or cause to be taken, all actions necessary or advisable to effect the listing and admission for trading of the Offered Debt Securities on the NYSE and the registration thereof under the Exchange Act.]

6. Conditions to Underwriters' Obligations. The several obligations of the Underwriters hereunder to purchase the Offered Debt Securities shall be subject to the continuing accuracy of, and compliance with, the representations and warranties of the Company contained herein on the Closing Date (with the same force and effect as though expressly made on and as of the Closing Date, except that references therein to the Registration Statement and the Prospectus shall include any amendments or supplements thereto at the Closing Date), to the performance by the Company of its obligations to be performed hereunder on or prior to the Closing Date and to the following further conditions:

(a) Filing of Prospectus with Commission; No Stop order; Regulatory Approvals. The Prospectus, and any amendments or supplements thereto, shall have been filed in the manner and within the time period required by Rule 424(b) of the Regulations under the Act; no stop order suspending the effectiveness of the Registration statement under the Act shall have been issued and no proceedings for that purpose shall have been instituted or threatened; [if, in the judgment of the Company and the Representatives, it shall be necessary or advisable to list the Offered Debt Securities on the NYSE, then insert: no order suspending trading or striking or withdrawing the Offered Debt Securities from listing on the NYSE or registration thereof under the Exchange Act shall be in effect, no proceedings for such purpose shall be pending before or threatened by the NYSE and all requests for additional information on the part of the Commission shall have been complied with;] the orders of the Public Utility Commission of Oregon authorizing the issuance and sale of the Offered Debt Securities by the Company as contemplated by this Agreement, shall be in full force and effect and shall not then be either contested or the subject of review or appeal, and such order constitutes the only approval, authorization, consent or order of any governmental body legally required for the authorization of the issuance and sale of the Offered Debt Securities by the Company pursuant to the terms of this Agreement, except such as may be required under the Act or under state or other securities or blue sky laws; and the Company shall have delivered to the Representatives a certificate of the Company signed by the Chairman, President or any Vice President of the Company, dated the Closing Date, to such effect.

(b) Opinion of Counsel for Company. On the Closing Date, the Representatives shall have received an opinion of Counsel for the Company, dated as of the Closing Date, in form and substance satisfactory to Counsel for the Underwriters, to the effect that:

(i) The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Oregon and is duly qualified to do business as a foreign corporation in the States of Arizona, California, Washington and Montana and in the District of Columbia, with power and authority (corporate and other) to own its properties and operate its business, and neither the character of the properties owned by it nor the nature of the business it transacts makes

necessary its licensing or qualification as a foreign corporation in any other state or jurisdiction;

(ii) The Company's active subsidiaries have each been duly organized and are validly existing and in good standing under the laws of the states or jurisdictions in which they have been organized, with power and authority (corporate and other) to own their respective properties and to operate their respective businesses, and each of such corporations is duly qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business it transacts make such qualification necessary;

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

(iv) All material contracts to which the Company is a party and which are described or referred to in the Prospectus are valid and legally binding contracts of the Company, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), and, except as the validity thereof may be the subject of litigation referred to in the Prospectus, to the best of such counsel's knowledge, of the other parties thereto;

(v) All authorizations, approvals, consents or other orders of any governmental authority or agency required in connection with the authorization, issuance and sale of the Offered Debt Securities by the Company pursuant to this Agreement have been obtained and continue in full force and effect;

(vi) The Indenture has been duly authorized, executed and delivered, has been duly qualified under the 1939 Act, and constitutes a valid and legally binding instrument in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law);

(vii) the Offered Debt Securities have been duly authorized and executed by the Company and, when authenticated and delivered in accordance with the Indenture and paid for by the purchasers thereof in accordance with this Agreement, will constitute valid and legally binding agreements of the Company enforceable in accordance with their respective terms, except as limited by

bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law); [if, in the judgment of the Company and the Representatives, it shall be necessary or advisable to list the Offered Debt Securities on the NYSE, then insert: and the Offered Debt Securities have been listed (subject to official notice of issuance) on the NYSE];

(viii) The Offered Debt Securities and the Indenture conform to the descriptions thereof contained in the Registration Statement and Prospectus and the statements in the Registration Statement and Prospectus, recited therein as having been prepared or reviewed by such counsel, are true and correct;

(ix) This Agreement has been duly authorized, executed and delivered by the Company;

(x) The Registration Statement has become effective under the 1933 Act, and no stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for that purpose are pending before or, to the best of the knowledge of such counsel, threatened by the Commission, and the Registration Statement and Prospectus, and any amendment or supplement thereto (except as to financial statements and other financial data contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act, the 1934 Act, the 1939 Act and the Rules and Regulations of the Commission under such Acts; and such counsel does not believe that, after reasonable investigation, at the date hereof or at any other date such opinion is delivered either the Registration Statement or the Prospectus, or any such amendment or supplement, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading;

(xi) The descriptions in the Registration Statement and Prospectus of statutes, legal and governmental proceedings, and contracts and other documents are, to the best of the knowledge of such counsel, accurate and fairly present the information required to be shown therein, and such counsel does not know of any legal or governmental proceedings required to be described in the Prospectus which are not described as required or any contracts or documents of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not described or filed as required;

(xii) The execution and delivery of, and compliance with, this Agreement and any of the other agreements contemplated hereby, the Offered Debt Securities and the Indenture will not conflict with or constitute a breach of or default under

the Articles of Incorporation or Bylaws of the Company, any indenture, mortgage, deed of trust or other agreement or instrument known to such counsel by which the Company is bound, or any applicable law, or to the best of such counsel's knowledge, information and belief, any administrative regulation or court decree; and

(xiii) The Company is a "subsidiary company" of a "holding company" as such terms are described in the Public Utility Holding Company Act of 1935, as amended, ("PUHCA"), which holding company is exempt from application of all provisions of PUHCA except Section 9(a)(2) thereof relating to the acquisition of securities of other public utility companies as defined under PUHCA.

In rendering such opinion, Counsel for the Company may rely (x) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Company and its subsidiaries and public officials and (y) as to matters involving the laws of any jurisdiction other than the State of Oregon, upon the opinion of such local counsel as shall be acceptable to the Representatives and Counsel for the Underwriters. References to the Registration Statement and the Prospectus in this Section 6(b) shall include any amendments or supplements thereto at the date such opinion is rendered.

(c) Opinion of Counsel for Underwriters. On the Closing Date, the Representatives shall have received an opinion of Counsel for the Underwriters, dated as of the Closing Date, with respect to the authorization and issuance of the Offered Debt Securities, the Registration Statement, the Prospectus, the Indenture and other related matters as the Representatives may reasonably require, and the Company shall have furnished to Counsel for the Underwriters such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Counsel for the Underwriters may rely (i) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Company and (ii) upon the opinion of Counsel for the Company rendered pursuant to Section 6(b) as to matters involving the application of laws other than the laws of the State of New York.

(d) Letter of Accountants. On the date hereof and on the Closing Date, Arthur Andersen LLP shall have furnished to the Representatives a letter or letters in form and substance satisfactory to the Representatives.

(e) Certificate. On the Closing Date, there shall not have been, since the respective dates as of which information is given in the Registration Statement and the Prospectus, as they may then be amended or supplemented, except as may otherwise be stated therein or contemplated thereby, any material adverse change in the condition of the Company and its subsidiaries taken as a whole, financial or otherwise, or in the earnings, affairs or business prospects of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business, and the Representatives shall have received a certificate of the Company signed by the Chairman, President or

any Vice President of the Company reasonably satisfactory to the Representatives, dated as of the Closing Date, to the effect that (i) there has been no such material adverse change, (ii) the other representations and warranties on the part of the Company contained in this Agreement are true and correct (with the same force and effect as though expressly made on and as of the Closing Date, except that references therein to the Registration Statement and the Prospectus shall include any amendments or supplements thereto at such dates), (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied under this Agreement on or prior to the Closing Date and (iv) no stop order suspending the effectiveness of the Registration Statement (as so amended or supplemented) has been issued and no proceedings for the purpose have been initiated or threatened by the Commission.

(f) Ratings. Moody's Investors Service, Inc. and Standard & Poor's Ratings Group shall have publicly assigned to the Offered Debt Securities ratings of [____] and [____], respectively, which ratings shall be in full force and effect on the Closing Date.

[If, in the judgment of the Company and the Representatives, it shall be necessary or advisable to list the Offered Debt Securities on the NYSE, then insert:

(g) Listing and Registration. On the Closing Date, (i) the NYSE shall have approved the Offered Debt Securities for listing and admission for trading, subject to official notice of issuance, and (ii) the Company's registration statement on Form 8-A relating to the Offered Debt Securities shall have become effective under the Exchange Act.]

(h) [(g)] Other Documents. On the Closing Date, Counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Offered Debt Securities as herein contemplated and related proceedings, or in order to evidence the accuracy or completeness of any of the representations or warranties, or the fulfillment of any of the conditions herein contained, and all proceedings taken by the Company in connection with the issuance and sale of the Offered Debt Securities and as herein contemplated shall be satisfactory in form and substance to the Representatives and Counsel for the Underwriters.

In case any of the conditions specified above in this Section 6 shall not have been fulfilled, this Agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to the Company. Any such termination shall be without liability of either party to the other party except as otherwise provided in Section 5(i) hereof and except for any liability under Section 8 hereof.

7. Conditions to Obligations of Company. The obligations of the Company hereunder are subject to the conditions set forth in Section 6(a) hereof exclusive of the first and last clauses thereof. In case such conditions shall not have been fulfilled, this Agreement may be

terminated by the Company by mailing or delivering written notice thereof to the Representatives. Any such termination shall be without liability of either party to the other party except as otherwise provided in Section 5(i) hereof and except for any liability under Section 8 hereof.

8. Indemnification and Contribution.

(a) Indemnification by Company. The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in a preliminary prospectus relating to the Offered Debt Securities, if any, including all documents then incorporated by reference therein pursuant to Item 12 of Form S-3, in the Incorporated Documents, in the Registration Statement or the Prospectus, or in the Registration Statement or the Prospectus (as amended or supplemented if any amendments or supplements thereto shall have been made), 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, unless such untrue statement or omission or such alleged untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company by any Underwriter, through the Representatives or otherwise, expressly for use in the Registration Statement or the Prospectus (or any amendment or supplement to either thereof) or arises out of or is based upon, statements in or omissions from that part of the Registration Statement that constitutes the Statement of Eligibility on Form T-1 under the Trust Indenture Act of the Trustee; provided, however, any such indemnity for a preliminary prospectus relating to the Offered Debt Securities, if any, or the Prospectus shall not inure to the benefit of any Underwriter (or of any person controlling such Underwriter) on account of any losses, claims, damages or liabilities arising from the sale of the Offered Debt Securities to any person if (i) such Underwriter shall have failed to send or give to such person (A) with or prior to the written confirmation of such sale, a copy of the Prospectus or the Prospectus as amended or supplemented, if any amendments or supplements thereto shall have been furnished to the Representatives at or prior to the time of written confirmation of the sale involved, except any incorporated Documents, or (B) with or prior to the delivery of the Offered Debt Securities to such person, a copy of any amendment or supplement to the Prospectus that shall have been furnished to the Representatives subsequent to such written confirmation and prior to the delivery of such Offered Debt Securities to such person, except any incorporated Documents, and (ii) such untrue statement or omission or such alleged untrue statement or omission was corrected in the Prospectus or the Prospectus as amended or supplemented at the time of such delivery or confirmation, as the case may be;

(ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, 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 clause (i) or (ii) above.

(b) Indemnification of Company. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and any amendments or supplements thereto, and each person, if any, who controls the Company within the meaning of Section 15 of the Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 8(a) hereof, 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 a preliminary prospectus relating to the Offered Debt Securities, if any, or the Prospectus or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriter, through the Representatives or otherwise, expressly for use in the Registration Statement (or any amendment or supplement thereto) or any such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) General. Each indemnified party shall give prompt notice to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party shall not relieve it from any liability on account of this indemnity agreement except to the extent that it has been prejudiced in any material respect by such failure or from any liability that it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action. 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 that are different from or in addition to those available to such indemnifying party, in which case such indemnifying party cannot assume the control of the defense. Such firm shall be designated in writing by, in the case of parties indemnified under section 9(b) hereof, the Representatives and, in the case of parties indemnified under Section 9(a) hereof, the Company. 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. Fees and expenses to be paid by the indemnifying parties shall be reimbursed as they are incurred. In no event shall the indemnifying parties be liable for the fees and expenses of more

than one counsel, including any local 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 each indemnified party, effect any settlement of any pending or threatened proceeding in respect of which such indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability claims that are the subject matter of such proceeding.

(d) Contribution. If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) hereof in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) 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 from the offering of the Offered Debt Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then such indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities or actions in respect thereof), 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 shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or 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(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 8(d). The amount paid or payable to an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 8(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) Confirmation of Certain Statements. The Underwriters confirm that the statements with respect to the public offering of the Offered Debt Securities set forth in the last paragraph on the cover page of, and the statements with respect to the resale of any Offered Debt

Securities at a discount in the first paragraph under the list of Underwriters set forth under the caption "Underwriting" in the Prospectus Supplement are correct and were furnished in writing to the Company by the Underwriters for inclusion in the Prospectus.

9. Termination The Representatives may, by notice to the Company, terminate this Agreement at any time at or prior to the Closing Date, if (a) a banking moratorium shall have been declared either by federal or authorities or authorities in the State of New York, (b) trading in securities generally on the NYSE or of any securities of the Company shall have been suspended by the Commission, the NYSE or the Pacific Stock Exchange or there shall have been established by the Commission or the NYSE, any federal or state agency or the decision of any court any limitation on the prices for such trading or any restrictions on the distribution of such securities, (c) any outbreak or material escalation of hostilities or other calamity or crisis affecting the financial markets of the United States shall have occurred, (d) a downgrading shall have occurred in the ratings of any of the Offered Debt Securities or any preferred stock or first mortgage bonds of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 15c3-1 of the Regulations under the Exchange Act) or (e) any change in the business or properties of the Company shall have occurred, the effect of which is such as to make it impracticable to proceed with the sale or delivery of the Offered Debt Securities and, in the case of any of the events specified in clauses (a) through (d) of this Section 9, the effect of such event, singly or together with any other such events, is such as to make it, in the judgment of the Representatives, impracticable to proceed with the sale or delivery of the Offered Debt Securities. Any termination hereof pursuant to this Section 9 shall be without liability of any party to any other party except as otherwise provided in Section 5(i) hereof and except for any liability under Section 8 hereof.

10. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or contained in certificates signed by officers of the Company, submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or any controlling person of any Underwriter, or by or on behalf of the Company, and shall survive delivery of the Offered Debt Securities to the Underwriters.

11. Miscellaneous. The validity and interpretation of this Agreement shall be governed by the laws of the State of New York. This Agreement shall inure to the benefit of the Company and the Underwriters and, with respect to the provisions of Section 8 hereof, each controlling person referred to in Section 8 hereof, and their respective successors, assigns, executors and administrators. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. The term "successors" as used in this Agreement shall not include any purchaser, as such purchaser, of any of the Offered Debt Securities from any of the Underwriters. This Agreement may be executed in any number of separate counterparts all of which together shall constitute the same Agreement.

12. Notices and Authority to Act. All communications hereunder shall be in writing (which may be telex or facsimile transmission) and effective only upon receipt and, if to the Underwriters, shall be sent to the Representatives at the address set forth above, Attention of [] and, if to the Company, shall be sent to it at 121 S.W. Salmon Street, Portland, Oregon 97204, Attention of Chief Financial Officer or at such other address as the Company shall furnish the representatives in writing.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed duplicate hereof, whereupon this letter will become a binding agreement between the Company and the several Underwriters in accordance with its terms. It is understood that your acceptance of this Agreement on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination, upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,
Portland General Electric Company

By _____
Name:
Title:

Accepted as of the date
first above written:

[Insert names of Representatives]

By: _____
()

As representatives of the
other several Underwriters
named in Schedule I hereto

SCHEDULE I

Underwriter -----	Principal amount of Offered Debt Securities -----
----------------------	---

Total	=====
-------	-------

Portland General Electric Company
Medium-Term Note Series Due From
Nine Months to Thirty Years from Date of Issue

DISTRIBUTION AGREEMENT

_____, 199_

Dear Sirs:

Portland General Electric Company, an Oregon corporation (the "Company"), confirms its agreement with you and any other agent which may become a party hereto (the "Agents") with respect to the issue and sale by the Company of up to \$____,000,000 aggregate principal amount of its First Mortgage Bonds, Medium-Term Note Series described herein (the "Notes"). The Notes will be issued under the Indenture of Mortgage and Deed of Trust, dated July 1, 1945 made by the Company to the Marine Midland Trust Company of New York (now Marine Midland Bank), Trustee (the "Original Indenture"), as supplemented by [_____] supplemental indentures thereto and as to be supplemented by an additional supplemental indenture relating to the Notes (the "Supplemental Indenture"). The Original Indenture as heretofore supplemented is referred to herein as the Indenture and the Indenture, as supplemented by the Supplemental Indenture, is referred to herein as the "Mortgage". As of the date hereof, the Company has authorized the issuance and sale of up to U.S. \$____,000,000 aggregate principal amount of Notes through the Agents pursuant to the terms of this Agreement. It is understood, however, that the Company may from time to time authorize the issuance of additional Notes and that such additional Notes may be sold through or to the Agents pursuant to the terms of this Agreement, all as though the issuance of such Notes were authorized as of the date hereof.

This Agreement provides both for the sale of Notes by the Company directly to purchasers, in which case the Agents will act as the agents of the Company in soliciting Note purchasers, and (as may from time to time be agreed to by the Company and the Agents) to the Agents as principals for resale to purchasers.

The Company has filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 (No. 33- [____]) for the registration of debt securities, including the Notes under the Securities Act of 1933, as amended, (the "1933 Act") and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the SEC under the 1933 Act (the "1933 Act Regulations"). Such registration statement has been declared effective by the SEC. At the time any series of Notes are sold hereunder the Supplemental Indenture relating to any one or more series of Notes shall have been qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"). Such registration statement (and any further registration statements which may be filed by the Company for the purpose of registering additional Notes and in connection with which this Agreement is included as an exhibit) and the prospectus constituting a part thereof, and any prospectus supplements relating to the Notes, including all documents incorporated therein by reference, as supplemented by the Prospectus Supplement dated _____, 199_ and as from time to time amended or supplemented by the filing of documents pursuant to the Securities Exchange Act of 1934 (the "1934 Act") or the 1933 Act or otherwise, are referred to herein as the "Registration Statement" and the "Prospectus", respectively, except that if any revised prospectus shall be provided to the Agents by the Company for use in connection with the offering of the Notes which is not required to be filed by the Company pursuant to Rule 424(b) of the 1933 Act Regulations, the term "Prospectus" shall refer to such revised prospectus from and after the time it is first provided to the Agents for such use.

SECTION 1. Appointment as Agents.

(a) Appointment of Agents. Subject to the terms and conditions stated herein and subject to the reservation by the Company of the right to sell Notes directly on its own behalf, the Company hereby appoints the Agents as the exclusive agents for the purpose of soliciting purchases of the Notes from the Company by others and agrees that whenever the Company determines to sell Notes directly to the Agents as principals for resale to others, it will enter into a Terms Agreement (hereafter defined) relating to such sale in accordance with the provisions of Section 3(b) hereof. The Company agrees that, during the period the Agents are acting as the Company's placement agents hereunder, the Company will not appoint other agents to act on its behalf, or to assist it, in the placement of the Notes; provided, however, that notwithstanding any other term or provision hereof to the contrary, in connection with offers to purchase Notes received by the Company through any person other than the Agents, the Company may accept any such offer made through such person so long as the Company gives the Agents reasonable prior notice of such acceptance and any such person agrees to be bound by the terms hereof (including, without limitation, the commission rates set forth in Schedule A hereto) pursuant to an agreement with the Company in substantially the form of Exhibit A hereto.

(b) Reasonable Efforts Solicitations; Right to Reject Offers. Upon receipt of instructions from the Company, the Agents will use their reasonable efforts to solicit purchases of such principal amount of the Notes as the Company and the Agents shall agree upon from time to time during the term of this Agreement, it being understood that the Company shall not approve the solicitation of purchases of Notes in excess of the amount which shall be authorized

by the Company from time to time. The Agents will communicate to the Company, orally or in writing, each offer to purchase Notes, other than those offers rejected by the Agents. The Agents shall have the right, in their discretion reasonably exercised, to reject any proposed purchase of Notes, as a whole or in part, and any such rejection shall not be deemed a breach of the Agents' agreement contained herein. The Company may accept or reject any proposed purchase of the Notes, in whole or in part.

(c) **Solicitations as Agents; Purchases as Principals.** In soliciting purchases of the Notes on behalf of the Company, the Agents shall act solely as agents for the Company and not as principals. The Agents shall make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Notes has been solicited by the Agents and accepted by the Company. The Agents shall not have any liability to the Company in the event any such purchase is not consummated for any reason. The Agents shall not have any obligation to purchase Notes from the Company as principals, but the Agents may agree from time to time to purchase Notes as principals. Any such purchase of Notes by the Agents as principals shall be made pursuant to a Terms Agreement in accordance with Section 3(b) hereof.

(d) **Reliance.** The Company and the Agents agree that any Notes the placement of which the Agents arrange shall be placed by the Agents, and any Notes purchased by the Agents shall be purchased, in reliance on the representations, warranties, covenants and agreements of the Company contained herein and on the terms and conditions and in the manner provided herein.

SECTION 2. Representations and Warranties.

(a) The Company represents and warrants to the Agents as of the date hereof, as of the date of each acceptance by the Company of an offer for the purchase of Notes (whether through the Agents as agents or to the Agents as principals), as of the date of each delivery of Notes (whether through the Agents as agents or to the Agents as principals) (the date of each such delivery to the Agents as principals being hereafter referred to as a "Settlement Date"), and as of the times referred to in Section 7(b) hereof as follows:

(i) **Registration Statement and Prospectus.** At the time the Registration Statement became effective, the Registration Statement complied, and as of each representation date referred to in Section 2(a) hereof will comply, in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the rules and regulations of the SEC promulgated thereunder. The Registration Statement, at the time it became effective, did not, and at each time thereafter at which any amendment to the Registration Statement becomes effective and any Annual Report on Form 10-K is filed by the Company with the SEC and as of each representation date referred to in Section 2(a) hereof, 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 not misleading. The Prospectus, as of the date hereof does not, and as of each representation date referred to in Section 2(a) hereof will not, contain an untrue

statement of a material fact or omit 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; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Agents expressly for use in the Registration Statement or Prospectus or to that part of the Registration Statement which constitutes the Trustee's Statement of Eligibility and Qualification under the 1939 Act (Form T-1).

(ii) Incorporated Documents. The documents incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the SEC, complied or when so filed will comply, as the case may be, in all material respects with the requirements of the 1934 Act and the rules and regulations promulgated thereunder (the "1934 Act Regulations"), and, when read together and with the other information in the Prospectus, 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 in order to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(iii) As of the time any Notes are issued and sold hereunder, the Notes will have been duly authorized, executed and authenticated and, when paid for by the purchasers thereof will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Mortgage and secured equally and ratably with all other First Mortgage Bonds issued under the Mortgage; and the execution and delivery of, and compliance with this Agreement, the Notes and the Mortgage will not conflict with or constitute a breach of or default under the Articles of Incorporation or Bylaws of the Company, any indenture, mortgage, deed of trust or other agreement or instrument by which the Company is or at the date of delivery of such Note will be bound, or any law, administrative regulation or court decree.

(iv) The Company and each of its active subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of the respective jurisdictions of their incorporation, with power and authority (corporate and other) to own their respective properties and conduct their respective businesses as described in the Prospectus; and each of the Company and such subsidiaries is duly qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or, to the Company's knowledge, the nature of the business it transacts makes such qualification necessary.

(v) The Company and each of its active subsidiaries have valid and sufficient grants, franchises, miscellaneous permits and easements, free from unduly burdensome restrictions, adequate for the conduct of their respective businesses in the territories in which they are now conducting such businesses and the ownership of the respective properties now owned by them and, except as otherwise set forth in the Prospectus, there

are no legal or governmental proceedings pending or, to the Company's knowledge, threatened which might result in a material modification, suspension or revocation thereof.

(vi) Except as described in the Prospectus, the Company has good and marketable title in fee to all the real property, including fixtures, and satisfactory title to all other property and assets described in the Prospectus as owned by it, free and clear of all liens, charges, encumbrances, and restrictions except such as are permitted by the Mortgage.

(vii) The properties specifically described or referred to in the Mortgage (other than property which has been duly released from the lien thereof in accordance with the provisions thereof) constitute substantially all of the properties of the Company as of the date hereof other than "excepted property" as defined in the Mortgage; the descriptions of such properties contained in the Mortgage will in all respects be sufficient for all purposes of the Mortgage; and the Mortgage, including any Supplemental Indenture relating to one or more series of Notes, will constitute a legal, valid and direct enforceable first mortgage lien (except to the extent that enforcement of such lien may be limited by the effect of certain laws and judicial decisions upon the remedies provided in the Mortgage, which, however, do not make the remedies afforded inadequate for the practical realization of the security and benefits provided by the Mortgage, and except as enforceability of such lien may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights) upon the interest of the Company in all such properties, free from all prior liens, charges or encumbrances other than as are permitted by the Mortgage.

(viii) Accountants. The accountants who certified the financial statements included or incorporated by reference in the Prospectus are independent public accountants within the meaning of the 1933 Act and the 1933 Act Regulations.

(ix) Financial Statements. The financial statements and any supporting schedules of the Company and its consolidated subsidiaries included or incorporated by reference in the Registration Statement and the Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; and, except as stated therein, said financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis; and the supporting schedules included in the Registration Statement present fairly the information required to be stated therein.

(x) Regulatory Approvals. The Public Utility Commission of Oregon has authorized or, prior to any offering or sale of Notes by the Company, will have authorized, the issuance and sale of the Notes then being so offered or sold; and no other consent, approval, authorization, order or decree of any court or governmental agency or

body (including the Federal Energy Regulatory Commission) is required for the consummation by the Company of the transactions contemplated by this Agreement, except such as may be required under the 1933 Act, the 1939 Act, the 1933 Act Regulations or state securities or Blue Sky laws.

(b) Additional Certifications. Any certificate signed by any officer of the Company and delivered to the Agents or to counsel for the Agents in connection with an offering of Notes or the sale of Notes to the Agents as principals shall be deemed a representation and warranty by the Company to the Agents as to the matters covered thereby on the date of such certificate and at each representation date referred to in Section 2(a) hereof subsequent thereto.

SECTION 3. Solicitations as Agents; Purchases as Principals.

(a) Solicitations as Agents. On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Agents agree, as agents of the Company, to use their best efforts to solicit offers to purchase the Notes upon the terms and conditions set forth herein and in the Prospectus.

The Company reserves the right, in its sole discretion, to suspend solicitation of offers to purchase the Notes through the Agents, as agents, commencing at any time for any period of time or permanently. Upon receipt of instructions from the Company, the Agents will forthwith suspend solicitation of offers to purchase from the Company until such time as the Company has advised the Agents that such solicitation may be resumed.

The Company agrees to pay the Agents a commission, in the form of a discount, equal to the applicable percentage of the principal amount of each Note sold by the Company as a result of a solicitation made by the Agents as set forth in Schedule A hereto. Without the prior approval of the Company, the Agents may not reallow any portion of the commission payable pursuant hereto to dealers or purchasers in connection with the offer and sale of any Notes.

The purchase price, interest rate, maturity date and other terms of the Notes shall be agreed upon by the Company and the Agents and set forth in a pricing supplement to the Prospectus to be prepared following each acceptance by the Company of an offer for the purchase of Notes. Except as may be otherwise provided in such pricing supplement to the Prospectus, the Notes will be issued in denominations of U.S. \$100,000 or any amount in excess thereof which is an integral multiple of U.S. \$1,000. All Notes sold through the Agents as agents will be sold at 100% of their principal amount unless otherwise agreed to by the Company and the Agents.

(b) Purchases as Principals. Each sale of Notes to the Agents as principals shall be made in accordance with the terms contained herein and pursuant to a separate agreement which will provide for the sale of such Notes to, and the purchase and reoffering thereof by, the Agents. Each such separate agreement (which may be an oral agreement and confirmed in writing as described below between the Agents and the Company) is herein referred to as a "Terms

Agreement". Unless the context otherwise requires, each reference contained herein to "this Agreement" shall be deemed to include any applicable Terms Agreement between the Company and the Agents. Each such Terms Agreement, whether oral (and confirmed in writing, which may be by facsimile transmission) or in writing, shall be with respect to such information (as applicable) as is specified in Exhibit B hereto. The Agents' commitment to purchase Notes pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Terms Agreement shall specify the principal amount of Notes to be purchased by the Agents pursuant thereto, the price to be paid to the Company for such Notes, the time and place of delivery of and payment for such Notes and such other provisions (including further terms of the Notes) as may be mutually agreed upon. Such Terms Agreement shall also specify the requirements for the opinions of counsel and officer's certificate pursuant to Sections 7(b) and 7(c) hereof.

(c) Administrative Procedures. Administrative procedures with respect to the sale of Notes shall be agreed upon from time to time by the Agents and the Company (the "Procedures"). The Agents and the Company agree to perform the respective duties and obligations specifically provided to be performed by them in the Procedures.

SECTION 4. Covenants of the Company.

The Company covenants with the Agents as follows:

(a) Notice of Certain Events. The Company will notify the Agents immediately (i) of the effectiveness of any amendment to the Registration Statement, (ii) of the transmittal to the SEC for filing of any supplement to the Prospectus, (iii) of the receipt of any comments from the SEC with respect to the Registration Statement or the Prospectus, (iv) of any request by the SEC for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, and (v) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Notice of Certain Proposed Filings. Except as otherwise provided in subsection (j) of this Section, the Company will give the Agents notice of its intention to file or prepare any additional registration statement with respect to the registration of additional Notes, any amendment to the Registration Statement or any amendment or supplement to the Prospectus (other than any amendment or supplement made or deemed to be made to the Registration Statement or Prospectus by reason of the incorporation therein by reference of any document filed with the SEC under the 1934 Act and other than an amendment or supplement providing solely for a change in the interest rates of Notes or an amendment or supplement which relates to securities other than the Notes), whether by the filing of documents pursuant to the 1933 Act or otherwise, and will furnish the Agents with copies of any such amendment or supplement or

other documents proposed to be filed or prepared a reasonable time in advance of such proposed filing or preparation, as the case may be and will promptly notify the Agents and furnish them with copies of any documents filed with the SEC under the 1934 Act and incorporated by reference in the Prospectus.

(c) Copies of the Registration Statement and the Prospectus. The Company will promptly deliver to the Agents one signed and as many conformed copies of the Registration Statement (as originally filed) and of each amendment (other than an amendment which relates to securities other than the Notes) thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference in the Prospectus) as the Agents may reasonably request. The Company will furnish to the Agents as many copies of the Prospectus, as amended or supplemented (other than an amendment or supplement which relates to securities other than the Notes) as the Agents shall reasonably request so long as the Agents are required to deliver a Prospectus in connection with sales or solicitations of offers to purchase the Notes.

(d) Revisions of Prospectus -- Material Changes. Except as otherwise provided in subsection (j) of this Section, if at any time during the term of this Agreement any event shall occur or condition exist as a result of which it is necessary, in the reasonable opinion of counsel for the Agents or counsel for the Company, to further amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, or if it shall be necessary, in the reasonable opinion of either such counsel, to amend or supplement the Registration Statement or the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, immediate notice shall be given, and confirmed in writing, to the Agents to cease the solicitation of offers to purchase the Notes in the Agents' capacity as agents and to cease sales of any Notes the Agents may then own as principals pursuant to a Terms Agreement, and the Company will promptly prepare and file with the SEC such amendment or supplement, whether by filing documents pursuant to the 1934 Act, the 1933 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the Registration Statement and Prospectus comply with such requirements.

(e) Prospectus Revisions -- Periodic Financial Information. Except as otherwise provided in subsection (j) of this Section, on or prior to the date on which there shall be released to the general public interim financial statement information related to the Company with respect to each of the first three quarters of any fiscal year or preliminary financial statement information with respect to any fiscal year, the Company shall furnish such information to the Agents, confirmed in writing, and, if requested by the Agents, shall cause the Prospectus to be amended or supplemented to include or incorporate by reference capsule financial information with respect thereto and corresponding information for the comparable period of the preceding fiscal year, as well as such other information and explanations as shall be necessary for an understanding thereof or as shall be required by the 1933 Act or the 1933 Act Regulations.

(f) Earnings Statements. The Company will make generally available to its security holders as soon as practicable, but not later than 90 days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering each twelve month period beginning, in each case, not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in such Rule 158) of the Registration Statement with respect to each sale of Notes.

(g) Blue Sky Qualifications. The Company will endeavor, in cooperation with the Agents, to qualify the Notes for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Agents may designate, and will maintain such qualifications in effect for as long as may be required for the distribution of the Notes; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Notes have been qualified as above provided. The Company will promptly advise the Agents of the receipt by the Company of any notification with respect to the suspension of the qualification of the Notes for sale in any such state or jurisdiction or the initiating or threatening of any proceeding for such purpose.

(h) 1934 Act Filings. The Company, during the period when the Prospectus is required to be delivered under the 1933 Act, will file promptly all documents required to be filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1934 Act.

(i) Stand-Off Agreement. If required pursuant to the terms of a Terms Agreement, between the date of any Terms Agreement and the Settlement Date with respect to such Terms Agreement, the Company will not, without the Agents' prior consent, offer or sell, or enter into any agreement to sell, any debt securities of the Company (other than the Notes that are to be sold pursuant to such Terms Agreement and commercial paper in the ordinary course of business).

(j) Suspension of Certain Obligations. The Company shall not be required to comply with the provisions of subsections (b), (d) and (e) of this Section during any period from the time (i) the Agents shall have suspended solicitation of offers to purchase the Notes in their capacity as agents pursuant to a request from the Company and (ii) the Agents shall not then hold any Notes as principals purchased pursuant to a Terms Agreement, to the time the Company shall determine that solicitation of purchases of the Notes should be resumed or shall subsequently enter into a new Terms Agreement with the Agents.

SECTION 5. Conditions of Obligations.

The obligations of the Agents to solicit offers to purchase the Notes as agents of the Company, the obligations of any purchasers of the Notes sold through the Agents as agents, and any obligation of the Agents to purchase Notes pursuant to a Terms Agreement will be subject to the accuracy of the representations and warranties on the part of the Company herein and to the

accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance and observance by the Company of all its covenants and agreements herein contained and to the following additional conditions precedent:

(a) Legal Opinions. On the date hereof, the Agents shall have received the following legal opinions, dated as of the date hereof and in form and substance satisfactory to the Agents:

(1) Opinion of Company Counsel. The opinion of Steven F. McCarrel, Esq., counsel to the Company, to the effect that:

(i) The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Oregon and is duly qualified to do business as a foreign corporation in the States of Arizona, California, Washington and Montana and in the District of Columbia, with power and authority (corporate and other) to own its properties and operate its business, and neither the character of the properties owned by it nor the nature of the business it transacts makes necessary its licensing or qualification as a foreign corporation in any other state or jurisdiction;

(ii) The Company's active subsidiaries have each been duly organized and are validly existing and in good standing under the laws of the states or jurisdictions in which they have been organized, with power and authority (corporate and other) to own their respective properties and to operate their respective businesses, and each of such corporations is duly qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business it transacts make such qualification necessary;

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

(iv) All material contracts to which the Company is a party and which are described or referred to in the Prospectus are valid and legally binding contracts of the Company, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law), and, except as the validity thereof may be the subject of litigation referred to in the Prospectus, to the best of such counsel's knowledge, of the other parties thereto;

(v) All authorizations, approvals, consents or other orders of any governmental authority or agency required in connection with the authorization, issuance and sale of the Notes by the Company pursuant to this Agreement have been obtained and continue in full force and effect;

(vi) The Mortgage has been duly authorized, executed and delivered, has been duly qualified under the 1939 Act, and constitutes a valid and legally binding instrument in accordance with its terms (except to the extent limited by the effect of certain laws and judicial decisions upon the remedies provided in the Mortgage, which, however, do not make the remedies afforded inadequate for the practical realization of the security and benefits provided by the Mortgage, and except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights); subject to the foregoing exception and subject to liens permitted by the Mortgage, the Indenture now constitutes, and the Mortgage will (when any Supplemental Indenture relating to one or more series of Notes shall have been duly recorded and filed) constitute, a valid first mortgage on all the right, title and interest of the Company in and to the property described or referred to in the granting clauses thereof, other than property heretofore released from the lien thereof; the descriptions and references in the granting clauses of the Mortgage of and to property purported to be covered thereby, and the provisions of the Mortgage for the extension of the lien thereof to property and interests therein acquired by the Company after the date of execution of the Original Indenture are adequate to constitute the Mortgage a valid first lien on all property of the Company, real, personal or mixed, tangible or intangible (other than "excepted property", as defined in the Original Indenture) of every kind, character and description, subject to no prior liens other than "permitted encumbrances", as defined in the Mortgage, and minor restrictions, exceptions and reservations in conveyances, and defects which do not in any substantial way impair the security afforded by the Mortgage; and the provisions of the 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 Indenture are effective and such provisions of the Indenture, as the same has been further supplemented by any Supplemental Indenture relating to one or more series of Notes, will (when any such Supplemental Indenture shall have been duly recorded and filed) be effective, without the execution by the Company of any supplemental indenture or other instrument specifically extending the lien to such property and interests, to extend the lien of the Mortgage to such property and interests as a legally valid and direct first mortgage lien as security for the Notes, subject to no prior liens other than "permitted encumbrances" as defined in the Mortgage, and minor restrictions, exceptions and reservations in conveyances and defects which do not in any substantial way impair the security afforded by the Mortgage; provided, however, that the Indenture or any Supplemental Indenture relating to one or more series of Notes or a further supplemental indenture may be required to be filed or recorded

or re-recorded to constitute the lien of the Mortgage as a legally valid first mortgage having priority over the rights of bona fide purchasers for value without notice of the Mortgage of real property and interests therein (other than that acquired by accession) acquired by the Company subsequent to the recording of any such Supplemental Indenture.

(vii) The Notes are in due and proper form, have been duly and validly authorized for issuance, offer and sale pursuant to this Agreement and, when issued, authenticated and delivered pursuant to the provisions of this Agreement and the Mortgage, the Notes will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms (subject to the exceptions referred to in paragraph (vi) above) and will be entitled to the security and benefits provided by the Mortgage and secured equally and ratably with all other bonds issued or to be issued under the Mortgage;

(viii) The Notes and the Mortgage conform to the descriptions thereof contained in the Registration Statement and Prospectus and the statements in the Registration Statement and Prospectus, recited therein as having been prepared or reviewed by such counsel, are true and correct;

(ix) 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 Mortgage as owned by it, other than property heretofore released from the lien of the Mortgage, 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, in the opinion of such counsel, 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 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 Mortgage 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 Mortgage 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, with respect to private property on

which the electric transmission and distribution lines of the Company described or referred to in the Mortgage 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); and the Company has power of eminent domain (in some cases only after issuance of certificates of convenience and necessity from the Public Utility Commission of Oregon) to acquire rights-of-way over private property in the State of Oregon for electric transmission and distribution line purposes.

(x) The Indenture has been duly recorded (or filed for recordation) and filed as a mortgage on properties, real and other, described in the Indenture as subject to the lien of the Indenture in all counties or other recording districts in which any such properties are situated, or in such other places as is required by law to establish, preserve and protect the lien of the Indenture on all such properties; and all taxes, fees and other charges in connection with the recording of the Indenture have been duly paid;

(xi) This Agreement has been duly authorized, executed and delivered by the Company;

(xii) The Registration Statement has become effective under the 1933 Act, and no stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for that purpose are pending before or, to the best of the knowledge of such counsel, threatened by the Commission, and the Registration Statement and Prospectus, and any amendment or supplement thereto (except as to financial statements and other financial data contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act, the 1934 Act, the 1939 Act and the Rules and Regulations of the Commission under such Acts; and such counsel does not believe that, after reasonable investigation, at the date hereof or at any other date such opinion is delivered either the Registration Statement or the Prospectus, or any such amendment or supplement, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading;

(xiii) The descriptions in the Registration Statement and Prospectus of statutes, legal and governmental proceedings, and contracts and other documents are, to the best of the knowledge of such counsel, accurate and fairly present the information required to be shown therein, and such counsel does not know of any legal or governmental proceedings required to be described in the Prospectus which are not described as required or any contracts or documents of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not described or filed as required;

(xiv) The execution and delivery of, and compliance with, this Agreement and any of the other agreements contemplated hereby, the Notes and the Mortgage will not conflict with or constitute a breach of or default under the Articles of Incorporation or Bylaws of the Company, any indenture, mortgage, deed of trust or other agreement or instrument known to such counsel by which the Company is bound, or any applicable law, or to the best of such counsel's knowledge, information and belief, any administrative regulation or court decree; and

(xv) The Company is a "subsidiary company" of a "holding company" as such terms are described in the Public Utility Holding Company Act of 1935, as amended, ("PUHCA"), which holding company is exempt from application of all provisions of PUHCA except Section 9(a)(2) thereof relating to the acquisition of securities of other public utility companies as defined under PUHCA.

Appropriate revisions to such opinion may be made to the extent a Supplemental Indenture relating to the first series of Notes to be issued pursuant hereto has not been executed at the date hereof, provided, however, that the opinion with respect to such matters shall be delivered to the Agents prior to the issuance and sale of any Notes hereunder.

In rendering such opinion, counsel may rely (x) as to matters involving the laws of any jurisdiction other than the State of Oregon, upon the opinion or opinions of such local counsel as shall be acceptable to the Agents and such counsel for the Agents, (y) with respect to the opinions contemplated by clauses (i) and (ii) of paragraph (b) of this Section 5, upon advices from public officials as to the good standing of the Company and its subsidiaries and (z) as to matters of fact, to the extent deemed proper, on certificates of responsible officers of the Company and its subsidiaries.

In giving the opinions contemplated by clause (vi) above, counsel shall state what, if any, re-recording or refiling of the Mortgage is required, and what, if any, further supplemental indentures or other instruments are required to be executed, filed and/or recorded or notices given, in order to extend the lien of the Mortgage to after-acquired property.

(2) Opinion of Counsel to the Agents. The opinion of Morgan, Lewis & Bockius, counsel to the Agents, covering such matters as the Agents shall reasonably request.

(3) In giving their opinions required by subsection (a)(1) and (a)(2) of this Section, counsel to the Company and Morgan, Lewis & Bockius shall each additionally state that nothing has come to their attention that would lead them to believe that the Registration Statement, at the time it became effective, and if an amendment to the Registration Statement or an Annual Report on Form 10-K has been filed by the Company with the SEC subsequent to the effectiveness of the Registration Statement, then at the time such amendment became effective or at the time of the most recent such filing, and at the date hereof, and at such other date as such opinions are delivered, contains or contained an untrue statement of a material fact or omits or

omitted 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 or that the Prospectus, as amended or supplemented at the date hereof, and at such other date as such opinions are delivered, contains an untrue statement of a material fact 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; provided, however, that such counsel need express no belief with respect to financial statements or related data.

(b) Officer's Certificate. At the date hereof the Agents shall have received a certificate of the Chairman, the President, the Chief Financial Officer or the Treasurer of the Company, substantially in the form of Appendix I hereto and dated as of the date hereof, to the effect that (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus or since the date of any applicable Terms Agreement, there has not been any material adverse change in the condition, financial or otherwise or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (ii) the other representations and warranties of the Company contained in Section 2 hereof are true and correct with the same force and effect as though expressly made at and as of the date of such certificate, (iii) the Company has performed or complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date of such certificate, and (iv) that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated or threatened by the SEC.

(c) Comfort Letter. On the date hereof, the Agents shall have received a letter from Arthur Andersen LLP, dated as of the date hereof and in form and substance satisfactory to the Agents to the effect that:

(i) They are independent public accountants with respect to the Company and its subsidiaries within the meaning of the 1933 Act and the 1933 Act Regulations.

(ii) In their opinion, the consolidated financial statements and supporting schedule(s) of the Company and its subsidiaries examined by them and included or incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations with respect to registration statements on Form S-3 and the 1934 Act and the 1934 Act Regulations.

(iii) They have performed specified procedures, not constituting an audit, including a reading of the latest available interim financial statements of the Company and its indicated subsidiaries, a reading of the minute books of the Company and such subsidiaries since the end of the most recent fiscal year with respect to which an audit report has been issued, inquiries of and discussions with certain officials of the Company and such subsidiaries responsible for financial and accounting matters with respect to the unaudited consolidated financial statements included in the Registration Statement and

Prospectus and the latest available interim unaudited financial statements of the Company and its subsidiaries, and such other inquiries and procedures as may be specified in such letter, and on the basis of such inquiries and procedures nothing came to their attention that caused them to believe that: (A) the unaudited consolidated financial statements of the Company and its subsidiaries included in the Registration Statement and Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the 1934 Act and the 1934 Act Regulations or were not presented in conformity with generally accepted accounting principles in the United States applied on a basis substantially consistent with that of the audited financial statements included therein, or (B) at a specified date not more than five days prior to the date of such letter, there was any decrease in the common stock equity or any increase in consolidated long-term debt of the Company and its subsidiaries, in each case as compared with the amounts shown on the most recent consolidated balance sheet of the Company and its subsidiaries included in the Registration Statement and Prospectus or, during the period from the date of such balance sheet to a specified date not more than five days prior to the date of such letter, there were any decreases, as compared with the corresponding period in the preceding year, in operating revenues or net income of the Company and its subsidiaries, except in each such case as set forth in or contemplated by the Registration Statement and Prospectus or except for such exceptions enumerated in such letter as shall have been agreed to by the Agents and the Company.

(iv) In addition to the examination referred to in their report included or incorporated by reference in the Registration Statement and the Prospectus, and the limited procedures referred to in clause (iii) above, they have carried out certain other specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information which are included or incorporated by reference in the Registration Statement and Prospectus and which are specified by the Agents, and have found such amounts, percentages and financial information to be in agreement with the relevant accounting, financial and other records of the Company and its subsidiaries identified in such letter.

(d) Other Documents. On the date hereof and on each Settlement Date with respect to any applicable Terms Agreement, counsel to the Agents shall have been furnished with such documents and opinions as such counsel may reasonably require for the purpose of enabling such counsel to pass upon the issuance and sale of Notes as herein contemplated and related proceedings, or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of Notes as herein contemplated shall be satisfactory in form and substance to the Agents and to counsel to the Agents.

If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement (or, at the option of the Agents, any applicable Terms Agreement) may be terminated by the Agents by notice to the Company at any time and any such termination shall be without liability of any party to any other party, except that the

covenant regarding provision of an earnings statement set forth in Section 4(f) hereof, the provisions concerning payment of expenses under Section 10 hereof, the indemnity and contribution agreements set forth in Sections 8 and 9 hereof, the provisions concerning the representations, warranties and agreements to survive delivery of Section 11 hereof and the provisions of Section 15 hereof shall remain in effect.

SECTION 6. Delivery of and Payment for Notes Sold through the Agents.

Delivery of Notes sold through the Agents as agents shall be made by the Company to the Agents for the account of any purchaser only against payment therefor in immediately available funds. In the event that a purchaser shall fail either to accept delivery of or to make payment for a Note on the date fixed for settlement, the Agents shall promptly notify the Company and deliver the Note to the Company, and, if the Agents have theretofore paid the Company for such Note, the Company will promptly return such funds to the Agents. If such failure occurred for any reason other than default by the Agents in the performance of their obligations hereunder, the Company will reimburse the Agents on an equitable basis for their loss of the use of the funds for the period such funds were credited to the Company's account.

SECTION 7. Additional Covenants of the Company.

The Company covenants and agrees with the Agents that:

(a) Reaffirmation of Representations and Warranties. Each acceptance by it of an offer for the purchase of Notes, and each delivery of Notes to the Agents pursuant to a Terms Agreement, shall be deemed to be an affirmation that the representations and warranties of the Company contained in this Agreement and in any certificate theretofore delivered to the Agents pursuant hereto are true and correct at the time of such acceptance or sale, as the case may be, and an undertaking that such representations and warranties will be true and correct at the time of delivery to the purchaser or his agents, or to the Agents, of the Notes or Notes relating to such acceptance or sale, as the case may be, as though made at and as of each such time (and it is understood that such representations and warranties shall relate to the Registration Statement and Prospectus as amended and supplemented to each such time).

(b) Subsequent Delivery of Certificates. Each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for a change in the interest rates of Notes or similar changes, and, unless the Agents shall otherwise specify, other than by an amendment or supplement which relates exclusively to an offering of debt securities other than the Notes) or there is filed with the SEC any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K relating exclusively to the issuance of debt securities under the Registration Statement, unless the Agents shall otherwise specify) or (if required pursuant to the terms of a Terms Agreement) the Company sells Notes to the Agents pursuant to a Terms Agreement, the Company shall furnish or cause to be furnished to the Agents forthwith a certificate dated the

date of filing with the SEC of such supplement or document, the date of effectiveness of such amendment or the date of such sale, as the case may be, in form satisfactory to the Agents to the effect that the statements contained in the certificate referred to in Section 5(b) hereof which were last furnished to the Agents are true and correct at the time of such amendment, supplement, filing or sale, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 5(b), modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate.

(c) Subsequent Delivery of Legal Opinions. Each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for a change in the interest rates of the Notes or similar changes or solely for the inclusion of additional financial information, and, unless the Agents shall otherwise specify, other than by an amendment or supplement which relates exclusively to an offering of debt securities other than the Notes) or there is filed with the SEC any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K or Quarterly Report on Form 10-Q, unless the Agents shall otherwise specify) or (if required pursuant to the terms of a Terms Agreement) the Company sells Notes to the Agents pursuant to a Terms Agreement, the Company shall furnish or cause to be furnished forthwith to the Agents and to counsel to the Agents a written opinion of counsel to the Company, or other counsel satisfactory to the Agents, dated the date of filing with the SEC of such supplement or document, the date of effectiveness of such amendment or the date of such sale, as the case may be, in form and substance satisfactory to the Agents, of the same tenor as the opinion referred to in Section 5(a) hereof, but modified, as necessary, to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinion; or, in lieu of such opinion, counsel last furnishing the opinion to the Agents shall furnish the Agents with a letter substantially in the form of Appendix II hereto to the effect that the Agents may rely on such last opinion to the same extent as though it was dated the date of such letter authorizing reliance (except that statements in such last opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such letter authorizing reliance).

(d) Subsequent Delivery of Comfort Letters. Each time that the Registration Statement or the Prospectus shall be amended or supplemented to include additional financial information or there is filed with the SEC any document incorporated by reference into the Prospectus which contains additional financial information or (if required pursuant to the terms of a Terms Agreement), the Company sells Notes to the Agents pursuant to a Terms Agreement, the Company shall cause Arthur Andersen LLP forthwith to furnish the Agents a letter, dated the date of effectiveness of such amendment, supplement or document with the SEC, or the date of such sale, as the case may be, in form satisfactory to the Agents, of the same tenor as the portions of the letter referred to in clauses (i) and (ii) of Section 5(c) hereof but modified to relate to the Registration Statement and Prospectus, as amended and supplemented to the date of

such letter, and of the same general tenor as the portions of the letter referred to in clauses (iii) and (iv) of said Section 5(c) with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Company; provided, however, that if the Registration Statement or the Prospectus is amended or supplemented to include financial information as of and for a fiscal quarter (i) Arthur Andersen LLP may limit the scope of such letter to the unaudited financial statements included in such amendment or supplement unless any other information included therein of an accounting, financial or statistical nature is of such a nature that, in the reasonable judgment of the Agents, such letter should cover such other information and (ii) such letter may, unless otherwise requested by the Agents, be delivered no later than the time the Agents first offer Notes subsequent to the date of such amendment or supplement.

(e) Extension of Agreement to Additional Authorized Notes. In the event that, pursuant to the last sentence of the first paragraph of this Agreement, the Company shall have authorized the issuance of additional Notes for sale through or to the Agents hereunder, the Company agrees to provide to the Agents the documents required by Sections 7(b), (c) and (d) hereof in connection with the authorization of such additional Notes for sale through or to the Agents.

SECTION 8. Indemnification.

(a) Indemnification of the Agents. The Company agrees to indemnify and hold harmless the Agents and each person, if any, who controls the Agents within the meaning of Section 15 of the 1933 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 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 the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such untrue statement or omission or such alleged untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the Agents expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus or arises out of or is based upon, statements in or omissions from that part of the Registration Statement that constitutes the Statement of Eligibility on Form T-1 under the Trust Indenture Act of the Trustee;

(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 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, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Agents), reasonably incurred in investigating, preparing or defending against any litigation, or 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;

(b) Indemnification of Company. The Agents agree to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, 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 the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Agents expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto).

(c) General. Each indemnified party shall give prompt notice 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 which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel (in addition to any local 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.

SECTION 9. Contribution.

In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 8 hereof is for any reason held to be unenforceable by the Agents or other indemnified party although applicable in accordance with its terms, the Company and the Agents shall contribute to the aggregate losses, liabilities, claims, damages and expenses, as incurred, of the nature contemplated by said indemnity agreement incurred by the Company and the Agents, as incurred, in such proportions that the Agents are responsible for that portion represented by the percentage that the total commissions and underwriting discounts received by the Agents to the date of such liability bears to the total sales price received by the Company from the sale of Notes sold to or through the Agents to the date of such liability, and the Company is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be

entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls the Agents within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Agents, 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 1933 Act shall have the same rights to contribution as the Company.

SECTION 10. Payment of Expenses.

The Company will pay all expenses incident to the performance of its obligations under this Agreement, including:

- (i) The preparation and filing of the Registration Statement and all amendments thereto and the Prospectus and any amendments or supplements thereto;
- (ii) The preparation, filing and reproduction of this Agreement;
- (iii) The preparation, printing, issuance and delivery of the Notes, including any fees and expenses relating to the use of book-entry notes;
- (iv) The fees and disbursements of the Company's accountants and counsel, and of the Trustee and its counsel;
- (v) The reasonable fees and disbursements of counsel to the Agents incurred from time to time in connection with the transactions contemplated hereby;
- (vi) The qualification of the Notes under state securities laws in accordance with the provisions of Section 4(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Agents in connection therewith and in connection with the preparation of any Blue Sky Survey and any Legal Investment Survey;
- (vii) The printing and delivery to the Agents in quantities as hereinabove stated of copies of the Registration Statement and any amendments thereto, and of the Prospectus and any amendments or supplements thereto, and the delivery by the Agents of the Prospectus and any amendments or supplements thereto in connection with solicitations or confirmations of sales of the Notes;
- (viii) The preparation, printing and delivery to the Agents of copies of the Indenture and all supplements and amendments thereto;
- (ix) Any fees charged by rating agencies for the rating of the Notes;

(x) The fees and expenses incurred in connection with the listing of the Notes on any securities exchange;

(xi) The fees and expenses, if any, incurred with respect to any filing with the National Association of Securities Dealers, Inc.; and

(xii) Any advertising and other out-of-pocket expenses of the Agents incurred with the approval of the Company.

SECTION 11. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant hereto or thereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Agents or any controlling person of the Agents, or by or on behalf of the Company, and shall survive each delivery of and payment for any of the Notes.

SECTION 12. Termination.

(a) Termination of this Agreement. This Agreement will continue in effect until terminated as provided in this Section 12(a). This Agreement (excluding any Terms Agreement) may be terminated by either the Company as to any of you or by any of you insofar as this Agreement relates to such of you by giving written notice of such termination to such of you or the Company, as the case may be. This Agreement shall so terminate at the close of business on the first business day following the receipt of such notice by the party to whom such notice is given.

(b) Termination of a Terms Agreement. The Agents may terminate any Terms Agreement, immediately upon notice to the Company, at any time prior to the Settlement Date relating thereto (i) if there has been, since the date of such Terms Agreement or since the respective dates as of which information is given in the Registration Statement, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there shall have occurred any material adverse change in the financial markets in the United States or any outbreak or escalation of hostilities or other national or international calamity or crisis the effect of which is such as to make it, in the judgment of the Agents, impracticable to market the Notes or enforce contracts for the sale of the Notes, or (iii) if trading in any securities of the Company has been suspended by the SEC or a national securities exchange, or if trading generally on the New York Stock Exchange shall have been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the SEC or any other governmental authority, or if a banking moratorium shall have been declared by either Federal or New York authorities or if a banking

moratorium shall have been declared by the relevant authorities in the country or countries of origin of any foreign currency or currencies in which the Notes are denominated or payable, or (iv) if the rating assigned by any nationally recognized securities rating agency to any debt securities of the Company as of the date of any applicable Terms Agreement shall have been lowered since that date or if any such rating agency shall have publicly announced that it has placed any debt securities of the Company on what is commonly termed a "watch list" for possible downgrading, or (v) if there shall have come to the Agents' attention any facts that would cause the Agents to believe that the Prospectus, at the time it was required to be delivered to a purchaser of Notes, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time of such delivery, not misleading.

(c) General. In the event of any such termination, neither party will have any liability to the other party hereto, except that (i) the Agents shall be entitled to any fees earned in accordance with the third paragraph of Section 3(a) hereof, (ii) if at the time of termination (a) the Agents shall own any Notes purchased pursuant to a Terms Agreement with the intention of reselling them or (b) an offer to purchase any of the Notes has been accepted by the Company but the time of delivery to the purchaser or his agents of the Note or Notes relating thereto has not occurred, the covenants set forth in Sections 4 and 7 hereof shall remain in effect until such Notes are so resold or delivered, as the case may be, and (iii) the covenant set forth in Section 4(f) hereof, the indemnity and contribution agreements set forth in Sections 8 and 9 hereof, and the provisions of Sections 11 and 15 hereof shall remain in effect.

SECTION 13. Notices.

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when received at the address specified below.

If to the Company:

Portland General Electric Company
121 S.W. Salmon Street
Portland, Oregon 97204
Attention: Chief Financial Officer

If to the Agents:

[Name and Address of Agents]

or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 13.

SECTION 14. Governing Law.

This Agreement and all the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State. Any suit, action or proceeding brought by the Company against the Agents in connection with or arising under this Agreement shall be brought solely in the state or federal court of appropriate jurisdiction located in the Borough of Manhattan, The City of New York.

SECTION 15. Parties.

This Agreement shall inure to the benefit of and be binding upon the Agents and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 8 and 9 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof and thereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Notes shall be deemed to be a successor by reason merely of such purchase.

SECTION 16. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

If the foregoing is in accordance with the Agents' understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

Portland General Electric Company

By _____
Name:
Title:

Accepted:

[Name of Agents]

By: _____
Name:
Title:

[name of person
to act as agent]

Re: \$____,000,000 Medium Term Notes
Pricing Supplement: _____
Settlement Date: _____

Dear Sirs:

Reference is made to the Distribution Agreement, dated as of _____, 199_ (the "Distribution Agreement") among Portland General Electric Company (the "Company") and the Agents named therein, pertaining to up to \$____,000,000 aggregate principal amount of Medium Term Notes (the "Notes") to be offered from time to time by the Company. The provisions of such Distribution Agreement (a copy of which has been provided to you) are hereby incorporated by reference and each of the representations and warranties set forth therein shall be deemed to have been made by the Company to you on the date hereof. Subject to the terms set forth in the Distribution Agreement, the Company hereby appoints you as an Agent (as such term is defined in the Distribution Agreement) of the Company for the purpose of soliciting one offer to purchase Notes from the Company containing the terms as set forth in the above-referenced Pricing Supplement. This appointment is effective as to and extends only to the one transaction which you are presenting to the Company (the terms of which are set forth in the attached Terms Agreement) and the Distribution Agreement shall automatically be terminated as to you upon the earlier to occur of (i) payment made in full to the Company for the Notes sold pursuant to the offer presented or (ii) the Company or you determine not to proceed with the transaction. Upon such termination of the Distribution Agreement as to you, neither you nor the Company shall have any liability to the other except, in the case of a termination pursuant to clause (i) above, as provided in those sections of the Distribution Agreement referenced in the second paragraph of Section 5(d) thereof. You agree to be bound by, and comply with, all of the provisions of the Distribution Agreement applicable to the Agents thereunder.

As a condition precedent to your obligation to consummate the transaction referred to above, you shall have received the following (i) an opinion of counsel pursuant to Section 5(a)(1) of the Distribution Agreement, (ii) an officer's certificate pursuant to Section 5(b) of the Distribution Agreement and (iii) a copy of a letter from Arthur Andersen LLP pursuant to Section 5(c) of the Distribution Agreement.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York.

If the foregoing is in accordance with your understanding, please sign and return to us two counterparts hereof, whereupon this letter agreement shall constitute a binding agreement between the Company and you in accordance with its terms.

Portland General Electric Company

By: _____
Name:
Title:

Accepted and Agreed to:

[name of person
to act as agent]

By: _____
Name:
Title:

The following terms, if applicable, shall be agreed to by the Agents and the Company pursuant to each Terms Agreement:

Principal Amount: \$ _____
(or principal amount of foreign currency)
Interest Rate:

If Fixed Rate Note:

If Redeemable:
Initial Redemption Date:
Initial Redemption Percentage:
Annual Redemption Percentage Reduction:

Date of Maturity:
Purchase Price: ____%
Settlement Date and Time:
Seller or Dealer Group
and reallowance:
Additional Terms:

Also, agreement as to whether the following will be required:

Officer's Certificate pursuant to Section 7(b) of the Distribution Agreement.
Legal Opinion pursuant to Section 7(c) of the Distribution Agreement.
Comfort Letter pursuant to Section 7(d) of the Distribution Agreement.
Stand-off Agreement pursuant to Section 4(i) of the Distribution Agreement.

FORM OF OFFICER'S CERTIFICATE

Portland General Electric Company

I, _____, _____ of Portland General Electric Company, an Oregon corporation (the "Company"), pursuant to Section 5(b) of the Distribution Agreement dated _____, 199_ (the "Distribution Agreement") between the Company and _____ hereby certify that, to the best of my knowledge, after reasonable investigation:

1. Since _____, 19__ , there has been no material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business other than as contemplated or set forth in the prospectus (the "Prospectus") contained in the registration statement (File No. 33-[____]) relating to the Company's Medium-Term Notes (the "Registration Statement");

2. The representations and warranties of the Company contained in Section 2 of the Distribution Agreement are true and correct with the same force and effect as though expressly made at and as of the date hereof;

3. The Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date hereof; and

4. No stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been initiated or threatened by the Securities and Exchange Commission.

IN WITNESS WHEREOF I have hereunto signed my name and affixed
the seal of the Company.

Dated: _____, 199_

By: _____
Title:

[SEAL]

_____, 19__

Re: Portland General Electric Company Medium-Term Notes

Dear Sirs:

I have delivered an opinion to you dated _____, 19__ as counsel to Portland General Electric Company (the "Company"), pursuant to Section 5(a) of the Distribution Agreement, dated as of _____, 199_ between the Company and you, as Agents. You may continue to rely upon such opinion as if it were dated as of this date except that all statements and opinions contained therein shall be deemed to relate to the Registration Statement and Prospectus as amended and supplemented to this date.

This letter is delivered to you pursuant to Section 7(c) of the Distribution Agreement.

Very truly yours,

PORTLAND GENERAL ELECTRIC COMPANY

AND

THE BANK OF NEW YORK,

AS TRUSTEE

INDENTURE

Dated as of September 1, 1995

Junior Subordinated Debentures

CROSS-REFERENCE TABLE

Section of Trust Indenture Act of 1939, as amended -----	Section of Indenture -----
310(a)	7.09
310(b)	7.08
	7.10
310(c)	Inapplicable
311(a)	7.13
311(b)	7.13
311(c)	Inapplicable
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ACKNOWLEDGMENTS

THIS INDENTURE, dated as of the 1st day of _____, 1995, between PORTLAND GENERAL ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of Oregon (hereinafter sometimes referred to as the "Company"), and THE BANK OF NEW YORK, a New York banking corporation organized and existing under the laws of the State of New York, as trustee (hereinafter sometimes referred to as the "Trustee"):

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the execution and delivery of this indenture to provide for the issuance of Debentures (as hereinafter defined), in an unlimited aggregate principal amount, from time to time in one or more series and to provide the terms and conditions upon which the Debentures are to be authenticated, issued and delivered; and

WHEREAS, the Debentures and the Certificate of Authentication (as hereinafter defined) to be borne by the Debentures are to be substantially in such forms as may be approved by the Board of Directors (as hereinafter defined) or set forth in any indenture supplemental to this Indenture; and

WHEREAS, all acts and things necessary to make the Debentures issued pursuant hereto, when executed by the Company and authenticated and delivered by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed or will be done and performed prior to the issuance of the Debentures, and the execution of this Indenture and the issuance hereunder of the Debentures have been or will be prior to issuance in all respects duly authorized, and the Company, in the exercise of the legal right and power in it vested, executes this Indenture and proposes to make, execute, issue and deliver the Debentures;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Debentures are and are to be authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Debentures by the holders thereof and of the sum of one dollar (\$1.00) to it duly paid by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee, for the equal and proportionate benefit (subject to the provisions of this Indenture) of the respective holders from time to time of the Debentures, without any discrimination, preference or priority of any one Debenture over any other by reason of priority in the time of issue, sale or negotiation thereof, or otherwise, except as provided herein, as follows:

ARTICLE ONE
Definitions

SECTION 1.01. The terms defined in this Section (except as in this Indenture otherwise expressly provided or unless the context

otherwise requires) for all purposes of this Indenture, any resolution of the Board of Directors of the Company and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture which are defined in the Trust Indenture Act, or which are by reference in the Trust Indenture Act defined in the Securities Act of 1933, as amended (the "Securities Act"), (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in the Trust Indenture Act and in the Securities Act as in force at the date of the execution of this instrument.

"Applicant" has the meaning set forth in Section 5.02(c).

"Authenticating Agent" means an authenticating agent with respect to all or any of the series of Debentures, as the case may be, appointed with respect to all or any series of the Debentures, as the case may be, by the Trustee pursuant to Section 2.10.

"Board of Directors" means the Board of Directors of the Company, or any committee of such 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.

"Business Day", with respect to any series of Debentures means any day other than a day on which banking institutions in the Borough of Manhattan, the City and State of New York, are authorized to close.

"Certificate" means a certificate signed by the principal executive officer, principal financial officer, or principal accounting officer of the Company. The Certificate need not comply with the provisions of Section 13.05(b).

"Commission" means the Securities and Exchange Commission.

"Company" means Portland General Electric Company, a corporation duly organized and existing under the laws of the State of Oregon, and, subject to the provisions of Article Ten, also includes its successors and assigns.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company (i) by its Chairman, its Chief Executive Officer, its President, its Chief Financial Officer, a Vice President, its Treasurer, or an Assistant Treasurer, and (ii) its Secretary or an Assistant Secretary and delivered to the Trustee; provided however, that such written request or order may be signed by any two of the officers listed in clause (i) above in lieu of being signed by one of such officers listed in such clause (i) and one of the officers listed in clause (ii) above.

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of the execution of this Indenture is located at 101 Barclay Street, New York NY 10286. Attention: Corporate Trust Trustee Administration.

"Debenture" or "Debentures" means any Debenture or Debentures, as the case may be, authenticated and delivered under this Indenture.

"Debentureholder", "holder of Debentures", "registered holder" or other similar term means the person or persons in whose name or names a particular Debenture shall be registered on the books of the Company kept for that purpose in accordance with the terms of this Indenture.

"Debenture Register" has the meaning set forth in Section 2.05(b).

"Debenture Registrar" has the meaning set forth in Section 2.05(b).

"Default" means any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulted Interest" has the meaning set forth in Section 2.03.

"Depository" means, with respect to Debentures of any series for which the Company shall determine that such Debentures will be issued as a Global Debenture, The Depository Trust Company, New York, New York, another clearing agency or any successor registered as a clearing agency under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") or other applicable statute or regulation, which, in each case, shall be designated by the Company pursuant to either Section 2.01 or 2.11.

"Event of Default" means, with respect to Debentures of a particular series, any event specified in Section 6.01, continued for the period of time, if any, therein designated.

"Global Debenture" means, with respect to any series of Debentures, a Debenture executed by the Company and delivered by the Trustee to the Depository or pursuant to the Depository's instruction, all in accordance with the Indenture, which shall be registered in the name of the Depository or its nominee.

"Governmental Obligations" means securities that 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 (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such Governmental Obligation or a specific payment of principal of or interest on any such Governmental Obligation

held by such custodian for the account of the holder of such 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 specific payment of principal of or interest on the Governmental Obligation evidenced by such depository receipt.

"Indenture" means this instrument as originally executed, or, if amended or supplemented as herein provided, as so amended or supplemented.

"Interest Payment Date", when used with respect to any installment of interest on a Debenture of a particular series, means the date specified in such Debenture, a Board Resolution or an indenture supplemental hereto with respect to that series as the fixed date on which an installment of interest with respect to Debentures of that series is due and payable.

"Officers' Certificate" means a certificate signed by (i) the Chairman, the Chief Executive Officer, the President, the Chief Financial Officer, a Vice President, the Treasurer or the Assistant Treasurer of the Company and (ii) the Secretary or an Assistant Secretary of the Company and delivered to the Trustee; provided, however, that such certificate may be signed by two of the officers listed in clause (i) above in lieu of being signed by one of such officers listed in such clause (i) and one of the officers listed in clause (ii) above.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be counsel for the Company, reasonably acceptable to the Trustee. Each such opinion shall include the statements provided for in Section 13.05, if and to the extent required by the provisions thereof.

"Outstanding", when used with reference to Debentures of any series, means, subject to the provisions of Section 8.04, as of any particular time, all Debentures of that series theretofore authenticated and delivered by the Trustee under this Indenture, except (a) Debentures theretofore canceled by the Trustee or any paying agent, or delivered to the Trustee or any paying agent for cancellation or which have previously been canceled; (b) Debentures or portions thereof for the payment or redemption of which moneys or Governmental Obligations in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent); provided, however, that if such Debentures or portions of such Debentures are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three provided, or provision satisfactory to the Trustee shall have been made for giving such notice; (c) Debentures in lieu of or in substitution for which other Debentures shall have been authenticated and delivered pursuant to the terms of Section 2.07; and (d) Debentures paid pursuant to Section 2.07.

"Predecessor Debenture" of any particular Debenture means every previous Debenture evidencing all or a portion of the same debt as that evidenced by that particular Debenture; and, for the purposes of this definition, any Debenture authenticated and delivered under Section 2.07 in lieu of a lost, destroyed or stolen Debenture shall be deemed to evidence the same debt as the lost, destroyed or stolen Debenture.

"Regular Record Date" has the meaning set forth in Section 2.03.

"Responsible Officer", when used with respect to the Trustee, means the chairman of the board of directors, president, any vice president, secretary, treasurer, any trust officer, any corporate trust officer or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Senior Indebtedness" of the Company means the principal of, and premium, if any, and interest on and any other payment or obligations due pursuant to any of the following, whether outstanding at the date of execution of this Indenture or thereafter incurred, created or assumed: (a) all indebtedness of the Company for money borrowed, (b) all indebtedness evidenced by notes, debentures, bonds, securities or other similar instruments issued by the Company, (c) all capital lease obligations of the Company, (d) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sales obligations of the Company and all obligations of the Company under any title retention agreement (excluding trade accounts payable arising in the ordinary course of business), (e) obligations of the Company for the reimbursement of any obligor on any letter of credit, banker's acceptance, security purchase facility, surety bond or similar credit transaction entered into in the ordinary course of business of the Company, (f) all indebtedness and obligations of others of the kinds described in clauses (a) through (e) assumed by or guaranteed in any manner by the Company or in effect guaranteed by the Company through an agreement to purchase, contingent or otherwise, and (g) all renewals, extensions or refundings of indebtedness of the kinds described in clauses (a) through (f) unless, in the case of any particular indebtedness, obligation, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, obligation, renewal, extension or refunding is not superior in right of payment to or is pari passu with the Debentures. Such Senior Indebtedness shall continue to be Senior Indebtedness and entitled to the benefits of the subordination provisions set forth in Article Fourteen of this Indenture irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness.

"Trustee" means The Bank of New York and, subject to the provisions of Article Seven, shall also include its successors and assigns,

and if at any time there is more than one person acting in such capacity hereunder, "Trustee" means each such person. The term "Trustee" as used with respect to a particular series of the Debentures means the trustee with respect to that series.

"Trust Indenture Act," subject to the provisions of Sections 9.01, 9.02 and 10.01, means the Trust Indenture Act of 1939, as amended and in effect at the date of execution of this Indenture.

"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".

ARTICLE TWO
Issue, Description, Terms, Execution,
Registration and Exchange of Debentures

SECTION 2.01. The aggregate principal amount of Debentures which may be authenticated and delivered under this Indenture is unlimited.

The Debentures may be issued in one or more series pursuant to one or more indentures supplemental hereto. Prior to the initial issuance of Debentures of any series, there shall be established in or pursuant to a Board Resolution delivered to the Trustee, or by any officer of the Company designated in a Board Resolution delivered to the Trustee, and set forth in an Officers' Certificate delivered to the Trustee, or established in one or more indentures supplemental hereto from time to time authorized by or pursuant to a Board Resolution delivered to the Trustee:

- (1) the title of the Debentures of the series (which shall distinguish the Debentures of that series from all other Debentures);
- (2) the aggregate principal amount of the Debentures of that series which may be authenticated and delivered under this Indenture (except for Debentures authenticated and delivered upon registration of transfer of, in exchange for or in lieu of other Debentures of that series);
- (3) the date or dates on which the principal of the Debentures of that series is payable;
- (4) the rate or rates at which the Debentures of that series shall bear interest or the manner of calculation of such rate or rates, if any;
- (5) the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest will be payable or the manner of determination of such Interest Payment Dates and the record date for the determination of holders to whom interest is payable on any such Interest Payment Dates;

(6) the right, if any, to extend the interest payment periods and the duration of such extension;

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

(8) The obligation, if any, of the Company to redeem or purchase Debentures of that series pursuant to any sinking fund or analogous provisions (including payments made in cash in anticipation of future sinking fund obligations) 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, Debentures of that series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) the form of the Debentures of that series, including the form of the Certificate of Authentication for that series;

(10) if denominations of other than \$25 or any integral multiple thereof, the denominations in which Debentures of that series shall be issuable;

(11) any and all other terms with respect to that series (which terms shall not be inconsistent with the terms of this Indenture); and

(12) whether the Debentures are issuable as a Global Debenture and, in such case, the identity of the Depository for that series.

All Debentures of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to any such Board Resolution or in any indentures supplemental hereto.

If any of the terms of a 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 that series.

SECTION 2.02. The Debentures of any series and the Certificate of Authentication to be borne by such Debentures shall be substantially of the tenor and purport as set forth in one or more indentures supplemental hereto or as provided in a Board Resolution and as set forth in an Officers' Certificate, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation

made pursuant thereto or with any rule or regulation of any stock exchange on which Debentures of that series may be listed, or to conform to usage.

SECTION 2.03. The Debentures of a particular series shall bear interest payable on the dates and at the rate or rates specified with respect to that series. The principal of and the interest on the Debentures of any series, as well as any premium thereon in case of redemption thereof prior to maturity, shall be payable in the coin or currency of the United States of America which at the time is legal tender for public and private debt, at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City and State of New York (which, unless changed, shall be a corporate trust office or agency of the Trustee). At the Company's option, payments on the Debentures of any series may also be made (i) by checks mailed by the Trustee to the holders entitled thereto at their registered addresses or (ii) to a holder of \$ 1,000,000 or more in aggregate principal amount of the Debentures who has delivered a written request to the Trustee at least 14 days prior to the relevant Interest Payment Date electing to have payments made by wire transfer to a designated account in the United States, by wire transfer of immediately available funds to such designated account; provided that, in either case, the payment of principal with respect to any Debenture will be made only upon surrender of that Debenture to the Trustee. Each Debenture shall be dated the date of its authentication. Interest on the Debentures shall be computed on the basis of a 360-day year composed of twelve 30-day months and, for any period shorter than a full calendar month, on the basis of the actual number of days elapsed in such period.

The interest installment on any Debenture which is payable, and is punctually paid or duly provided for, on any Interest Payment Date for Debentures of that series shall be paid to the person in whose name that Debenture (or one or more Predecessor Debentures) is registered at the close of business on the Regular Record Date (as defined below) for such interest installment. In the event that any Debenture of a particular series or portion thereof is called for redemption and the redemption date is subsequent to a Regular Record Date with respect to any Interest Payment Date and prior to such Interest Payment Date, interest on that Debenture will be paid upon presentation and surrender of that Debenture as provided in Section 3.03.

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

- (1) The Company may make payment of any Defaulted Interest on Debentures to the persons in whose names such

Debentures (or their respective Predecessor Debentures) are registered at the close of business on a special record date for the payment of such Default 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 such Debenture 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 not be more than 15 nor 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 Debentureholder at his or her address as it appears in the Debenture Register (as hereinafter defined), 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 mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names such Debentures (or their respective Predecessor Debentures) are registered on such special record date and shall be no longer payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest on any Debentures in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Debentures 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 set forth in a Board Resolution or one or more indentures supplemental hereto establishing the terms of any series of Debentures pursuant to Section 2.01 hereof, the term "Regular Record Date" as used in this Section with respect to a series of Debentures with respect to any Interest Payment Date for that series shall mean either the 15th day of the month immediately preceding the month in which an Interest Payment Date established for that series pursuant to Section 2.01 hereof shall occur, if such Interest Payment Date is the first day of a month, or the last day of the month immediately preceding the month in which an Interest Payment Date established for such series pursuant to Section 2.01 hereof shall occur, if such Interest Payment Date is

the 15th day of a month, whether or not such date is a Business Day.

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

SECTION 2.04. The Debentures shall, subject to the provisions of Section 2.06, be printed with or without fully or partially steel engraved borders, or legibly typed, or otherwise prepared as the proper officers of the Company may determine, and shall be signed on behalf of the Company by its Chief Executive Officer, President or one of its Vice Presidents, under its corporate seal attested by its Secretary or one of its Assistant Secretaries. The signature of the Chief Executive Officer, President or a Vice President and/or the signature of the Secretary or an Assistant Secretary in attestation of the corporate seal, upon the Debentures, may be in the form of a facsimile signature of a present or any future Chief Executive Officer, President or Vice President and of a present or any future Secretary or Assistant Secretary and may be imprinted or otherwise reproduced on the Debentures and for that purpose the Company may use the facsimile signature of any person who shall have been such an officer, notwithstanding the fact that at the time the Debentures shall be authenticated and delivered or disposed of that person shall have ceased to hold such office. The seal of the Company may be in the form of a facsimile or the seal of the Company and may be impressed, affixed, imprinted or otherwise reproduced on the Debentures.

Only such Debentures as shall bear thereon a Certificate of Authentication substantially in the form established for such Debentures, executed manually by an authorized signatory of the Trustee, or by any Authenticating Agent with respect to such Debentures, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate executed by the Trustee, or by any Authenticating Agent appointed by the Trustee with respect to such Debentures, upon any Debenture executed by the Company shall be conclusive evidence that the Debenture so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

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

In authenticating such Debentures and accepting the additional responsibilities under this Indenture in relation to such

Debentures, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon, (i) an Opinion of Counsel and (ii) an Officers' Certificate, each stating that the form and terms thereof have been established in conformity with the provisions of this Indenture. Each Opinion of Counsel and Officers' Certificate delivered pursuant to this Section 2.04 shall include all statements prescribed by Section 13.05(a) and Section 13.05(b) hereof.

The Trustee shall not be required to authenticate such Debentures if the issue of such Debentures pursuant to this Indenture will, in the good faith judgment of the Trustee, affect the Trustee's own rights, duties or immunities under the Debentures and this Indenture or otherwise in a manner that is not reasonably acceptable to the Trustee.

SECTION 2.05. (a) Debentures of any series may be exchanged upon presentation thereof at the office or agency of the Company designated for such purpose in the Borough of Manhattan, the City and State of New York, for other Debentures of such series of authorized denominations, and for a like aggregate principal amount, upon payment of a sum sufficient to cover any tax or other governmental charge in relation thereto, all as provided in this Section. In respect of any Debentures so surrendered for exchange, the Company shall execute, the Trustee shall authenticate and such office or agency shall deliver in exchange therefor the Debenture or Debentures of the same series which the Debentureholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

(b) The Company shall keep, or cause to be kept, at its office or agency designated for such purpose in the Borough of Manhattan, the City and State of New York, or such other location designated by the Company, a register or registers (herein referred to as the "Debenture Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall register the Debentures and the transfers of Debentures as in this Article provided and which at all reasonable times shall be open for inspection by the Trustee. The registrar for the purpose of registering Debentures and transfer of Debentures as herein provided (the "Debenture Registrar") shall be the Trustee until a replacement is appointed as authorized by Board Resolution.

Upon surrender for transfer of any Debenture at the office or agency of the Company designated for such purpose in the Borough of Manhattan, the City and State of New York, the Company shall execute, the Trustee shall authenticate and such office or agency shall deliver in the name of the transferee or transferees a new Debenture or Debentures of the same series as the Debenture presented for a like aggregate principal amount.

All Debentures presented or surrendered for exchange or registration of transfer, as provided in this Section, shall be accompanied (if so required by the Company or the Debenture Registrar) by a written instrument or instruments of transfer, in

form satisfactory to the Company and the Debenture Registrar, duly executed by the registered holder or by his duly authorized attorney in writing.

(c) Except as provided in the first paragraph of Section 2.07, no service charge shall be made for any exchange or registration of transfer of Debentures, or issue of new Debentures in case of partial redemption of any series, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge in relation thereto, other than exchanges pursuant to Section 2.06, Section 3.03 and Section 9.04 not involving any transfer.

(d) The Company shall neither be required (i) to issue, exchange or register the transfer of any Debentures of any series during a period beginning at the opening of business 15 days before the day of selection for redemption of Debentures of that series and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of Debentures of that series to be redeemed, nor (ii) to register the transfer of or exchange any Debentures of any series or portions thereof called for redemption. The provisions of this Section 2.05 are, with respect to any Global Debenture, subject to Section 2.11 hereof.

SECTION 2.06. Pending the preparation of definitive Debentures of any series, the Company may execute, and the Trustee shall authenticate and deliver, temporary Debentures (printed, lithographed or typewritten) of any authorized denomination, and substantially in the form of the definitive Debentures in lieu of which they are issued, but with such omissions, insertions and variations as may be appropriate for temporary Debentures, all as may be determined by the Company. Every temporary Debenture of any series shall be executed by the Company and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Debentures of that series in accordance with the terms of Section 2.04 hereof. Without unnecessary delay the Company will execute and will furnish definitive Debentures of such series and thereupon any or all temporary Debentures of that series may be surrendered in exchange therefor (without charge to the holders), at the office or agency of the Company designated for the purpose in the Borough of Manhattan, the City and State of New York, and the Trustee shall authenticate and such office or agency shall deliver in exchange for such temporary Debentures an equal aggregate principal amount of definitive Debentures of that series, unless the Company advises the Trustee to the effect that definitive Debentures need not be executed and furnished until further notice from the Company. Until so exchanged, the temporary Debentures of that series shall be entitled to the same benefits under this Indenture as definitive Debentures of that series authenticated and delivered hereunder.

SECTION 2.07. In case any temporary or definitive Debenture shall become mutilated or be destroyed, lost or stolen, the Company (subject to the next succeeding sentence) shall execute, and upon

its request the Trustee (subject as aforesaid) shall authenticate and deliver, a new Debenture of the same series bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Debenture, or in lieu of and in substitution for the Debenture so destroyed, lost or stolen. In every case the applicant for a substituted Debenture shall furnish to the Company and to the Trustee such security or indemnity as may be required by them to save each of them harmless and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of the applicant's Debenture and of the ownership thereof. The Trustee may authenticate any such substituted Debenture and deliver the same upon the written order of the Company. Upon the issuance of any substituted Debenture, 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. In case any Debenture which has matured or is about to mature or has been called for redemption shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Debenture, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debenture) if the applicant for such payment shall furnish to the Company and to the Trustee such security or indemnity as they may require to save them harmless and, in case of destruction, loss or theft, evidence to the satisfaction of the Company and the Trustee of the destruction, loss or theft of such Debenture and of the ownership thereof.

Every Debenture issued pursuant to the provisions of this Section in substitution for any Debenture which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Debenture shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Debentures of the same series duly issued hereunder. All Debentures shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debentures, and shall preclude (to the extent lawful) any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.08. All Debentures surrendered for the purpose of payment, redemption, exchange or registration of transfer shall, if surrendered to the Company or any paying agent, be delivered to the Trustee for cancellation, or, if surrendered to the Trustee, shall be canceled by it, and no Debentures shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Indenture. On request of the Company, the Trustee shall deliver to the Company canceled Debentures held by

the Trustee. In the absence of such request the Trustee may dispose of canceled Debentures in accordance with its standard procedures. If the Company shall otherwise acquire any of the Debentures, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Debentures unless and until the same are delivered to the Trustee for cancellation.

SECTION 2.09. Nothing in this Indenture or in the Debentures, express or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and the holders of the Debentures, any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition or provision herein contained; all such covenants, conditions and provisions being for the sole benefit of the parties hereto and of the holders of the Debentures.

SECTION 2.10. So long as any of the Debentures of any series remain outstanding there may be an Authenticating Agent for any or all such series of Debentures which the Trustee shall have the right to appoint. Said Authenticating Agent shall be authorized to act on behalf of the Trustee to authenticate Debentures of such series issued upon exchange, transfer or partial redemption thereof, and Debentures 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. All references in this Indenture to the authentication of Debentures of any series by the Trustee shall be deemed to include authentication by an Authenticating Agent for such series except for authentication upon original issuance or pursuant to Section 2.07 hereof. Each Authenticating Agent shall be acceptable to the Company and shall be a corporation which has a combined capital and surplus, as most recently reported or determined by it, of \$50 million, and which is otherwise authorized under applicable laws to conduct a trust business and is subject to supervision or examination by federal or state authorities. If at any time any Authenticating Agent shall cease to be eligible in accordance with these provisions, it shall resign immediately.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time (and upon request by the Company shall) terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon resignation, termination or cessation of eligibility of any Authenticating Agent, the Trustee may appoint an eligible successor Authenticating Agent acceptable to the Company. Any successor Authenticating Agent, upon acceptance of its appointment hereunder, shall become vested with all the rights, powers and duties of its predecessor hereunder as if originally named as an Authenticating Agent pursuant hereto.

SECTION 2.11. (a) If the Company shall establish pursuant to Section 2.01 that the Debentures of a particular series are to be issued as a Global Debenture, then the Company shall execute and

the Trustee shall, in accordance with Section 2.04, authenticate and deliver, a Global Debenture which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all of the Outstanding Debentures of that series, (ii) shall be registered in the name of the Depository or its nominee, (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instruction and (iv) if required by any law, rule or regulation or if any of the Depository, the Trustee or the Company shall require, shall bear a legend substantially to the following effect: "Except as otherwise provided in Section 2.11 of the Indenture, this Debenture may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor Depository or to a nominee of such successor Depository."

(b) Notwithstanding the provisions of Section 2.05 and except as set forth in Section 2.11(c) or (d), the Global Debenture of a series may be transferred, in whole but not in part and in the manner provided in Section 2.05, only to another nominee of the Depository for that series, a successor Depository for that series selected or approved by the Company or a nominee of that successor Depository.

(c) (i) Except as otherwise set forth in any indenture supplemental to this Indenture with respect to any series of Debentures issued hereunder, an interest in any Global Debenture shall be exchangeable at the option of the beneficial owner of such interest in such Global Debenture for a definitive Debenture or Debentures registered in the name of any holder other than the Depository or its nominee at any time following issuance of such Global Debenture.

(ii) A beneficial owner of an interest in any Global Debenture desiring to exchange such beneficial interest for a definitive Debenture or Debentures shall instruct the Depository, through the Depository's direct or indirect participants or otherwise, to request such exchange on such beneficial owner's behalf and to provide a written order containing registration instructions to the Trustee. Upon receipt by the Trustee of electronic or written instructions from the Depository on behalf of such beneficial owner, the Trustee shall cause, in accordance with the standing instructions and procedures existing between the Trustee and the Depository, the aggregate principal amount of such Global Debenture to be reduced by the principal amount of such beneficial interest so exchanged and shall appropriately reflect such reduction of the aggregate principal amount of such Global Debenture as described in paragraph (iii) of this Section 2.11(c). Following such reduction, the Trustee shall authenticate and deliver to such beneficial owner or a transferee of such beneficial owner, as the case may be, a definitive Debenture or Debentures previously executed by the Company as described in Section 2.05(a)

and registered in such names and authorized denominations as the Depository, pursuant to such instructions of the beneficial owner, shall instruct the Trustee.

(iii) Upon any exchange of a portion of any Global Debenture for a definitive Debenture or Debentures, the Debenture Registrar shall reflect the reduction of the principal amount of such Global Debenture by the principal amount of such beneficial interest so exchanged on the Debenture Register. Until exchanged in full for definitive Debentures, such Global Debenture shall in all respects be entitled to the same benefits under the Indenture as the definitive Debentures authenticated and delivered hereunder.

(d) (i) Except as otherwise set forth in any indenture supplemental to this Indenture with respect to any series of Debentures issued hereunder, if and so long as the Debentures of any series are issued as a Global Debenture, any definitive Debenture or Debentures of such series shall be exchangeable at the option of the registered holder thereof for a beneficial interest in such Global Debenture at any time following the exchange of such Global Debenture for such definitive Debenture or Debentures pursuant to Section 2.11(c).

(ii) A registered holder of a definitive Debenture or Debentures desiring to exchange such definitive Debenture or Debentures for a beneficial interest in such Global Debenture shall instruct the Depository, through the Depository's direct or indirect participants or otherwise, to request such exchange on such registered holder's behalf and to provide a written order containing registration instructions to the Trustee. Upon receipt by the Trustee of electronic or written instructions from the Depository, and upon presentation to the Trustee of such definitive Debenture or Debentures, the Trustee shall cause, in accordance with the standing instructions and procedures existing between the Trustee and the Depository, the aggregate principal amount of such Global Debenture to be increased by the principal amount of such definitive Debenture or Debentures so exchanged and shall appropriately reflect such increase of the aggregate principal amount of the Global Debenture as described in paragraph(iii) of this Section 2.11(d).

(iii) Upon any exchange of a definitive Debenture or Debentures for a beneficial interest in such Global Debenture, the Debenture Registrar shall reflect the increase of the principal amount of such Global Debenture by the principal amount of such definitive Debenture or Debentures so exchanged on the Debenture Register.

(e) If at any time the Depository for a series of Debentures notifies the Company that it is unwilling or unable to continue as

Depository for that series or if at any time the Depository for that series shall no longer be registered or in good standing under the Exchange Act or other applicable statute or regulation and a successor Depository for that series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition as the case may be, this Section 2.11 shall no longer apply to the Debentures of that series and the Company will execute and, subject to Section 2.05, the Trustee will authenticate and deliver Debentures of that series in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Debenture of that series in exchange for such Global Debenture. In addition, the Company may at any time determine that the Debentures of any series shall no longer be represented by a Global Debenture and that the provisions of this Section 2.11 shall no longer apply to the Debentures of that series. In that event the Company will execute and, subject to Section 2.05, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver Debentures of that series in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Debenture of such series in exchange for such Global Debenture. Upon the exchange of the Global Debenture for such Debentures in definitive registered form without coupons, in authorized denominations, the Global Debentures shall be canceled by the Trustee. Such Debentures in definitive registered form issued in exchange for the Global Debenture pursuant to Section 2.11(c) shall be registered in such names and in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Debenture Registrar. The Trustee shall deliver such Debentures to the Depository for delivery to the persons in whose names such Debentures are so registered.

ARTICLE THREE

Redemption of Debentures and Sinking Fund Provisions

SECTION 3.01. The Company may redeem the Debentures of any series issued hereunder on and after the dates and in accordance with the terms established for that series pursuant to Section 2.01 hereof.

SECTION 3.02. (a) In case the Company shall desire to exercise such right to redeem all or, as the case may be, a portion of the Debentures of any series in accordance with the right reserved so to do, it shall give notice of such redemption to holders of the Debentures of the series to be redeemed by mailing, first class postage prepaid, a notice of such redemption not less than 30 days and not more than 60 days before the date fixed for redemption of that series to such Debentureholders at their last addresses as they shall appear upon the Debenture Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the registered holder receives the notice. In any case, failure duly to give such notice to the holder of any Debenture of any series

designated for redemption in whole or in part, or any defect in the notice shall not affect the validity of the proceedings for the redemption of any other Debentures of that series or any other series. In the case of any redemption of Debentures prior to the expiration of any restriction on such redemption provided in the terms of such Debentures or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with any such restriction.

Each such notice of redemption shall specify the date fixed for redemption and the redemption price at which Debentures of that series are to be redeemed, and shall state that payment of the redemption price of the Debentures to be redeemed will be made at the office or agency of the Company in the Borough of Manhattan, the City and State of New York, upon presentation and surrender of such Debentures, that interest accrued to the date fixed for redemption will be paid as specified in that notice, that from and after that date interest will cease to accrue, and that, if such is the case, the redemption is for a sinking fund. If less than all the Debentures of a series are to be redeemed, the notice to the holders of Debentures of that series to be redeemed shall specify the particular Debentures to be so redeemed. In case any Debenture is to be redeemed in part only, the notice which relates to such Debenture shall state the portion of the principal amount thereof to be redeemed, and shall state that on and after the redemption date, upon surrender of such Debenture, a new Debenture or Debentures of that series in principal amount equal to the unredeemed portion thereof will be issued.

(b) The Company shall give the Trustee at least 45 days' advance notice of the date fixed for redemption (unless shorter notice shall be permitted by the Trustee) as to the aggregate principal amount of Debentures of the series to be redeemed, and thereupon the Trustee shall select, by lot or in such other manner as it shall deem appropriate and fair in its discretion and which may provide for the selection of a portion or portions (equal to \$25 or any integral multiple thereof) of the principal amount of such Debentures of a denomination larger than \$25, the Debentures to be redeemed and shall thereafter promptly notify the Company in writing of the numbers of the Debentures to be redeemed.

The Company may, if and whenever it shall so elect, by delivery of a Company Request, instruct the Trustee or any paying agent to call all or any part of the Debentures of a particular series for redemption and to give notice of redemption in the manner set forth in this Section, such notice to be in the name of the Company, the name of the Trustee or such paying agent as the Trustee may deem advisable. In any case in which notice of redemption is to be given by the Trustee or any such paying agent, the Company shall deliver or cause to be delivered to, or permit to remain with, the Trustee or such paying agent, as the case may be, such Debenture Register, transfer books or other records, or suitable copies or extracts therefrom, sufficient to enable the Trustee or such paying agent to give any notice by mail that may be required under the provisions of this Section.

SECTION 3.03. (a) If the giving of notice of redemption shall have been completed as above provided, the Debentures or portions of Debentures of the series to be redeemed specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and interest on such Debentures or portions of Debentures shall cease to accrue on and after the date fixed for redemption, unless the Company shall default in the payment of such redemption price and accrued interest with respect to any such Debenture or portion thereof. On presentation and surrender of such Debentures on or after the date fixed for redemption at the place of payment specified in the notice, such Debentures shall be paid and redeemed at the applicable redemption price for such series, together with interest accrued thereon to the date fixed for redemption (but if the date fixed for redemption is an interest payment date, the interest installment payable on such date shall be payable to the registered holder at the close of business on the applicable record date pursuant to Section 2.03).

(b) Upon presentation of any Debenture of such series which is to be redeemed in part only, the Company shall execute, the Trustee shall authenticate and the office or agency where the Debenture is presented shall deliver to the holder thereof, at the expense of the Company, a new Debenture or Debentures of the same series, of authorized denominations in principal amount equal to the unredeemed portion of the Debenture so presented.

SECTION 3.04. The provisions of Sections 3.04, 3.05 and 3.06 shall apply to any sinking fund for the retirement of Debentures of a series, except as otherwise specified pursuant to Section 2.01 for Debentures of that series.

The minimum amount of any sinking fund payment provided for by the terms of Debentures 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 Debentures of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Debentures of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 3.05. Each sinking fund payment shall be applied to the redemption of Debentures of any series as provided for by the terms of Debentures of that series.

SECTION 3.05. The Company (i) may deliver Outstanding Debentures of a series (other than any previously called for redemption) and (ii) may apply as a credit Debentures of a series which have been redeemed either at the election of the Company pursuant to the terms of such Debentures or through the application of permitted optional sinking fund payments pursuant to the terms of such Debentures, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Debentures of such series required to be made pursuant to the terms of such Debentures as provided for by the terms of that series; provided that such Debentures have not been previously so credited. Such Debentures

shall be received and credited for such purpose by the Trustee at the redemption price specified in such Debentures for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 3.06. Not less than 45 days prior to each sinking fund payment date for any series of Debentures, 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 delivering and crediting Debentures of that series pursuant to Section 3.05 and the basis for such credit and will, together with such Officers' Certificate, deliver to the Trustee any Debentures to be so delivered. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Debentures to be redeemed upon such sinking fund payment date in the manner specified in Section 3.02 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 3.02. Such notice having been duly given, the redemption of such Debentures shall be made upon the terms and in the manner stated in Section 3.03.

ARTICLE FOUR
Particular Covenants of the Company

The Company covenants and agrees for each series of the Debentures as follows:

SECTION 4.01. The Company will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on the Debentures of that series at the time and place and in the manner provided herein, and established with respect to such Debentures.

SECTION 4.02. So long as any series of the Debentures remains outstanding, the Company agrees to maintain an office or agency in the Borough of Manhattan, the City and State of New York (which, unless changed, shall be a corporate trust office or agency of the Trustee), with respect to each such series, and at such other location or locations, as may be designated by the Company, where (i) Debentures of that series may be presented for payment, (ii) Debentures of that series may be presented as hereinabove authorized for registration of transfer and exchange and (iii) notices and demands to or upon the Company in respect of the Debentures of that series and this Indenture may be given or served, such designation to continue with respect to such office or agency until the Company shall, by Company Order delivered to the Trustee, designate some other office or agency for such purposes or any of them. 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, 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, notices and demands.

SECTION 4.03. (a) If the Company shall appoint one or more paying agents, other than the Trustee, for all or any series of the Debentures, the Company will cause each such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section, that it will:

- (1) hold all sums held by it as such agent for the payment of the principal of (and premium, if any) or interest on the Debentures of that series (whether such sums have been paid to it by the Company or by any other obligor of such Debentures) in trust for the benefit of the persons entitled thereto;
- (2) give the Trustee notice of any failure by the Company (or by any other obligor of such Debentures) to make any payment of the principal of (and premium, if any) or interest on the Debentures of that series when the same shall be due and payable;
- (3) at any time during the continuance of any failure referred to in the preceding paragraph (a)(2) above, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent; and
- (4) perform all other duties of paying agent as set forth in this Indenture.

(b) If the Company shall act as its own paying agent with respect to any series of the Debentures, it will, on or before each due date of the principal of (and premium, if any) or interest on Debentures of that series, set aside, segregate and hold in trust for the benefit of the persons entitled thereto a sum sufficient to pay such principal (and premium, if any) or interest so becoming due on Debentures of that series until such sums shall be paid to such persons or otherwise disposed of as herein provided and will promptly notify the Trustee of such action, or any failure (by it or any other obligor on such Debentures) to take such action. Whenever the Company shall have one or more paying agents for any series of Debentures, it will, prior to each due date of the principal of (and premium, if any) or interest on any Debentures of that series, deposit with the paying agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the persons entitled to such principal, premium or interest, and (unless such paying agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

(c) Anything in this Section to the contrary notwithstanding, (i) the agreement to hold sums in trust as provided in this Section is subject to the provisions of Section 11.06 and (ii) 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 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 terms and conditions 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 sums.

SECTION 4.04. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.10, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.05. The Company will not, while any of the Debentures remain outstanding, consolidate with, merge into, merge into itself or sell or convey all or substantially all of its property to any other company, unless the provisions of Article Ten hereof are complied with.

SECTION 4.06. If there shall have occurred any event that would, with the giving of notice or the passage of time, or both, constitute an Event of Default under the Indenture, or the Company shall have given notice of its selection of an extended interest payment period as provided in the Indenture and such period, or any extension thereof, shall be continuing, the Company will not, until all defaulted interest on the Debentures and all interest accrued on the Debentures during an extended interest payment period and all principal and premium, if any, then due and payable on the Debentures shall have been paid in full, (i) declare, set aside or pay any dividend or distribution on any capital stock of the Company, except for dividends or distributions in shares of its capital stock or in rights to acquire shares of its capital stock, or (ii) repurchase, redeem or otherwise acquire, or make any sinking fund payment for the purchase or redemption of, any shares of its capital stock (except by conversion into or exchange for shares of its capital stock and except for a redemption, purchase or other acquisition of shares of its capital stock made for the purpose of an employee incentive plan or benefit plan of the Company or any of its subsidiaries and except for mandatory redemption or sinking fund payments with respect to any series of preferred stock of the Company that are subject to mandatory redemption or sinking fund requirements, provided that the aggregate par value and/or stated value of all such series outstanding at the time of any such payment does not exceed five percent of the aggregate of (1) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the Company and then outstanding and (2) the capital and surplus of the Company to be stated on the books of account of the Company after giving effect to such payment); provided, however, that any moneys deposited in any sinking fund and not in violation of this provision may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund without regard to the restrictions contained in this Section.

ARTICLE FIVE
Debentureholders' Lists and Reports by the Company
and the Trustee

SECTION 5.01. The Company will furnish or cause to be furnished to the Trustee (a) on a monthly basis a list, in such form as the Trustee may reasonably require, of the names and addresses of the holders of each series of Debentures as of such Regular Record Date; provided that the Company shall not be obligated to furnish or cause to furnish such list at any time that the list shall not differ in any respect from the most recent list furnished to the Trustee by 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; provided, however, no such list need be furnished for any series for which the Trustee shall be the Debenture Registrar.

SECTION 5.02. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Debentures contained in the most recent list furnished to it as provided in Section 5.01 and as to the names and addresses of holders of Debentures received by the Trustee in its capacity as Debenture Registrar (if acting in such capacity).

(b) The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(c) In case three or more holders of Debentures of a series (hereinafter referred to as "Applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such Applicant has owned a Debenture for a period of at least six months preceding the date of such application, and such application states that the Applicants desire to communicate with other holders of Debentures of that series or holders of all Debentures with respect to their rights under this Indenture or under such Debentures, and is accompanied by a copy of the form of proxy or other communication which such Applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(1) afford to such Applicants access to the information preserved at the time by the Trustee in accordance with the provisions of Section 5.02(a); or

(2) inform such Applicants as to the approximate number of holders of Debentures of such series or of all Debentures, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of Section 5.02(a), and as to the approximate cost of mailing to such Debentureholders the form of proxy or other communication, if any, specified in such application.

(d) If the Trustee shall elect not to afford such Applicants access to such information, the Trustee shall, upon the written request of such Applicants, mail to each holder of that series or of all Debentures, as the case may be, whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of Section 5.02(a), a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such Applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of Debentures of that series or of all Debentures, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Debentureholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise, the Trustee shall be relieved of any obligation or duty to such Applicants respecting their application.

(e) Each and every holder of the Debentures, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any paying agent nor any Debenture Registrar shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the holders of Debentures in accordance with the provisions of Section 5.02(c), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 5.02(c).

SECTION 5.03 (a) The Company covenants and agrees to file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act, in respect of a

security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

(b) The Company covenants and agrees to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations. Delivery of such reports, documents and information to the Trustee under this subsection (b) and Section 5.03(a) is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of the covenants hereunder.

(c) The Company covenants and agrees to transmit by mail, first-class postage prepaid, or, at the option of the Company, reputable overnight delivery service which provides for evidence of receipt, to the Debentureholders, as their names and addresses appear upon the Debenture Register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to Section 5.03(a) and (b) as may be required by rules and regulations prescribed from time to time by the Commission.

(d) The Company covenants and agrees to furnish to the Trustee, on or before May 15 in each calendar year in which any of the Debentures are outstanding, or on or before such other day in each calendar year as the Company and the Trustee may from time to time agree upon, and in no event less often than annually, a Certificate as to knowledge of the Company's compliance with all conditions and covenants under this Indenture and which Certificate otherwise complies with the provisions of Section 314(a)(4) of the Trust Indenture Act. For purposes of this subsection (d), such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture.

(e) The Company covenants and agrees, during any calendar year in which original issue discount has accrued on Outstanding Debentures, to file with the Trustee promptly at the end of each such calendar year a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Debentures as of the end of such year.

SECTION 5.04. (a) On or before July 15 in each year in which any of the Debentures are outstanding, the Trustee shall transmit by mail, first-class postage prepaid, to the Debentureholders, and to any other person referred to in Section 313(c) of the Trust Indenture Act, as their names and addresses appear upon the Debenture Register, a brief report dated as of the preceding May 15, with respect to any of the following events which may have

occurred within the previous 12 months (but if no such event has occurred within such period no report need be transmitted):

(1) any change to its eligibility under Section 7.09, and its qualifications under Section 7.08;

(2) the creation of or any material change to a relationship specified in paragraphs (1) through (10) of Section 310(b) of the Trust Indenture Act;

(3) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Debentures, on any property or funds held or collected by it as Trustee if such advances so remaining unpaid aggregate more than 1/2 of 1% of the principal amount of the Debentures outstanding on the date of such report;

(4) any change to the amount, interest rate and maturity date of all other indebtedness owing by the Company, or by any other obligor on the Debentures, to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except any indebtedness based upon a creditor relationship arising in any manner described in paragraphs (2), (3), (4) or (6) of Section 311(b) of the Trust Indenture Act.

(5) any change to the property and funds, if any, physically in the possession of the Trustee as such on the date of such report;

(6) any release, or release and substitution, of property subject to the lien, if any, of this Indenture (and the consideration thereof, if any) which it has not previously reported;

(7) any additional issue of Debentures which the Trustee has not previously reported; and

(8) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Debentures or the Debentures of any series, except any action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 6.07.

(b) The Trustee shall transmit by mail, first-class postage prepaid to the Debentureholders and to any other person referred to in Section 313(c) of the Trust Indenture Act, as their names and addresses appear upon the Debenture Register, a brief report with respect to the character and amount of any advances (and if the

Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee as such since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge prior to that of the Debentures of any series on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this subsection if such advances remaining unpaid at any time aggregate more than 10% of the principal amount of Debentures of such series outstanding at such time, such report to be transmitted within 90 days after such time.

(c) A copy of each such report shall, at the time of such transmission to Debentureholders, be filed by the Trustee with the Company, with each exchange upon which any Debentures are listed (if so listed) and also with the Commission. The Company agrees to notify the Trustee when any Debentures become listed on any exchange.

ARTICLE SIX
Remedies of the Trustee and Debentureholders
on Event of Default

SECTION 6.01. (a) Whenever used herein with respect to Debentures of a particular series, "Event of Default" means any one or more of the following events which has occurred and is continuing:

(1) default in the payment of any installment of interest upon any of the Debentures of that series, as and when the same shall become due and payable, and continuance of such default for a period of 10 days;

(2) default in the payment of the principal of (or premium, if any, on) any of the Debentures of that series as and when the same shall become due and payable, whether at maturity, upon redemption, by acceleration or otherwise, or in any payment required by any sinking or analogous fund established with respect to that series;

(3) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company with respect to that series contained in such Debentures or otherwise established with respect to that series of Debentures pursuant to Section 2.01 hereof or contained in this Indenture (other than a covenant or agreement which has been expressly included in this Indenture solely for the benefit of one or more series of Debentures other than such series) for a period of 90 days after the date on which written notice of such failure, requiring the same to be remedied and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, by registered or certified mail, or to the Company and the Trustee by the holders of at least 25% in

principal amount of the Debentures of that series at the time outstanding;

(4) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking liquidation or reorganization of the Company under the Federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order shall have continued unvacated and unstayed for a period of 90 days; an involuntary case shall be commenced under such Code in respect of the Company and shall continue undismissed for a period of 90 days or an order for relief in such case shall have been entered; or a decree or order of a court having jurisdiction in the premises shall have been entered for the appointment on the ground of insolvency or bankruptcy of a receiver, custodian, liquidator, trustee or assignee in bankruptcy or insolvency of the Company or of its property, or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force unvacated and unstayed for a period of 90 days; or

(5) the Company shall institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the filing of a bankruptcy proceeding against it, shall file a petition or answer or consent seeking liquidation or reorganization under the Federal Bankruptcy Code or other similar applicable federal or state law, shall consent to the filing of any such petition or shall consent to the appointment on the ground of insolvency or bankruptcy of a receiver or custodian or liquidator or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make an assignment for the benefit of creditors.

(b) In each and every such case, the Company shall file with the Trustee written notice of the occurrence of any Event of Default within five Business Days of the Company's becoming aware of any such Event of Default, and unless the principal of all the Debentures of that series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Debentures of that series then outstanding hereunder, by notice in writing to the Company (and to the Trustee if given by such Debentureholders), may declare the principal of all the Debentures of that series to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything contained in this Indenture or in the Debentures of that series or established with respect to that series pursuant to Section 2.01 hereof to the contrary notwithstanding.

(c) The provisions of subsection (b) of this Section, however, are subject to the condition that if, at any time after the principal of the Debentures of that series shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as

hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Debentures of that series and the principal of (and premium, if any, on) any and all Debentures of that series which shall have become due otherwise than by acceleration (with interest upon such principal and premium, if any, and, to the extent that such payment is enforceable under applicable law, upon overdue installments of interest, at the rate per annum expressed in the Debentures of that series to the date of such payment or deposit) and the amount payable to the Trustee under Section 7.06, and any and all defaults under the Indenture, other than the nonpayment of principal on Debentures of that series which shall not have become due by their terms, shall have been remedied or waived as provided in Section 6.06, then and in every such case the holders of a majority in aggregate principal amount of the Debentures of that series then outstanding, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

(d) In case the Trustee shall have proceeded to enforce any right with respect to Debentures of that series under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee shall continue as though no such proceedings had been taken.

SECTION 6.02. (a) The Company covenants that (1) in case default shall be made in the payment of any installment of interest on any of the Debentures of a series, and such default shall have continued for a period of 10 Business Days, or (2) in case default shall be made in the payment of the principal of (or premium, if any, on) any of the Debentures of a series when the same shall have become due and payable, whether upon maturity of the Debentures of a series or upon redemption or upon acceleration or otherwise, or in any payment required by any sinking or analogous fund established with respect to that series as and when the same shall have become due and payable then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Debentures of that series, the whole amount that then shall have become due and payable on all such Debentures for principal (and premium, if any) or interest, or both, as the case may be, with interest upon the overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law) upon overdue installments of interest at the rate per annum expressed in the Debentures of that series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, and the amount payable to the Trustee under Section 7.06.

(b) In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law, or in equity, for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or other obligor upon the Debentures of that series and collect in the manner provided by law out of the property of the Company or other obligor upon the Debentures of that series wherever situated the moneys adjudged or decreed to be payable.

(c) In case of any receivership, insolvency, liquidation, bankruptcy, reorganization, readjustment, arrangement, composition or other judicial proceedings affecting the Company, any other obligor on such Debentures or the creditors or property of either, the Trustee shall have power to intervene in such proceedings and take any action therein that may be permitted by the court and shall (except as may be otherwise provided by law) be entitled to file such proofs of claim and other papers and documents as may be necessary or advisable in order to have the claims of the Trustee and of the holders of Debentures of such series allowed for the entire amount due and payable by the Company or such other obligor under the Indenture at the date of institution of such proceedings and for any additional amount which may become due and payable by the Company or such other obligor after such date, and to collect and receive any moneys or other property payable or deliverable on any such claim, and to distribute the same after the deduction of the amount payable to the Trustee under Section 7.06; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of Debentures of that series to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to such Debentureholders, to pay to the Trustee any amount due it under Section 7.06.

(d) All rights of action and of asserting claims under this Indenture, or under any of the terms established with respect to Debentures of any series, may be enforced by the Trustee without the possession of any of such Debentures, or the production thereof at any trial or other proceeding relative thereto, and any such suit or 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 payment to the Trustee of any amounts due under Section 7.06, be for the ratable benefit of the holders of the Debentures of that series.

In case of an Event of Default hereunder, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law, in equity in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Indenture or in aid of the exercise of any power

granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Nothing herein contained shall be deemed to authorize the Trustee to authorize, consent to, accept or adopt on behalf of any Debentureholder any plan of reorganization, arrangement, adjustment or composition affecting the Debentures of any series or the rights of any holder thereof or to authorize the Trustee to vote in respect of the claim of any Debentureholder in any such proceeding.

SECTION 6.03. Any moneys collected by the Trustee pursuant to Section 6.02 with respect to a particular series of Debentures shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal (or premium, if any) or interest, upon presentation of the several Debentures of that series, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses of collection and of all amounts payable to the Trustee under Section 7.06;

SECOND: To the payment of the amounts then due and unpaid upon Debentures of that series for principal (and premium, if any) and interest, 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 Debentures for principal (and premium, if any) and interest, respectively; and

THIRD: To the Company.

SECTION 6.04. No holder of any Debenture of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof with respect to Debentures of that series specifying such Event of Default, as hereinbefore provided, and unless also the holders of not less than 25% in aggregate principal amount of the Debentures of such series then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have failed to institute any such action, suit or proceeding; it being understood and intended, and being expressly covenanted by the taker and holder of every Debenture of that series with every other such taker and holder and the Trustee, that no one or more holders of Debentures of that series shall have any right in any manner whatsoever by virtue or by availing of any provision of this

Indenture to affect, disturb or prejudice the rights of the holders of any other of such Debentures, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Debentures of that series. For the protection and enforcement of the provisions of this Section, each and every Debentureholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions of this Indenture, however, the right of any holder of any Debenture to receive payment of the principal of (and premium, if any) and interest on such Debenture, as therein provided, on or after the respective due dates expressed in such Debenture (or in the case of redemption, on the redemption date), or to institute suit for the enforcement of any such payment on or after such respective dates or redemption date, shall not be impaired or affected without the consent of such holder.

SECTION 6.05. (a) All powers and remedies given by this Article to the Trustee or to the Debentureholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any others thereof or of any other powers and remedies available to the Trustee or the holders of the Debentures, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture or otherwise established with respect to such Debentures.

(b) No delay or omission of the Trustee or of any holder of any of the Debentures to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed as a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article or by law to the Trustee or to the Debentureholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Debentureholders.

SECTION 6.06. The holders of a majority in aggregate principal amount of the Debentures of any series at the time outstanding, determined in accordance with Section 8.04, 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 with respect to that series; provided, however, that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudicial to the rights of holders of Debentures of any other series at the time outstanding determined in accordance with Section 8.04 not parties thereto. Subject to the provisions of Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer of the Trustee, determine that the proceeding so directed might involve the Trustee in personal liability. The holders of a majority in aggregate principal amount of the

Debentures of such series at the time outstanding affected thereby, determined in accordance with Section 8.04, may on behalf of the holders of all of the Debentures of such series waive any past default in the performance of any of the covenants contained herein or established pursuant to Section 2.01 with respect to such series and its consequences, except a default in the payment of the principal of (premium, if any) or interest on, any of the Debentures of that series as and when the same shall become due by the terms of such Debentures or a call for redemption of Debentures of that series, which default may be waived by the unanimous consent of the holders affected. Upon any such waiver, the default covered thereby shall be deemed to be cured for all purposes of this Indenture and the Company, the Trustee and the holders of the Debentures of that series shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 6.07. The Trustee shall, within 90 days after the occurrence of a default with respect to a particular series, transmit by mail, first-class postage prepaid, to the holders of Debentures of that series, as their names and addresses appear upon the Debenture Register, notice of all defaults with respect to that series known to the Trustee, unless such defaults shall have been cured or waived before the giving of such notice (the term "defaults" for the purposes of this Section being hereby defined to be the events specified in subsections (1), (2), (3), (4) and (5) of Section 6.01(a), not including any grace periods provided for therein and irrespective of the giving of notice provided for by subsection (3) of Section 6.01(a)); provided, that, except in the case of default in the payment of the principal of (or premium, if any) or interest on any of the Debentures of that series or in the payment of any sinking fund installment established with respect to that series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the holders of Debentures of that series; provided further, that in the case of any default of the character specified in Section 6.01(a)(3) with respect to Debentures of that series, no such notice to the holders of the Debentures of that series shall be given until at least 30 days after the occurrence thereof.

For any and all purposes of this Indenture, the Trustee shall not be deemed to have or charged with knowledge of any default or Event of Default, except (i) a default under Section 6.01(a)(1) or (a)(2) with respect to a series of Debentures for which the Trustee is acting as paying agent or (ii) any default as to which the Trustee shall have received written notice or a Responsible Officer charged with the administration of this Indenture shall have actual knowledge or obtained written notice.

SECTION 6.08. All parties to this Indenture agree, and each holder of any Debentures by his or her acceptance thereof shall be

deemed to have agreed, that any court may in its discretion require, 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 or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, any suit instituted by any Debentureholder, or group of Debentureholders, holding more than 10% in aggregate principal amount of the outstanding Debentures of any series, or any suit instituted by any Debentureholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Debenture of any series, on or after the respective due dates expressed in such Debenture or established pursuant to this Indenture.

ARTICLE SEVEN
Concerning the Trustee

SECTION 7.01. (a) The Trustee, prior to the occurrence of an Event of Default with respect to Debentures of any series and after the curing of all Events of Default with respect to Debentures of that series which may have occurred, shall undertake to perform with respect to Debentures of that series such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants shall be read into this Indenture against the Trustee. In case an Event of Default with respect to Debentures of a series has occurred (which has not been cured or waived), the Trustee shall exercise with respect to Debentures of that series such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent individual would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) prior to the occurrence of an Event of Default with respect to Debentures of a series and after the curing and waiving of all such Events of Default with respect to that series which may have occurred:

(i) the duties and obligations of the Trustee shall with respect to Debentures of that series be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable with respect to Debentures of that series except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may with respect to Debentures of that series conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein);

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Debentures of any series at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture with respect to the Debentures of that series; and

(4) none of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur or risk personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Indenture or adequate indemnity against such risk is not reasonably assured to it.

(c) 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 7.01.

SECTION 7.02. Except as otherwise provided in Section 7.01:

(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, consent, order, approval, bond, security 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, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by a Board

Resolution or a Company Request or Company Order (unless other evidence in respect thereof is specifically prescribed herein);

(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) is entitled to receive and may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted 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, order or direction of any of the Debentureholders, pursuant to the provisions of this Indenture, unless such Debentureholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; nothing herein contained shall, however, relieve the Trustee of the obligation, upon the occurrence of an Event of Default with respect to a series of the Debentures (which has not been cured or waived) to exercise with respect to Debentures of that series such of the rights and powers vested in it by this Indenture, 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;

(f) If an Event of Default shall have occurred and be continuing, the Trustee shall be under no obligation to follow any request, order or direction of the Company if in the reasonable judgment of the Trustee such request, order or direction would not be in the best interests of all the holders;

(g) The Trustee shall not be liable for any action taken or omitted to be taken 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;

(h) 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, consent, order, approval, bond, security, or other papers or documents, unless requested in writing to do so by the holders of not less than a majority in principal amount of the outstanding Debentures of the particular series affected thereby (determined as provided in Section 8.04); provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms

of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand;

(i) 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; and

(j) The Trustee may, at its option, apply for written instructions from the Company in which application, the Trustee, at its option, may set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action or omission of the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

SECTION 7.03. (a) The recitals contained herein and in the Debentures (other than the Certificate of Authentication on the Debentures) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Debentures.

(c) The Trustee shall not be accountable for the use or application by the Company of any of the Debentures or of the proceeds of the Debentures, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture or established pursuant to Section 2.01, or for the use or application of any moneys received by any paying agent other than the Trustee.

SECTION 7.04. The Trustee or any paying agent or Debenture Registrar, in its individual or any other capacity, may become the owner or pledgee of Debentures with the same rights it would have if it were not Trustee, paying agent or Debenture Registrar.

SECTION 7.05. Subject to the provisions of Section 11.06, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no

liability for interest on any moneys received by it hereunder except such as it may agree with the Company to pay thereon.

SECTION 7.06. (a) The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as the Company and the Trustee may agree upon (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Company also covenants to indemnify the Trustee (and its officers, agents, directors and employees) for, and to hold it harmless against, any loss, damage, claim, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim of liability in the premises.

(b) The obligations of the Company under this Section to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the termination of this Indenture. Such additional indebtedness shall be a senior lien to that of the Debentures upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Debentures, and the Debentures are hereby subordinated to each such senior lien.

(c) When the Trustee incurs expenses or renders services in connection with an Event of Default, the expenses (including the reasonable charges and expenses of its counsel) and compensation for its services are intended to constitute expenses of administration under applicable federal or state bankruptcy, insolvency or similar law.

SECTION 7.07. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting to take any action hereunder, it shall be entitled to receive, and such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established, by an Officers' Certificate delivered to the Trustee and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted to be taken by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. If the Trustee has acquired 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 7.09. There shall at all times be a Trustee with respect to the Debentures issued hereunder which shall at all times be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or other person permitted to act as trustee by the Commission, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million dollars, and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Company may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Company, serve as Trustee. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.10.

SECTION 7.10. (a) The Trustee or any successor hereafter appointed may at any time resign with respect to the Debentures of one or more series by giving written notice thereof to the Company and by transmitting notice of resignation by mail, first-class postage prepaid, to the Debentureholders of that series, as their names and addresses appear upon the Debenture Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee with respect to Debentures of that series by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the mailing 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 Debentures of that series, or any Debentureholder of that series who has been a bona fide holder of a Debenture or Debentures for at least six months may, subject to the provisions of Section 6.08, on behalf of such holder and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 7.08 after written request therefor by the Company or by any Debentureholder who has been a bona fide holder of a Debenture or Debentures for at least six months; or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.09 and shall fail to resign after written request therefor by the Company or by any such Debentureholder; or

(3) the Trustee shall become incapable of acting, shall be adjudged a bankrupt or insolvent, 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, the Company may remove the Trustee with respect to all Debentures and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 7.08, unless the Trustee's duty to resign is stayed as provided therein, any Debentureholder who has been a bona fide holder of a Debenture or Debentures 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. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Debentures of any series at the time outstanding may at any time remove the Trustee with respect to that series and appoint a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee with respect to the Debentures of a series pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.11.

(e) Any successor trustee appointed pursuant to this Section may be appointed with respect to the Debentures of one or more series or all of such series, and at any time there shall be only one Trustee with respect to the Debentures of any particular series.

SECTION 7.11. (a) In case of the appointment hereunder of a successor trustee with respect to all Debentures, 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, subject to any prior lien provided for in Section 7.06(b).

(b) In case of the appointment hereunder of a successor trustee with respect to the Debentures of one or more (but not all) series, the Company, the retiring Trustee and each successor trustee with respect to the Debentures of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor trustee shall accept such appointment and which shall (1) 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 Debentures of that or those series to which the appointment of such successor trustee relates, (2) 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 Debentures 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) 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, 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 that no Trustee shall be responsible for any act or failure to act on the part of any other Trustee hereunder; 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, such retiring Trustee shall with respect to the Debentures of that or those series to which the appointment of such successor trustee relates have no further responsibility for the exercise of rights and powers or for the performance of the duties and obligations vested in the Trustee under this Indenture, 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 Debentures of that or those series to which the appointment of such successor trustee relates, subject to any prior lien provided for in Section 7.06(b); but, on request of the Company or any successor trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor trustee, to the extent contemplated by such supplemental indenture, the property and money held by such retiring Trustee hereunder with respect to the Debentures of that

or those series to which the appointment of such successor trustee relates.

(c) Upon request of any such successor trustee or retiring 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) or (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.

(e) Upon acceptance of appointment by a successor trustee as provided in this Section, the Company shall transmit notice of the succession of such trustee hereunder by mail, first-class postage prepaid, to the Debentureholders, as their names and addresses appear upon the Debenture Register. If the Company fails to transmit such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be transmitted at the expense of the Company.

SECTION 7.12. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any Debentures 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 Debentures so authenticated with the same effect as if such successor Trustee had itself authenticated such Debentures.

SECTION 7.13. If and when the Trustee shall become a creditor of the Company (or any other obligor upon the Debentures), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any other obligor upon the Debentures).

ARTICLE EIGHT Concerning the Debentureholders

SECTION 8.01. Whenever in this Indenture it is provided that the holders of a majority or specified percentage in aggregate principal amount of the Debentures of a particular series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such majority or specified percentage of that series

have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by such holders of Debentures of that series in person or by agent or proxy appointed in writing.

If the Company shall solicit from the Debentureholders of any series any request, demand, authorization, direction, notice, consent, waiver or other action, the Company may, at its option, as evidenced by an Officers' Certificate, fix in advance a record date for that series for the determination of Debentureholders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other action, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after the record date, but only the Debentureholders of record at the close of business on the record date shall be deemed to be Debentureholders for the purposes of determining whether Debentureholders of the requisite proportion of outstanding Debentures of that series have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the outstanding Debentures of that series shall be computed as of the record date; provided that no such authorization, agreement or consent by such Debentureholders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

SECTION 8.02. Subject to the provisions of Section 7.01, proof of the execution of any instrument by a Debentureholder (such proof will not require notarization) or his, her or its agent or proxy and proof of the holding by any person of any of the Debentures shall be sufficient if made in the following manner:

(a) the fact and date of the execution by any such person of any instrument may be proved, in any reasonable manner acceptable to the Trustee;

(b) the ownership of Debentures shall be proved by the Debenture Register of such Debentures or by a certificate of the Debenture Registrar thereof; or

(c) the Trustee may require such additional proof of any matter referred to in this Section as it shall deem necessary.

SECTION 8.03. Prior to the due presentment for registration of transfer of any Debenture, the Company, the Trustee, any paying agent and any Debenture Registrar may deem and treat the person in whose name such Debenture shall be registered upon the books of the Company as the absolute owner of such Debenture (whether or not such Debenture shall be overdue and notwithstanding any notice of ownership or writing thereon made by anyone other than the Debenture Registrar) for the purpose of receiving payment of or on account of the principal of (premium, if any) and (subject to Section 2.03) interest on such Debenture and for all other

purposes; and neither the Company nor the Trustee nor any paying agent nor any Debenture Registrar shall be affected by any notice to the contrary.

SECTION 8.04. In determining whether the holders of the requisite aggregate principal amount of Debentures of a particular series have concurred in any direction, consent or waiver under this Indenture, Debentures of that series which are owned by the Company or any other obligor on the Debentures of that series or by any person directly or indirectly controlling or controlled by or under common control with the Company or any other obligor on the Debentures of that series shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Debentures of such series which the Trustee actually knows are so owned shall be so disregarded. Debentures so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right so to act with respect to such Debentures and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the majority or percentage in aggregate principal amount of the Debentures of a particular series specified in this Indenture in connection with such action, any holder of a Debenture of that series which is shown by the evidence to be included in the Debentures the holders of which have consented to such action may, by filing written notice with the Trustee, and upon proof of holding as provided in Section 8.02 revoke such action so far as concerns such Debenture. Except as aforesaid, any such action taken by the holder of any Debenture shall be conclusive and binding upon such holder and upon all future holders and owners of such Debenture, and of any Debenture issued in exchange therefor, on registration of transfer thereof or in place thereof, irrespective of whether or not any notation in regard thereto is made upon such Debenture. Any action taken by the holders of the majority or percentage in aggregate principal amount of the Debentures of a particular series specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the Debentures of that series.

ARTICLE NINE
Supplemental Indentures

SECTION 9.01. In addition to any supplemental indenture otherwise authorized by this Indenture, the Company, when authorized by a Board Resolution, and the Trustee may from time to

time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as then in effect), without the consent of the Debentureholders, for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, and the assumption by any such successor of the covenants of the Company contained herein or otherwise established with respect to the Debentures;

(b) to add to the covenants of the Company such further covenants, restrictions, conditions or provisions for the protection of the holders of the Debentures of all or any series as the Board of Directors and the Trustee shall consider to be for the protection of the holders of Debentures of all or any series, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions a default or an Event of Default with respect to that series permitting the enforcement of all or any of the several remedies provided in this Indenture, as herein set forth; provided, however, that in respect of any such additional covenant, restriction, condition or provision, such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults), may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default or may limit the right of the holders of a majority in aggregate principal amount of the Debentures of such series to waive such default;

(c) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture as shall not be inconsistent with the provisions of this Indenture and shall not adversely affect the interests of the holders of the Debentures of any series; or

(d) to change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Debenture outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Company and the Trustee without the consent of the holders of any of the Debentures at the time outstanding, notwithstanding any of the provisions of Section 9.02.

SECTION 9.02. With the consent (evidenced as provided in Section 8.01) of the holders of not less than a majority in aggregate principal amount of the Debentures of each series affected by such supplemental indenture or indentures at the time outstanding, the Company and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as then in effect) for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Debentures of that series under this Indenture; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debentures of any series, reduce the principal amount thereof, reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Debenture so affected or (ii) reduce the percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Debenture then outstanding and affected thereby.

Upon a Company Request and upon the filing with the Trustee of evidence of the consent of Debentureholders required to consent thereto as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental indenture.

It shall not be necessary for the consent of the Debentureholders of any series affected thereby under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall transmit by mail, first-class postage prepaid, a notice, setting forth in general terms the substance of such supplemental indenture, to the Debentureholders of all series affected thereby as their names and addresses appear upon the Debenture Register. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.03. Upon the execution of any supplemental indenture pursuant to the provisions of this Article or of Section 10.01, this Indenture shall, with respect to that series, be and be

deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Debentures of the series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.04. Debentures of any series, affected by a supplemental indenture, authenticated and delivered after the execution of such supplemental indenture pursuant to the provisions of this Article or of Section 10.01, may bear a notation in form approved by the Company, provided such form meets the requirements of any exchange upon which such series may be listed, as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Debentures of that series so modified as to conform, in the opinion of the Company, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Company, authenticated by the Trustee and delivered in exchange for the Debentures of that series then outstanding.

SECTION 9.05. The Trustee, subject to the provisions of Section 7.01, is entitled to receive an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article is authorized or permitted by, and conforms to, the terms of this Article, has been duly authorized by and lawfully executed and delivered on behalf of the Company, and that it is proper for the Trustee under the provisions of this Article to join in the execution thereof.

ARTICLE TEN Consolidation, Merger and Sale

SECTION 10.01. Nothing contained in this Indenture or in any of the Debentures shall prevent any consolidation or merger of the Company with or into any other corporation or corporations (whether or not affiliated with the Company), or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance, transfer or other disposition of the property of the Company or its successor or successors as an entirety, or substantially as an entirety, to any other corporation (whether or not affiliated with the Company or its successor or successors) authorized to acquire and operate the same; provided, however, the Company hereby covenants and agrees that, upon any such consolidation, merger, sale, conveyance, transfer or other disposition, the due and punctual payment of the principal of (premium, if any) and interest on all of the Debentures of all series in accordance with the terms of each series, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Indenture with respect to each series or established with respect to each series pursuant to Section 2.01 to be kept or performed by the Company, shall be expressly assumed, by

supplemental indenture (which shall conform to the provisions of the Trust Indenture Act as then in effect) satisfactory in form to the Trustee executed and delivered to the Trustee by the entity formed by such consolidation, or into which the Company shall have been merged, or by the entity which shall have acquired such property.

SECTION 10.02. (a) In case of any such consolidation, merger, sale, conveyance, transfer or other disposition and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of (premium, if any) and interest on all of the Debentures of all series outstanding and the due and punctual performance of all of the covenants and conditions of this Indenture or established with respect to each series of the Debentures pursuant to Section 2.01 to be performed by the Company with respect to each series, such successor corporation 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, and thereupon the predecessor corporation shall be relieved of all obligations and covenants under this Indenture and the Debentures, except the provisions of Section 7.06 to the extent such provisions relate to matters occurring before any such consolidation, merger, sale, conveyance, transfer or other disposition. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of the Company or any other predecessor obligor on the Debentures, any or all of the Debentures issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor corporation, instead of the Company, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Debentures which previously shall have been signed and delivered by the officers of the predecessor corporation to the Trustee for authentication, and any Debentures which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Debentures so issued shall in all respects have the same legal rank and benefit under this Indenture as the Debentures theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Debentures had been issued at the date of the execution hereof.

(b) In case of any such consolidation, merger, sale, conveyance, transfer or other disposition, such changes in phraseology and form (but not in substance) may be made in the Debentures thereafter to be issued as may be appropriate.

(c) Nothing contained in this Indenture or in any of the Debentures shall prevent the Company from merging into itself or acquiring by purchase or otherwise all or any part of the property of any other corporation (whether or not affiliated with the Company).

SECTION 10.03. The Trustee, subject to the provisions of Section 7.01, is entitled to receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or other disposition, and any such assumption, comply with the provisions of this Article.

ARTICLE ELEVEN
Satisfaction and Discharge of Indenture;
Unclaimed Moneys

SECTION 11.01 If at any time: (a) the Company shall have delivered to the Trustee for cancellation all Debentures of a series theretofore authenticated (other than any Debentures which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.07) and Debentures for whose payment money or Governmental Obligations has theretofore been deposited in trust or segregated and held in trust by the Company (and thereupon repaid to the Company or discharged from such trust, as provided in Section 11.06); or (b) all Debentures of a series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall deposit or cause to be deposited with the Trustee as trust funds the entire amount in moneys or Governmental Obligations or a combination thereof, sufficient in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay at maturity or upon redemption all Debentures of that series not theretofore delivered to the Trustee for cancellation, including principal (and premium, if any) and interest due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if the Company shall also pay or cause to be paid all other sums payable hereunder with respect to that series by the Company, then this Indenture shall thereupon cease to be of further effect with respect to such series except for the provisions of Sections 2.05, 2.07, 4.02 and 7.10, which shall survive until the date of maturity or redemption date, as the case may be, and Sections 7.06 and 11.06 which shall survive to such date and thereafter, and the Trustee, on demand of the Company and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to such series.

SECTION 11.02. If at any time all such Debentures of a particular series not heretofore delivered to the Trustee for cancellation or which have not become due and payable as described in Section 11.01 shall have been paid by the Company by depositing irrevocably with the Trustee as trust funds moneys or an amount of Governmental Obligations sufficient to pay at maturity or upon redemption all such Debentures of that series not theretofore delivered to the Trustee for cancellation, including principal (and premium, if any) and interest due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if

the Company shall also pay or cause to be paid all other sums payable hereunder by the Company with respect to that series, then after the date such moneys or Governmental Obligations, as the case may be, are deposited with the Trustee the obligations of the Company under this Indenture with respect to such series shall cease to be of further effect except for the provisions of Sections 2.05, 2.07, 4.02, 7.06, 7.10 and 11.06 hereof which shall survive until such Debentures shall mature and be paid. Thereafter, Sections 7.06 and 11.06 shall survive. The release of the Company from its obligations under this Indenture, as provided for in this Section 11.02, shall be subject to the further condition that the Company first shall have caused to be delivered to the Trustee an Opinion of Counsel to the effect that Debentureholders of a series with respect to which a deposit has been made in accordance with this Section 11.02 will not realize income, gain or loss for federal income tax purposes as a result of such deposit and release, and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and release had not occurred.

SECTION 11.03. If, in addition to satisfying the conditions set forth in Section 11.01 or 11.02 (except for the requirement of an Opinion of Counsel), the Company delivers to the Trustee an Opinion of Counsel to the effect that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of this Indenture there has been a change in applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Debentureholders of a series with respect to which a deposit has been made in accordance with Section 11.01 or 11.02 will not realize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount, in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred and (c) the deposit shall not result in the Company, the Trustee or the trust being deemed an "investment company" under the Investment Company Act of 1940, as amended, then, in such event, the Company will be deemed to have paid and discharged the entire indebtedness on that series and the holder thereof shall thereafter be entitled to receive payment solely from the trust fund described above.

SECTION 11.04. All moneys or Governmental Obligations deposited with the Trustee pursuant to Sections 11.01 or 11.02 shall be held in trust and shall be available for payment as due, either directly or through any paying agent (including the Company acting as its own paying agent), to the holders of the particular series of Debentures for the payment or redemption of which such moneys or Governmental Obligations have been deposited with the Trustee.

SECTION 11.05. In connection with the satisfaction and discharge of this Indenture all moneys or Governmental Obligations then held by any paying agent under the provisions of this Indenture shall, upon demand of the Company, be paid to the Trustee

and thereupon such paying agent shall be released from all further liability with respect to such moneys or Governmental obligations.

SECTION 11.06. Any moneys or Governmental Obligations deposited with any paying agent or the Trustee, or then held by the Company, in trust for payment of principal of or premium or interest on the Debentures of a particular series that are not applied but remain unclaimed by the holders of such Debentures for at least two years after the date upon which the principal of (and premium, if any) or interest on such Debentures shall have respectively become due and payable, shall, upon written notice from the Company, be repaid to the Company on May 31 of each year or (if then held by the Company) shall be discharged from such trust; and thereupon the paying agent and the Trustee shall be released from all further liability with respect to such moneys or Governmental Obligations, and the holder of any of the Debentures entitled to receive such payment shall thereafter, as an unsecured general creditor, look only to the Company for the payment thereof.

ARTICLE TWELVE

Immunity of Incorporators, Stockholders, Officers and Directors

SECTION 12.01. No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Debenture, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, past, present or future as such, 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 understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors as such, of the Company or of any predecessor or successor corporation, or any of them, because of the creation of the indebtedness hereby authorized or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Debentures or implied therefrom; and that any and all such personal liability of every name and nature, either at common law, in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Debentures or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issuance of such Debentures.

ARTICLE THIRTEEN
Miscellaneous Provisions

SECTION 13.01. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 13.02. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the corresponding board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Company.

SECTION 13.03. Except as otherwise expressly provided herein, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Debentures to or on the Company may be given or served by being deposited first-class postage prepaid in a post-office letter box addressed (until another address is filed in writing by the Company with the Trustee), as follows: Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204, Attention: Corporate Secretary. Any notice, election, request or demand by the Company or any Debentureholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Corporate Trust Office of the Trustee.

SECTION 13.04. This Indenture and each Debenture 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 the laws of that State, without regard to the conflicts of laws principles thereof.

SECTION 13.05. (a) Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent), relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, (including any covenants compliance with which constitutes a condition precedent), have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

(b) Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant in this Indenture (other than the certificate provided pursuant to Section 5.03(d) of this Indenture)

shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (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 such person, such person has made such examination or investigation as is necessary to enable such person 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 or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 13.06. Simultaneously with the execution of this Indenture, the Company shall deliver to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, (a) this Indenture has been duly authorized by and lawfully executed and delivered on behalf of the Company, is in full force and effect and is legal, valid and binding upon the Company in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights and (b) the Debentures have been authorized, executed and delivered by the Company and constitute legal, valid and binding obligations of the Company in accordance with their terms, except to the extent limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights.

SECTION 13.07. Except as provided pursuant to Section 2.01 pursuant to a Board Resolution, and as set forth in an Officers' Certificate, or established in one or more indentures supplemental to this Indenture, in any case where the date of maturity of interest or principal of any Debenture or the date of redemption of any Debenture shall not be a Business Day then payment of interest or principal (and premium, if any) may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of maturity or redemption, and no interest shall accrue for the period after such nominal date.

SECTION 13.08. If and to the extent that any provision of this Indenture limits, qualifies, or conflicts with the duties imposed by operation of Section 3.18(c) of the Trust Indenture Act, such imposed duties shall control.

SECTION 13.09. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute one and the same instrument.

SECTION 13.10. In case any one or more of the provisions contained in this Indenture or in the Debentures of any series 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 Indenture or of such Debentures, but this Indenture and such Debentures shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 13.11. The Company will have the right at all times to assign any of its rights or obligations under this Indenture to Portland General Corporation, an Oregon corporation, or a direct or indirect wholly-owned subsidiary of said Portland General Corporation, including a direct or indirect wholly-owned subsidiary of the Company; provided that, in the event of any such assignment, the Company will remain liable for all such obligations. Subject to the foregoing, the Indenture is binding upon and inures to the benefit of the parties thereto and their respective successors and assigns. The Indenture may not otherwise be assigned by the parties thereto.

SECTION 13.12. The parties intend that, for each holder of a Debenture and each person that acquires a beneficial ownership interest in a Debenture, such Debentures shall constitute indebtedness for purposes of United States federal, state and local taxes.

ARTICLE FOURTEEN
Subordination of Debentures

SECTION 14.01. The Company covenants and agrees, and each holder of Debentures issued hereunder by the acceptance thereof likewise covenants and agrees, that all Debentures shall be issued subject to the provisions of this Article Fourteen; and each holder of a Debenture, whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions.

The payment of the principal of (and premium, if any) and interest on all Debentures issued hereunder shall, to the extent and in the manner hereinafter set forth, be subordinated and junior in right of payment to the prior payment in full of all Senior Indebtedness, whether outstanding at the date of this Indenture or thereafter incurred.

No provision of this Article Fourteen shall prevent the occurrence of any default or Event of Default hereunder.

SECTION 14.02. In the event and during the continuation of any default in the payment of principal, premium, interest or any payment due on any Senior Indebtedness continuing beyond the period of grace, if any, specified in the instrument evidencing such Senior Indebtedness (and the Trustee has received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or a trustee), unless and until such default shall have been cured or waived or shall have ceased to exist and in the event that the maturity of any Senior Indebtedness has been accelerated because of a default (and the Trustee has received written notice thereof from the Company or one or more holders of Senior Indebtedness or their representative or representatives or a trustee), then no payment shall be made by the Company with respect to the principal (including redemption and sinking fund payments) of (or premium, if any) or interest on the Debentures.

In the event that, notwithstanding the foregoing, any payment shall be received by the Trustee or any holder of a Debenture when such payment is prohibited by the preceding paragraph of this Section 14.02, such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the holders of Senior Indebtedness or their respective representatives, or to the trustee or trustees under any indenture pursuant to which any of such Senior Indebtedness may have been issued, as their respective interests may appear, but only to the extent that the holders of the Senior Indebtedness (or their representative or representatives or a trustee) notify the Trustee within 90 days of such payment of the amounts then due and owing on the Senior Indebtedness and only the amounts specified in such notice to the Trustee shall be paid to the holders of Senior Indebtedness.

SECTION 14.03. Upon any payment by the Company, or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to creditors upon any dissolution, winding-up, liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all amounts due or to become due upon all Senior Indebtedness shall first be paid in full or payment thereof provided for in money in accordance with its terms, before any payment is made on account of the principal (and premium, if any) or interest on the Debentures; and upon any such dissolution, winding-up, liquidation or reorganization, any payment by the Company or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the holders of the Debentures or the Trustee would be entitled, except for the provisions of this Article Fourteen, shall be paid by the Company, by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, by the holders of the Debentures or by the Trustee under this Indenture if received by them or it directly to the holders of Senior Indebtedness (pro rata to such holders on the basis of the respective amounts of Senior Indebtedness held by such holders, as calculated by the Company) or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any Senior Indebtedness may have been issued, as their respective interests may appear, to the extent necessary to pay all Senior Indebtedness in full, in money or money's worth, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness, before any payment or distribution is made to the holders of Debentures or to the Trustee.

In the event that, notwithstanding the foregoing, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, prohibited by the foregoing, shall be received by the Trustee or the holders of the Debentures before all Senior Indebtedness is paid in full, or provision is made for such payment in money in accordance with its terms, such payment or distribution shall be held in trust for the benefit of and shall be paid over or delivered to the holders of Senior Indebtedness or their representative or representatives, or

to the trustee or trustees under any indenture pursuant to which any instruments evidencing any Senior Indebtedness may have been issued, as their respective interests may appear, as calculated by the Company, for application to the payment of Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in money in accordance with its terms, after giving effect to any concurrent payment or distribution to or for the holders of such Senior Indebtedness.

For purposes of this Article Fourteen, the words, "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in this Article Fourteen with respect to the Debentures to the payment of all Senior Indebtedness which may at the time be outstanding; provided that (i) the Senior Indebtedness is assumed by the new corporation, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment. The consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company following the conveyance or transfer of its property as an entirety, or substantially as an entirety, to another corporation upon the terms and conditions provided for in Article Ten hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 14.03 if such other corporation shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article Ten hereof. Nothing in Section 14.02 or in this Section 14.03 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.06.

SECTION 14.04. Subject to the payment in full of all Senior Indebtedness, the rights of the holders of the Debentures shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to the Senior Indebtedness until the principal of (and premium, if any) and interest on the Debentures shall be paid in full; and, for the purposes of such subrogation, no payments or distributions to the holders of the Senior Indebtedness of any cash, property or securities to which the holders of the Debentures or the Trustee would be entitled except for the provisions of this Article Fourteen, and no payment over pursuant to the provisions of this Article Fourteen, to or for the benefit of the holders of Senior Indebtedness by holders of the Debentures or the Trustee, shall, as between the Company, its creditors other than holders of Senior Indebtedness, and the holders of the Debentures, be deemed to be a payment by the Company to or on account of the Senior Indebtedness. It is understood that the provisions of this Article Fourteen are and are intended solely for the purposes of defining the relative rights of the holders of the Debentures, on the one hand, and the holders of the Senior Indebtedness on the other hand.

Nothing contained in this Article Fourteen or elsewhere in this Indenture or in the Debentures is intended to or shall impair, as between the Company, its creditors other than the holders of Senior Indebtedness, and the holders of the Debentures, the obligation of the Company, which is absolute and unconditional, to pay to the holders of the Debentures the principal of (and premium, if any) and interest on the Debentures as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the holders of the Debentures and creditors of the Company other than the holders of the Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or the holder of any Debenture from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article Fourteen of the holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

Upon any payment or distribution of assets of the Company referred to in this Article Fourteen, the Trustee, subject to the provision of Section 7.01, and the holders of the Debentures shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceedings are pending, or a certificate of the receiver, trustee in bankruptcy, liquidation trustee, agent or other person making such payment or distribution, delivered to the Trustee or to the holders of the Debentures, for the purposes of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount hereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Fourteen.

SECTION 14.05. Each holder of a Debenture by acceptance thereof authorizes and directs the Trustee in his, her or its behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Fourteen and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 14.06. The Company shall give prompt written notice to a Responsible Officer of the Trustee of any fact known to the Company which would prohibit the making of any payment of monies to or by the Trustee or paying agent in respect of the Debentures pursuant to the provisions of this Article Fourteen. Notwithstanding the provisions of this Article Fourteen or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of monies to or by the Trustee or paying agent in respect of the Debentures pursuant to the provisions of this Article Fourteen, unless and until a Responsible Officer of the Trustee shall have received written notice thereof at the Corporate Trust Office of the Trustee from the Company or a holder or holders of Senior Indebtedness or from any trustee therefor, and before the receipt of any such written notice, the Trustee, subject

to the provisions of Section 7.01, shall be entitled in all respects to assume that no such facts exist; provided that if the Trustee shall not have received the notice provided for in this Section 14.06 at least two Business Days prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of (or premium, if any) or interest on any Debenture), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such money and to apply the same to the purposes for which they were received, and shall not be affected by any notice to the contrary which may be received by it within two Business Days prior to such date.

The Trustee, subject to the provisions of Section 7.01, shall be entitled to rely on the delivery to it of a written notice by a person representing himself to be a holder of Senior Indebtedness (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of Senior Indebtedness or a trustee on behalf of any such holder or holders. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article Fourteen, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article Fourteen, and if such evidence is not furnished the Trustee may defer any payment to such person pending judicial determination as to the right of such person to receive such payment.

SECTION 14.07. The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article Fourteen in respect of any Senior Indebtedness at any time held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article Fourteen, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and, subject to the provisions of Section 7.01, the Trustee shall not be liable to any holder of Senior Indebtedness if it shall pay over or deliver to holders of Debentures, the Company or any other person money or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article Fourteen or otherwise.

SECTION 14.08. No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or otherwise be charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the holders of the Debentures, without incurring responsibility to the holders of the Debentures and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the holders of the Debentures to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness, or otherwise amend or supplement in any manner Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (iii) release any person liable in any manner for the collection of Senior Indebtedness; and (iv) exercise or refrain from exercising any rights against the Company and any other person.

The Bank of New York, as Trustee, hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Name: _____

Title: _____

Attest: [SEAL]

THE BANK OF NEW YORK, as Trustee

By: _____

Name: _____

Title: _____

Attest: [SEAL]

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

_____ and _____, _____ and _____, a
_____ and the _____, respectively, of PORTLAND GENERAL
ELECTRIC COMPANY, an Oregon corporation, being first duly sworn, on oath depose
and say that they are the officers above named of said corporation and that
they executed the foregoing instrument in their authorized capacities for and
on behalf of said corporation by authority of its Board of Directors.

Subscribed and sworn to before me this _____ day of _____,
199__.

Notary Public for Oregon

State of _____)
) ss.:
County of _____)

_____ and _____, respectively, of THE BANK OF NEW YORK, a New York banking corporation, being first duly sworn, on oath depose and say that they are the officers above named of said corporation and that they executed the foregoing instrument in their authorized capacities for and on behalf of said corporation pursuant to its bylaws or by authority of its Board of Directors.

Subscribed and sworn to before me this _____ day of _____, 199__.

Notary Public for _____

PORTLAND GENERAL ELECTRIC COMPANY

AND

THE BANK OF NEW YORK
as Trustee

_____ SUPPLEMENTAL INDENTURE
Dated as of _____, 199__

TO

INDENTURE

Dated as of September 1, 1995

_____ % Junior Subordinated Deferrable Interest Debentures, Series ____

_____ SUPPLEMENTAL INDENTURE, dated as of the _____ day of _____, 199__ (the "_____ Supplemental Indenture"), between Portland General Electric Company, a corporation duly organized and existing under the laws of the State of Oregon (hereinafter sometimes referred to as the "Company"), and THE BANK OF NEW YORK, a New York banking corporation organized and existing under the laws of the State of New York, as trustee (hereinafter sometimes referred to as the "Trustee") under the Indenture dated as of September 1, 1995 between the Company and the Trustee (the "Indenture;" all terms used and not defined herein are used as defined in the Indenture).

WHEREAS, the Company executed and delivered the Indenture to the Trustee to provide for the future issuance of its junior subordinated debentures (the "Debentures"), which Debentures are to be issued from time to time in such series as may be determined by the Company under the Indenture, in an unlimited aggregate principal amount which may be authenticated and delivered thereunder as in the Indenture provided; and

WHEREAS, pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of its Debentures to be known as its _____% Junior Subordinated Deferrable Interest Debentures, Series ____ (such series being hereinafter referred to as the "Series ____ Debentures"), the form and substance of such Series ____ Debentures and the terms, provisions and conditions thereof to be set forth as provided in the Indenture and this _____ Supplemental Indenture; and

WHEREAS, the Company desires and has requested the Trustee to join with it in the execution and delivery of this _____ Supplemental Indenture, and all requirements necessary to make this _____ Supplemental Indenture a valid instrument, in accordance with its terms, and to make the Series ____ Debentures, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the purchase and acceptance of the Series ____ Debentures by the holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Series ____ Debentures and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE ONE

General Terms and Conditions of the Series ____ Debentures

SECTION 1.01. There shall be and is hereby authorized a series of Debentures designated the "_____ % Junior Subordinated Deferrable Interest Debentures, Series ____," limited

in aggregate principal amount to \$ _____, which amount shall be as set forth in any Company Order for the authentication and delivery of Series ___ Debentures. The Series ___ Debentures shall mature and the principal shall be due and payable, together with all accrued and unpaid interest thereon, on _____, and shall be issued in the form of registered Series ___ Debentures without coupons.

SECTION 1.02. The Series ___ Debentures shall be issued as a Global Debenture and registered in the name of the Depository or its nominee. The Depository for the Series ___ Debentures shall be The Depository Trust Company, New York, New York, subject to the appointment of a successor Depository as provided in the Indenture. Series ___ Debentures represented by the Global Debenture will not be exchangeable for, and will not otherwise be issuable as, Series ___ Debentures in certificated form, except in the event that the Company discontinues its use of a Depository. Principal of and interest on the Series ___ Debentures issued in certificated form will be payable, the transfer of such Series ___ Debentures will be registrable and such Series ___ Debentures will be exchangeable for Series ___ Debentures bearing identical terms and provisions at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Debenture Register or by wire transfer to an account maintained by the registered holder as specified in the Debenture Register. The Trustee will act as paying agent for the Series ___ Debentures so long as the Series ___ Debentures are represented by a Global Debenture. Payments of principal of and interest on the Series ___ Debentures issued as a Global Debenture will be made to the Depository.

SECTION 1.03. Each Series ___ Debenture will bear interest at the rate of _____% per annum from and including the original date of issuance or from the most recent Interest Payment Date referred to below to which interest has been paid or duly provided for until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum, payable quarterly in arrears on _____, _____, _____ and _____ of each year (each, an "Interest Payment Date"), commencing on _____, to the person in whose name such Series ___ Debenture or any Predecessor Debenture of a Series ___ Debenture is registered at the close of business on the Business Day next preceding each such Interest Payment Date (each, a "Record Date"); provided, however, that if the Series ___ Debentures shall not remain in the form of a Global Debenture, the Company shall have the right to select another record date, which shall be any day prior to, but not more than 15 days preceding, an Interest Payment Date. Any such interest installment not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the registered holder on the relevant Record

Date, and may be paid to the person in whose name the Series ___ Debenture (or one or more predecessor Debentures) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered holders of the Series ___ Debentures not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series ___ Debentures may then be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture; provided, however, that interest (other than interest described in the next sentence) shall not be considered payable by the Company on any Interest Payment Date falling within an Extension Period (as defined in Section 3.01 below), unless the Company has elected to make a full or partial payment of interest accrued on the Series ___ Debentures on that Interest Payment Date. Any partial payment of interest accrued on the Series ___ Debentures on any Interest Payment Date falling within an Extension Period shall be paid pro rata to the registered holders of such Debentures on the relevant Record Date in respect of such Interest Payment Date, determined in accordance with Section 3.01 of this Supplemental Indenture, based upon the principal amount of Series ___ Debentures then held by such registered holders.

The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full calendar month, on the basis of the actual number of days elapsed in such period. In the event that any date on which interest is payable on the Series ___ Debentures is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

ARTICLE TWO

Redemption of the Series ___ Debentures

Subject to the terms of Article Three of the Indenture, the Company shall have the right to redeem the Series ___ Debentures, in whole or in part, from time to time, on or after _____, _____, at a redemption price equal to ___% of the principal amount of Series ___ Debentures to be redeemed plus any accrued and unpaid interest thereon to the date of such redemption. If the Series ___ Debentures are only partially redeemed pursuant to this Section, the Series ___ Debentures will be redeemed by lot or by any other method utilized by the Trustee.

ARTICLE THREE

Extension of Interest Payment Period

SECTION 3.01. Subject to Section 4.06 of the Indenture, so long as the Company shall not be in default in the payment of interest on the Series ___ Debentures, the Company shall have the right, at any time during the term of the Series ___ Debentures, to extend any interest payment period of such Series ___ Debentures at any time and from time to time for a period not to exceed 20 consecutive calendar quarters from the last Interest Payment Date to which interest was paid in full (each, an "Extension Period"), provided that such Extension Period ends on another Interest Payment Date. No interest shall be due and payable during an Extension Period, but on the Interest Payment Date occurring at the end of each Extension Period the Company shall pay to the holders of record on the Record Date for such Interest Payment Date (regardless of who the holders of record may have been on other dates during such Extension Period) all accrued and unpaid interest on the Series ___ Debentures, together with interest thereon at the rate specified for the Series ___ Debentures. Prior to the termination of any Extension Period, the Company may pay all or (subject to the last sentence of the first paragraph of Section 1.03 above) any portion of the interest accrued on the Series ___ Debentures on any Interest Payment Date to holders of record on the Record Date for that Interest Payment Date or may from time to time further extend such Extension Period, provided that any such Extension Period, together with all such previous and further extensions thereof, shall not exceed 20 consecutive calendar quarters. If the Company shall elect to pay all of the interest accrued on the Series ___ Debentures on an Interest Payment Date during an Extension Period, that Extension Period shall automatically terminate on that Interest Payment Date. Upon the termination of an Extension Period and the payment of all amounts of interest then due, the Company may commence a new Extension Period, subject to the foregoing requirements.

SECTION 3.02. The Company shall give the Trustee written notice of (i) any election by the Company to initiate an Extension Period and the duration thereof, (ii) any election by the Company to extend an Extension Period beyond the Interest Payment Date on which that Extension Period is then scheduled to terminate and the duration of such extension and (iii) any election by the Company to make a full or partial payment of interest accrued on the Series ___ Debentures on any Interest Payment Date during an Extension Period and the amount of such payment. In no event shall such notice by the Company be given less than 15 Business Days prior to the later of (A) the Record Date next preceding the applicable Interest Payment Date and (B) five Business Days prior to such Interest Payment Date. Upon receipt of any such notice, the Trustee shall give written notice of the Company's election by mail to the Series ___ Debentureholders not less than 10 Business Days prior to such Interest Payment Date. The Company shall make a public announcement of any such election in accordance with New York

Stock Exchange rules not less than five Business Days prior to such Record Date.

ARTICLE FOUR

Form of Series ___ Debenture

The Series ___ Debentures and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

(FORM OF FACE OF DEBENTURE)

This Debenture is a Global Debenture 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 Debenture is exchangeable for Debentures 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 Debenture (other than a transfer of this Debenture 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) may be registered except in limited circumstances described in the Indenture.

Unless this Debenture is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any Debenture issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company, and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. _____ \$ _____

CUSIP No. _____

_____% JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURE,
SERIES ____

Portland General Electric Company, a corporation duly organized and existing under the laws of the State of Oregon (herein referred to as the "Company", which term includes any successor corporation under the Indenture), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of \$ _____ Dollars on _____, _____, and to pay interest on such principal sum from and including _____, _____ or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, payable quarterly in arrears on

_____, _____, _____, and _____ of each year, commencing on _____, _____, at the rate of _____% per annum until the principal hereof shall have become due and payable and on any overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full calendar month, on the basis of the actual number of days elapsed in such period. In the event that any date on which interest is payable on this Debenture is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Debenture (or one or more Predecessor Debentures, as defined in the Indenture) is registered at the close of business on the Business Day next preceding that Interest Payment Date (each, a "Record Date"); provided, however, that if this Debenture shall not remain in the form of a Global Debenture, the Company shall have the right to select another record date, which shall be any day prior to, but not more than 15 days preceding, an Interest Payment Date. Any such interest installment not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the registered holder on the relevant Record Date, and may be paid to the person in whose name this Debenture (or one or more Predecessor Debentures) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered holders of this series of Debentures not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any exchange on which Debentures of this series may then be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture hereinafter referred to; provided, however, that interest shall not be considered payable by the Company on any Interest Payment Date falling within an Extension Period (as defined below), unless the Company has elected to make a full or partial payment of interest accrued on this Debenture on that Interest Payment Date. Any partial payment of interest accrued on this series of Debentures on any Interest Payment Date falling within an Extension Period shall be paid pro rata to the registered holder of this Debenture on the relevant Record Date in respect of such Interest Payment Date (determined in accordance with the provisions on the reverse of this Debenture) based upon the principal amount of this Debenture in relation to the aggregate principal amount of all Debentures of this series then outstanding. The principal of and the interest on this

Debenture shall be payable at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Debenture Register or, with respect to a registered holder of \$1,000,000 or more in aggregate principal amount of Debentures who has delivered a written request to the Trustee at least 14 days prior to the relevant Interest Payment Date electing to have payments made by wire transfer to a designated account in the United States, by wire transfer of immediately available funds to such designated account.

The indebtedness evidenced by this Debenture is, to the extent provided in the Indenture, subordinated and junior in right of payment to the prior payment in full of all Senior Indebtedness, and this Debenture is issued subject to the provisions of the Indenture with respect thereto. Each holder of this Debenture, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee its attorney-in-fact for any and all such purposes. Each holder hereof, by its acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon those provisions.

This Debenture shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Debenture are contained on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Instrument to be executed.

Dated: _____

By _____
Its:

Attest:

[Title]

(FORM OF CERTIFICATE OF AUTHENTICATION)
CERTIFICATE OF AUTHENTICATION

This is one of the Debentures of the series of Debentures described in the within-mentioned Indenture.

THE BANK OF NEW YORK

or

_____ as Trustee

_____ as Authentication Agent

By _____
Authorized Signatory

_____ Authorized Signatory

(FORM OF REVERSE OF DEBENTURE)

This Debenture is one of a duly authorized series of debentures of the Company (herein sometimes referred to as the "Debentures"), specified in the Indenture (as defined below), all issued or to be issued in one or more series under and pursuant to an Indenture dated as of September 1, 1995 duly executed and delivered between the Company and THE BANK OF NEW YORK, a New York banking corporation duly organized and existing under the laws of the State of New York, as Trustee (herein referred to as the "Trustee"), as supplemented by the _____ Supplemental Indenture dated as of _____, _____ between the Company and the Trustee (such Indenture as so supplemented being hereinafter referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties, and immunities thereunder of the Trustee, the Company and the holders of the Debentures. By the terms of the Indenture, the Debentures are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This series of Debentures is limited in aggregate principal amount as specified in the _____ Supplemental Indenture.

Subject to the terms of Article Three of the Indenture, the Company shall have the right to redeem the Debentures of this series at the option of the Company, without premium or penalty, in whole or in part at any time and from time to time on or after _____, _____ (an "Optional Redemption"), at a redemption price equal to _____% of the principal amount of the Debentures of this series to be redeemed plus any accrued and unpaid interest thereon to the date of such redemption. If the Debentures of this series are only partially redeemed by the Company pursuant to an Optional Redemption, the Debentures of this series will be redeemed by lot or by any other method utilized by the Trustee.

In the event of redemption of this Debenture in part only, a new Debenture or Debentures of this series for the unredeemed portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, with respect to the Debentures of this series shall have occurred and be continuing, the principal of all of the Debentures of this series may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of the Debentures of this series upon compliance by the Company with certain conditions set forth therein.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Debentures of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debentures of any series, reduce the principal amount thereof, reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Debenture so affected or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Debenture then outstanding and affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Debentures of all series at the time outstanding affected thereby, on behalf of the holders of the Debentures of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any of the Debentures of such series, which default may be waived by the unanimous consent of the holders affected. Any such consent or waiver by the registered holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Debenture and of any Debenture issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Debenture.

No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Debenture at the time and place and at the rate and in the money herein prescribed.

Subject to Section 4.06 of the Indenture, so long as the Company shall not be in default in the payment of interest on this series of Debentures, the Company shall have the right, at any time during the term of this series of Debentures, to extend any interest payment period of this series of Debentures at any time and from time to time for a period not to exceed 20 consecutive calendar quarters from the last Interest Payment Date to which interest was paid in full (each, an "Extension Period"), provided that such Extension Period ends on another Interest Payment Date. No interest shall be due and payable during an Extension Period, but on the Interest Payment Date occurring at the end of each Extension Period the Company shall pay to the holders of record on the Record Date for such Interest Payment Date (regardless of who the holders of record may have been on other dates during such Extension Period) all accrued and unpaid interest on this series of Debentures, together with interest thereon, at the rate specified for this series of Debentures. Prior to the termination of any Extension Period, the Company may pay all or (subject to the provisions concerning pro rata payment in the penultimate sentence of the first paragraph on the face of this Debenture) any portion of the interest accrued on this series of Debentures on any Interest Payment Date to holders of record on the Record Date for that Interest Payment Date or may from time to time further extend such Extension Period, provided that any such Extension Period, together with all such previous and further extensions thereof, shall not exceed 20 consecutive calendar quarters. If the Company shall elect to pay all of the interest accrued on this series of Debentures on an Interest Payment Date during an Extension Period, that Extension Period shall automatically terminate on that Interest Payment Date. Upon the termination of an Extension Period and the payment of all amounts of interest then due, the Company may commence a new Extension Period, subject to the foregoing requirements.

As provided in the Indenture and subject to certain limitations therein set forth, this Debenture is transferable by the registered holder hereof on the Debenture Register of the Company, upon surrender of this Debenture for registration of transfer at the office or agency of the Company designated for such purpose in the Borough of Manhattan, The City of New York accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by the registered holder hereof or its attorney duly authorized in writing and thereupon one or more new Debentures of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Debenture, the Company, the Trustee, any paying agent and any Debenture Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this

Debenture shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Debenture Registrar) for the purpose of receiving payment of or on account of the principal hereof, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Debenture Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any 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, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

This Global Debenture is exchangeable for Debentures in certificated form only under certain limited circumstances set forth in the Indenture. The Debentures 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 herein and therein set forth, Debentures of this series so issued are exchangeable for a like aggregate principal amount of Debentures of this series of a different authorized denomination, as requested by the holder surrendering the same.

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

ARTICLE FIVE

Original Issue of Series ___ Debentures

Series ___ Debentures in the aggregate principal amount of \$_____ may, upon execution of this _____ Supplemental Indenture, or from time to time thereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver such Debentures to the Company or upon a Company Order, without any further action by the Company.

ARTICLE SIX

Miscellaneous Provisions

SECTION 6.01. Except as otherwise expressly provided in this _____ Supplemental Indenture or in the form of Series ___ Debenture or otherwise clearly required by the context hereof or thereof, all terms used herein or in the form of Series

___ Debenture that are defined in the Indenture shall have the several meanings respectively assigned to them thereby.

SECTION 6.02. The Indenture, as supplemented by this _____ Supplemental Indenture, is in all respects ratified and confirmed, and this _____ Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 6.03. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this _____ Supplemental Indenture or of the Series ___ Debentures.

SECTION 6.04. This _____ Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this _____ Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

By: _____

Attest:

THE BANK OF NEW YORK, as Trustee

By: _____

Attest:

=====

PORTLAND GENERAL ELECTRIC COMPANY

TO

MARINE MIDLAND BANK
(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.

=====

SUPPLEMENTAL INDENTURE, dated _____, 199__ made by and between Portland General Electric Company, an Oregon corporation (hereinafter called the "Company"), party of the first part, and Marine Midland Bank (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 -----	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	
Sixteenth	10-1-67	6.60%	Series due October 1, 1997	24,000,000	
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	

Twenty-first	4-1-73	7.95%	Series due April 1, 2003	35,000,000	
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	6-1-77	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)
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 Note Series II	75,000,000	
Forty-fourth	8-1-94		Medium Term Note Series III	75,000,000	
Forty-fifth	5-1-95		Medium Term Note Series IV	75,000,000	
Forty-_____	_____	_____	_____	_____	_____

- (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 1983.
- (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 _____", 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 amended hereinafter referred to as the "Original Indenture"); 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 Original Indenture 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 Original Indenture and the Supplemental Indentures above referred to; 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]

No. R \$.....

PORTLAND GENERAL ELECTRIC COMPANY
FIRST MORTGAGE BOND, [____%](1) SERIES [DUE _____, ____](1)

Portland General Electric Company, an Oregon corporation (hereinafter sometimes called the "Company"), for value received, hereby promises to pay to 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__),] (1) at the rate of [_____, semi-annually on the first day of _____ and on the first day of _____ in each year beginning on _____, 199__,] (1) until payment of the principal hereof has been made or duly provided for. The interest so payable on any [_____] (1) 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

(1) 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.

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.

MARINE MIDLAND BANK, AS TRUSTEE,
By _____
Authorized Officer.

(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.

[reverse]

This bond is one of the bonds, of a series designated as _____% Series [due _____, _____,](3) 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 Marine Midland Bank), 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 _____, _____,](3) 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

(3) 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.

(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.

[and (in the instances provided in the Indenture) by the application of proceeds of property subject to the lien thereof,](6) 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.

(6) 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.

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

(6) 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.

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.

This bond is transferable 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].(7) 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

(7) 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.

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 Original Indenture 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 Original Indenture).

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 Original Indenture) 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.

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 Original Indenture;

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 and coupons 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 or coupon 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 Original Indenture, so that, subject to said Section 11.28, each and all of said Bonds and coupons 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 and coupons 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.

ARTICLE ONE.

BONDS OF THE _____ SERIES AND CERTAIN PROVISIONS RELATING THERETO.

(8) SECTION 1.01 A. Definitions Pertaining to Series. The terms defined in this Section 1.01. A (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 1.01. A. 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

(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.

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 1.01. Certain Terms of Bonds of the _____ Series. There shall be a series of Bonds, known as and entitled "First Mortgage Bonds, _____ [% Series due _____, _____]"(9) (sometimes herein referred to as the "Bonds of the _____

(9) 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.

____ 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 Original Indenture 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.](10) [Except as provided in the next succeeding sentence and notwithstanding the provisions of Section 2.05 of the Original Indenture,](10) each Bond of the ____ Series shall be dated as of the date of its authentication, [shall mature _____, _____,](10) 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__.](10) [All](10) Bonds of the ____ Series shall bear interest at the rate of [____%](10) 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.](10) 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 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

(10) 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.

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](10) 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 _____.](11) 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 Original Indenture 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 transferring Bonds of the _____ Series.

Notwithstanding the provisions of Section 2.11 of the Original Indenture, no service charge shall be made for any exchange or 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 1.02. 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

(12) (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 Original Indenture and otherwise, except in the cases mentioned in the following clause (b)), upon payment of the

(11) 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.

(12) 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.

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) (13)(i) through the operation of the sinking fund for the Bonds of the _____ Series provided for in Section _____ of this Supplemental Indenture,
- (14)(ii) through the application of cash deposited with the Trustee pursuant to Section 6.04 of the Original Indenture, upon the taking, purchase or sale of any property subject to the lien hereof or thereof 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 Original Indenture to be applied to the retirement of Bonds,

upon payment of the principal amount thereof (the "Special Redemption Price"):

Twelve Months' Period Beginning -----	Regular Redemption Price -----	Twelve Months' Period Beginning -----	Regular Redemption Price -----
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(13) 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.

(14) May be omitted or changed if the Bonds of the Series to which this Supplemental Indenture relates are to be nonredeemable or the redemption provision with respect thereto differ from those described.

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 Original Indenture.

(15) SECTION 1.03. 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 Original Indenture or taken or purchased pursuant to the provisions of Article Six of the Original Indenture, 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 Original Indenture or certified pursuant to Section 6.06 of the Original Indenture 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".

(15) 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.

The Company may

(16) (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;

(17) (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 Section ____ hereof, 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 Original Indenture 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 Original Indenture as the same may be amended in accordance with the provisions of Section ____ of this Supplemental Indenture) 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

(16) 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.

(17) 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.

term is defined in Subsection H of Section 1.10 of the Original Indenture.

No available Bond retirements which shall theretofore have been made the basis for action or credit under the Original Indenture 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.

A. 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 Original Indenture as the same may be amended in accordance with the provisions of Section 1.08 of this Supplemental Indenture) 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.

B. (i) To the extent that

- (a) in any given year the principal amount of Bonds made the basis of a credit upon any sinking fund payment, and/or redeemed (whether on a sinking fund payment date or in anticipation of a sinking fund payment) by operation of the sinking fund, for Bonds of the 1975 Series, or for Bonds of the 1977 Series, or for Bonds of the 1977 Second Series, or for Bonds of the 1984 Series, or for Bonds of the 1986 Series, or for Bonds of the 4-7/8% Series due 1987, or for Bonds of the 1990 Series, or for Bonds of the 1991 Series, or for Bonds of the 4-5/8% Series due 1993, or for Bonds of the 4-3/4% Series due 1993, or for Bonds of the 1994 Series, or for

Bonds of the 1995 Series, or for Bonds of the 1996 Series, or for Bonds of the 1996 Second Series, or for Bonds of the 1999 Series, or for Bonds of the 2000 Second Series,

does not exceed

- (b) an amount equal to 1% of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after deducting from said 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 such Series theretofore redeemed by the application of the proceeds of property released from the lien of the Original Indenture or taken or purchased pursuant to the provisions of Article Six of the Original Indenture, and (2) the aggregate principal amount of Bonds of such Series theretofore redeemed and retired and made the basis for the withdrawal of such proceeds pursuant to Section 7.03 of the Original Indenture or certified pursuant to Section 6.06 of the Original Indenture in lieu of the deposit of cash upon the release or taking of property; and

to the extent that

- (c) in any given year the principal amount of Bonds made the basis of a credit upon any sinking fund payment and/or redeemed (whether on a sinking fund payment date or in anticipation of a sinking fund payment) by operation of the sinking fund, for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series, or for Bonds of the 2005 Series, or for Bonds of the 2006 Series, or for Bonds of the 2007 Series, or for Bonds of the 2010 Series, or for Bonds of the 2012 Series, or for Bonds of the _____ Series,

does not exceed that

- (d) an amount equal to (1) 1% of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after making the deductions from said aggregate principal amount referred to in clause (b) of this subparagraph (i), minus (2) 60% of the amount of available additions made the basis of a credit against such sinking fund payment,

the principal amount of Bonds so made the basis of a credit upon a sinking fund payment and/or so redeemed by operation of the sinking fund for Bonds of such Series 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 Original Indenture as the same may be amended in accordance with the provisions of Section 1.08 of this Supplemental Indenture) 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; and

(ii) to the extent that

- (e) in any given year the amount of available additions made the basis of a credit against any sinking fund payment for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series, or for Bonds of the 2005 Series, or for Bonds of the 2006 Series, or for Bonds of the 2007 Series, or for Bonds of the 2010 Series, or for Bonds of the 2012 Series, or for Bonds of the _____ Series,

does not exceed

- (f) an amount equal to one and sixty-six and two-thirds one hundredths percent (1.66-2/3%) of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after making the deductions from said aggregate principal amount referred to in clause (b) of subparagraph (i) of this paragraph B,

the amount of available additions so made the basis of a credit against a sinking fund payment 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 Original Indenture as the same may be amended in accordance with the provisions of Section 1.08 of this Supplemental Indenture) 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 Original Indenture.

C. From and after the time when all Bonds of any of the Series (other than Bonds of the 1996 Second Series, Bonds of the 1999 Series and Bonds of the 2000 Second Series) referred to in (a) of paragraph B immediately preceding shall cease to be outstanding, and in the case of Bonds of the 1996 Second Series, Bonds of the 1999 Series and Bonds of the 2000 Second Series, for each of such Series from and after the time when the first Bond of such Series shall have been redeemed by operation of the sinking fund for Bonds of such Series, a principal amount of Bonds equal to the excess of

- (i) the aggregate principal amount of Bonds made the basis of a credit upon all

sinking fund payments and/or redeemed by operation of the sinking fund for Bonds of such Series as set forth in said (a) in all years, over

- (ii) the aggregate amounts set forth in (b) of paragraph B immediately preceding with reference to Bonds of such Series for all years,

shall become "available Bond retirements" as such term is defined in Section 1.10.J. of the Original Indenture and may thereafter be included in Item 4 (or, in the case of Bonds of the 1996 Second Series, Bonds of the 1999 Series and Bonds of the 2000 Second Series, in Item 3) of any "certificate of available Bond retirements" thereafter delivered to and/or filed with the Trustee pursuant to Section 3.02 of the Original Indenture; and from and after the time when all Bonds of any of the Series referred to in (c) of paragraph B immediately preceding shall cease to be outstanding, a principal amount of Bonds equal to the excess of

- (iii) the aggregate principal amount of Bonds made the basis of a credit upon all sinking fund payments and/or redeemed by operation of the sinking fund for Bonds of such Series as set forth in said (c) in all years, over
- (iv) the aggregate amounts set forth in (d) of paragraph B immediately preceding with reference to Bonds of such Series for all years,

shall become "available Bond retirements" as such term is defined in Section 1.10.J. of the Original Indenture and may thereafter be included in Item 4 of any "certificate of available Bond retirements" thereafter delivered to and/or filed with the Trustee pursuant to Section 3.02 of the Original Indenture, and an amount of available additions equal to the excess of

- (v) the aggregate amount of available additions made the basis of a credit against all sinking fund payments for Bonds of such Series as set forth in (e) of paragraph B immediately preceding in all years, over
- (vi) the aggregate amounts set forth in (f) of paragraph B immediately preceding with reference to Bonds of such Series for all years,

shall become "available additions" as such term is defined in Section 1.10.I. of the Original Indenture and may thereafter be included in Item 5 of any "certificate of available additions" thereafter filed with the Trustee pursuant to Section 3.01 of the Original Indenture; provided, however, that the foregoing provisions of this paragraph C shall not become effective (except with respect to Bonds of the 1996 Second Series, Bonds of the 1999 Series and Bonds of the 2000 Second Series, as to each of which Series such provisions shall become effective regardless of any consent of holders of any Bonds from and after the time when the first Bond of such Series shall have been redeemed by operation of the sinking fund for Bonds of such Series) unless and until the

holders of not less than 75% in principal amount of Bonds then outstanding or their attorneys-in-fact duly authorized, including the holders of not less than 60% in principal amount of the Bonds then outstanding of each series the rights of the holders of which are affected, shall have consented to the amendments of Subsections G, H, I and J of Section 1.10 and of Sections 3.01, 3.03 and 4.03 of the Original Indenture and of Sections 1.03 of the various Supplemental Indentures referred to in Subsections II and III of Section ____ of 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 Original Indenture, 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 Original Indenture 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 1.04. Notwithstanding the provisions of Section 4.07 of the Original Indenture, the provisions of Sections 4.04, 4.05, and 4.06 of the Original Indenture 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 1.05. 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 Original Indenture 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.

(18) SECTION 1.06. Notwithstanding the provisions of Section 2.06 or Section 2.10 of the Original Indenture, the Company shall not be required (i) to issue, register, discharge from registration, exchange or transfer 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 transfer any Bond of the _____ Series so selected for redemption in its entirety or (iii) to exchange or transfer any portion of a Bond of the _____ Series which portion has been so selected for redemption.

SECTION 1.07. 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 Original Indenture 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 1.08. I. Each holder of any Bond of the _____ Series, by acceptance of such Bond shall thereby consent that, at any time after the requisite consents, if any, of the holders of Bonds of other series shall have been given as hereinafter provided, Subsections A and G of Section 1.10 of the Original Indenture 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 and Nevada 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.

(18) 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.

"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 (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. 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 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 \$35,023,487.50.

"All Bonds credited against any sinking fund payment due subsequent to December 31, 1966 for Bonds of any series and (except as provided in Section 9.04 with respect to Bonds on which a notation of partial payment shall be made) all Bonds redeemed in anticipation of or out of moneys paid to the Trustee as a part of any sinking fund payment due subsequent to December 31, 1966 for Bonds of any series, shall be canceled and no such Bonds, nor any property additions which, subsequent to December 31, 1966, shall have been 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, shall be made the basis of the authentication and delivery of Bonds or of any other further action or credit hereunder."

II. Each holder of any Bond of the _____ Series, by acceptance of such Bond shall thereby consent that, at any time after the requisite consents, if any, of the holders of Bonds of other series shall have been given as hereinafter provided:

(1) Subsection A of Section 1.10 of the Original Indenture, as the same may be amended as hereinabove in this Section 1.08 provided, be further amended by replacing the word "and" between the words "Utah" and "Nevada" with a comma and by adding after the word "Nevada" the words "and Alaska";

(2) Subsection G of Section 1.10 of the Original Indenture, as the same may be amended as hereinabove in this Section 1.08 provided, be further amended by amending the second paragraph thereof to read as follows:

"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."

(3) Subsection G of Section 1.10 of the Original Indenture, as the same may be amended as hereinabove in this Section 1.07 provided, be further amended by deleting therefrom the last two paragraphs thereof and inserting therein a new last paragraph to read as follows:

"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."

III. Each holder of any Bond of the _____ Series, by acceptance of such Bond shall thereby consent that, at any time after the requisite consents, if any, of the holders of Bonds of other series shall have been given as hereinafter provided.

(1) the subparagraph numbered (3) of the third paragraph of Section 1.03 of each of the Sixteenth and the Eighteenth through the Twenty-first Supplemental Indentures and the third paragraph of Section 1.03 of the Twenty-second Supplemental Indenture be amended by inserting before the words "any available additions thus shown as a credit" the phrase "provided, however, that so long as any Bonds of the Series are outstanding" and inserting in the blank space of such phrase the applicable designation of the series of Bonds created by such supplemental indenture;

(2)(i) the fifth paragraph of Section 1.03 of the Ninth through the Sixteenth Supplemental Indentures and the Eighteenth through the Twenty-second Supplemental Indentures, which begins with the words "All Bonds made the basis of a credit upon any sinking fund payment for Bonds", (ii) Section 1.03 of the Seventeenth, Twenty-third and Twenty-fourth Supplemental Indentures, (iii) the last sentence of the fourth paragraph of Section 1.03 of the First, Third, Fifth, Sixth and Seventh Supplemental Indentures, which begins with the words "All Bonds delivered to the Trustee as part of or to anticipate any sinking fund payment" and (iv) the last sentence of the fourth paragraph of Section 4.03 of the Original Indenture, which begins with the words "All Bonds delivered to the Trustee as part of or to anticipate any sinking fund payment", each be amended

so as to read as follows:

"All Bonds made the basis of a credit upon any sinking fund payment, 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 Bonds of the 1975 Series, or for Bonds of the 1977 Series, or for Bonds of the 1977 Second Series, or for Bonds of the 1984 Series, or for Bonds of the 1986 Series, or for Bonds of the 4-7/8% Series due 1987, or for Bonds of the 1990 Series, or for Bonds of the 1991 Series, or for Bonds of the 4-5/8% Series due 1993, or for Bonds of the 4-3/4% Series due 1993, or for Bonds of the 1994 Series, or for Bonds of the 1995 Series, or for Bonds of the 1996 Series, or for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series if not theretofore canceled shall be canceled and, except as otherwise provided in the supplemental indenture creating such series of Bonds, or in another supplemental indenture amending such supplemental indenture, so long as any Bonds of such 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 Original Indenture as the same may be amended in accordance with the provisions of any supplemental indenture) be made the basis of the authentication and delivery of Bonds or of any further action or credit under the Original Indenture or any supplemental indenture.

"To the extent that

- (a) in any given year the principal amount of Bonds made the basis of a credit upon any sinking fund payment, and/or redeemed (whether on a sinking fund payment date or in anticipation of a sinking fund payment) by operation of the sinking fund, for Bonds of the 1975 Series, or for Bonds of the 1977 Series, or for Bonds of the 1977 Second Series, or for Bonds of the 1984 Series, or for Bonds of the 1986 Series, or for Bonds of the 4-7/8% Series due 1987, or for Bonds of the 1990 Series, or for Bonds of the 1991 Series, or for Bonds of the 4-5/8% Series due 1993, or for Bonds of the 4-3/4% Series due 1993, or for Bonds of the 1994 Series, or for Bonds of the 1995 Series or for Bonds of the 1996 Series,

does not exceed

- (b) an amount equal to 1% of the greatest aggregate principal amount of

Bonds of such Series theretofore at any one time outstanding, after deducting from said 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 such Series theretofore redeemed by the application of the proceeds of property released from the lien of the Original Indenture or taken or purchased pursuant to the provisions of Article Six of the Original Indenture, and (2) the aggregate principal amount of Bonds of such Series theretofore redeemed and retired and made the basis for the withdrawal of such proceeds pursuant to Section 7.03 of the Original Indenture or certified pursuant to Section 6.06 of the Original Indenture in lieu of the deposit of cash upon the release or taking of property; and

to the extent that

- (c) in any given year the principal amount of Bonds made the basis of a credit upon any sinking fund payment, and/or redeemed (whether on a sinking fund payment date or in anticipation of a sinking fund payment) by operation of the sinking fund, for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series,

does not exceed

- (d) an amount equal to (1) 1% of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after making the deductions from said aggregate principal amount referred to in clause (b) of this paragraph, minus (2) 60% of the amount of available additions made the basis of a credit against such sinking fund payment,

the principal amount of Bonds so made the basis of a credit upon a sinking fund payment and/or so redeemed by operation of the sinking fund for Bonds of such Series 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 Original Indenture as the same may be amended in accordance with the provisions of any supplemental indenture) 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; and

to the extent that

- (e) in any given year the amount of available additions made the basis of a credit against any sinking fund payment for Bonds of the 1997 Series, or

for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series,

does not exceed

- (f) an amount equal to one and sixty-six and two-thirds one hundredths percent (1.66-2/3%) of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after making the deductions from said aggregate principal amount referred to in clause (b) of this paragraph,

the amount of available additions so made the basis of a credit against a sinking fund payment 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 Original Indenture as the same may be amended in accordance with the provisions of any supplemental indenture) 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 Original Indenture.

"From and after the time when all Bonds of any of the Series referred to in (a) of the paragraph immediately preceding shall cease to be outstanding, a principal amount of Bonds equal to the excess of

- (i) the aggregate principal amount of Bonds made the basis of a credit upon all sinking fund payments and/or redeemed by operation of the sinking fund for Bonds of such Series as set forth in said (a) in all years, over
- (ii) the aggregate amounts set forth in (b) of the paragraph immediately preceding with reference to Bonds of such Series for all years,

shall become 'available Bond retirements' as such term is defined in Section 1.10.J. of the Original Indenture and may thereafter be included in Item 4 of any 'certificate of available Bond retirements' thereafter delivered to and/or filed with the Trustee pursuant to Section 3.02 of the Original Indenture; and from and after the time when all Bonds of any of the Series referred to in (c) of the paragraph immediately preceding shall cease to be outstanding, a principal amount of Bonds equal to the excess of

- (iii) the aggregate principal amount of Bonds made the basis of a credit upon all sinking fund payments and/or redeemed by operation of the sinking fund for Bonds of such Series as set forth in said (c) in all years, over

- (iv) the aggregate amounts set forth in (d) of the paragraph immediately preceding with reference to Bonds of such Series for all years,

shall become 'available Bond retirements' as such term is defined in Section 1.10.J. of the Original Indenture and may thereafter be included in Item 4 of any 'certificate of available Bond retirements' thereafter delivered to and/or filed with the Trustee pursuant to Section 3.02 of the Original Indenture, and an amount of available additions equal to the excess of

- (v) the amount of available additions made the basis of a credit against all sinking fund payments for Bonds of such Series as set forth in (e) of the paragraph immediately preceding in all years, over

- (vi) the aggregate amounts set forth in (f) of the paragraph immediately preceding with reference to Bonds of such Series for all years,

shall become 'available additions' as such term is defined in Section 1.10.I. of the Original Indenture and may thereafter be included in Item 5 of any 'certificate of available additions' thereafter filed with the Trustee pursuant to Section 3.01 of the Original Indenture.";

(3) subsection H of Section 1.10 of the Original Indenture 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 Original Indenture be amended by changing the reference therein from "Item 5" to "Item 7"; and Subsection J of Section 1.10 of the Original Indenture be amended by changing the reference therein from "Item 4" to "Item 5";

(4) paragraph (3) of Section 3.01(A) of the Original Indenture 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";

(5) the Certificate of Available Additions set forth in Section 3.03.A. of the Original Indenture 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

(6) the Certificate of Available Bond Retirements set forth in Section 3.03.B. of the Original Indenture 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".

IV. The amendments of Subsections A, G, H, I and/or J of Section 1.10 of the Original Indenture, of Sections 3.01, 3.03 and/or 4.03 of the Original Indenture and/or of Section 1.03 of the First, Third, Fifth, Sixth, Seventh and Ninth through Twenty-fourth Supplemental Indentures set forth above shall, subject to the Company and the Trustee, in accordance with the provisions of Section 17.02 of the Original Indenture, entering into an indenture or indentures supplemental to the Original Indenture for the purpose of so amending said Subsections A, G, H, I and/or J, Sections 3.01, 3.03 and/or 4.03 and/or Section 1.03, become effective at such time as the holders of not less than 75% in principal amount of Bonds then outstanding or their attorneys-in-fact duly authorized, including the holders of not less than 60% in principal amount of the Bonds then outstanding of each series the rights of the holders of which are affected by such amendment, shall have consented to such amendment. No further vote or consent of the holders of Bonds of the _____ Series shall be required to permit such amendments to become effective and in determining whether the holders of not less than 75% in principal amount of Bonds outstanding at the time such amendments become effective have consented thereto, the holders of all Bonds of the _____ Series then outstanding shall be deemed to have so consented.

SECTION 1.09. This Article shall be of force and effect only so long as any Bonds of the _____ Series are outstanding.

ARTICLE TWO.

TRUSTEE.

SECTION 2.01. 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, reregistration, 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 THREE.

MISCELLANEOUS PROVISIONS.

SECTION 3.01. 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 3.02. 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 3.03. In case any one or more of the provisions contained in this Supplemental Indenture or in the Bonds or coupons 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 3.04. 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, Marine Midland Bank (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: _____
Title:

Attest:

[Title]

[Seal]

MARINE MIDLAND BANK

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 MARINE MIDLAND BANK, 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]

=====

PORTLAND GENERAL ELECTRIC COMPANY

TO

MARINE MIDLAND BANK
(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.

=====

SUPPLEMENTAL INDENTURE, dated _____, made by and between Portland General Electric Company, an Oregon corporation (hereinafter called the "Company"), party of the first part, and Marine Midland Bank (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 -----	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
Sixteenth	10-1-67	6.60% Series due October 1, 1997	24,000,000
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

SUPPLEMENTAL INDENTURE -----	DATED -----	SERIES -----	PRINCIPAL AMOUNT -----
Twenty-first	4-1-73	7.95% Series due April 1, 2003	\$ 35,000,000
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	6-1-77	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)
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 Note Series II	75,000,000
Forty-fourth	8-1-94	Medium Term Note Series III	75,000,000
Forty-fifth	5-1-95	Medium Term Note Series IV	75,000,000
Forty- _____	_____	_____	_____,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 _____," 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 amended hereinafter referred to as the "Original Indenture"); 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 Original Indenture 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 Original Indenture and the supplemental indentures above referred to; 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]

Registered No. _____ Registered \$ _____

PORTLAND GENERAL ELECTRIC COMPANY
FIRST MORTGAGE BOND, MEDIUM TERM NOTE SERIES ____
[Fixed Rate](1)

ORIGINAL ISSUE DATE:	[INITIAL INTEREST RATE: _____ %](1)	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:](1) [INTEREST RESET		

(1) 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.

PERIOD:](1)

[SPREAD MULTIPHER:](1) [MAXIMUM INTEREST RATE:](1) [INTEREST RESET DATES:](1)

[SPREAD:](1) [MINIMUM INTEREST RATE:](1) [INDEX MATURITY:](1)

Portland General Electric Company, an Oregon corporation (hereinafter sometimes called the "Company"), for value received, hereby promises to pay to 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](1) 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).](1) 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.](1) 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](1) 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

(1) 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.

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.](1)

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.

(1) 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.

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.

MARINE MIDLAND BANK, AS TRUSTEE,

By:
Authorized Officer

[Reverse of Bond]

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 Marine Midland Bank), 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.](2)

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

(2) If any bond to which this Supplemental Indenture relates includes a sinking fund, the provision thereof will be set forth in such bond.

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.](1)

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.

(1) 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.

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.

This bond is transferable 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 \$100,000 or integral multiples of \$1,000 in excess 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 \$100,000 or an integral multiple of \$1,000 in excess of \$100,000) 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 Original Indenture 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 Original Indenture).

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 Original Indenture) 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.

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 Original Indenture;

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 and coupons 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 or coupon 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 Original Indenture, so that, subject to said Section 11.28, each and all of said Bonds and coupons 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 and coupons 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.

ARTICLE ONE.

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

SECTION 1.01. 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 Original Indenture 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 \$100,000, or any amount in excess thereof that is a multiple of \$1,000. Notwithstanding the provisions of Section 2.05 of the Original Indenture, 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 Original Indenture 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 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 Original Indenture 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 transferring Bonds of the Medium Term Note Series ___.

Notwithstanding the provisions of Section 2.11 of the Original Indenture, no service charge shall be made for any exchange or 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 1.02. 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 1.02 may be redeemed at such Regular Redemption Price through the application of cash deposited with the Trustee pursuant to Section 6.04 of the Original Indenture upon the taking, purchase or sale of any property subject to the lien hereof or thereof 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 Original Indenture 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 1.03. Notwithstanding the provisions of Section 4.07 of the Original Indenture, the provisions of Sections 4.04, 4.05, and 4.06 of the Original Indenture 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 1.02 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 Original Indenture.

SECTION 1.04. 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 Original Indenture 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 1.05. Notwithstanding the provisions of Section 2.06 or Section 2.10 of the Original Indenture, the Company shall not be required (i) to issue, register, discharge from registration, exchange or transfer 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 transfer any Bond of the Medium Term Note Series ___ so selected for redemption in its entirety or (iii) to exchange or transfer any portion of a Bond of the Medium Term Note Series ___ which portion has been so selected for redemption.

SECTION 1.06. 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 Original Indenture 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 1.07. I. Each holder of any Bond of the Medium Term Note Series ___ by acceptance of such Bond shall thereby consent that, at any time after the requisite consents, if any, of the holders of Bonds of other series shall have been given as hereinafter provided, Subsections A and G of Section 1.10 of the Original Indenture 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 and Nevada 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 (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. 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 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 \$35,023,487.50.

"All Bonds credited against any sinking fund payment due subsequent to December 31, 1966 for Bonds of any series and (except as provided in Section 9.04 with respect to Bonds on which a notation of partial payment shall be made) all Bonds redeemed in anticipation of or out of moneys paid to the Trustee as a part of any sinking fund payment due subsequent to December 31, 1966 for Bonds of any series, shall be canceled and no such Bonds, nor any property additions which, subsequent to December 31, 1966, shall have been 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, shall be made the basis of the authentication and delivery of Bonds or of any other further action or credit hereunder."

II. Each holder of any Bond of the Medium Term Note Series ____, by acceptance of such Bond shall thereby consent that, at any time after the requisite consents, if any, of the holders of Bonds of other series shall have been given as hereinafter provided:

(1) Subsection A of Section 1.10 of the Original Indenture, as the same may be amended as hereinabove in this Section 1.07 provided, be further amended by replacing the word "and" between the words "Utah" and "Nevada" with a comma and by adding after the word "Nevada" the words "and Alaska";

(2) Subsection G of Section 1.10 of the Original Indenture, as the same may be amended as hereinabove in this Section 1.07 provided, be further amended by amending the second paragraph thereof to read as follows:

"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."

(3) Subsection G of Section 1.10 of the Original Indenture, as the same may be amended as hereinabove in this Section 1.07 provided, be further amended by deleting therefrom the last two paragraphs thereof and inserting therein a new last paragraph to read as follows:

"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."

III. Each holder of any Bond of the Medium Term Note Series ____, by acceptance of such Bond shall thereby consent that, at any time after the requisite consents, if any, of the holders of Bonds of other series shall have

been given as hereinafter provided:

(1) the subparagraph numbered (3) of the third paragraph of Section 1.03 of each of the Sixteenth and the Eighteenth through the Twenty-first Supplemental Indentures and the third paragraph of Section 1.03 of the Twenty-second Supplemental Indenture be amended by inserting before the words "any available additions thus shown as a credit" the phrase "provided, however, that so long as any Bonds of the Series are outstanding" and inserting in the blank space of such phrase the applicable designation of the series of Bonds created by such supplemental indenture;

(2)(i) the fifth paragraph of Section 1.03 of the Ninth through the Sixteenth Supplemental Indentures and the Eighteenth through the Twenty-second Supplemental Indentures, which begins with the words "All Bonds made the basis of a credit upon any sinking fund payment for Bonds", (ii) Section 1.03 of the Seventeenth, Twentythird and Twenty-fourth Supplemental Indentures, (iii) the last sentence of the fourth paragraph of Section 1.03 of the First, Third, Fifth, Sixth and Seventh Supplemental Indentures, which begins with the words "All Bonds delivered to the Trustee as part of or to anticipate any sinking fund payment" and (iv) the last sentence of the fourth paragraph of Section 4.03 of the Original Indenture, which begins with the words "All Bonds delivered to the Trustee as part of or to anticipate any sinking fund payment", each be amended so as to read as follows:

"All Bonds made the basis of a credit upon any sinking fund payment, 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 Bonds of the 1975 Series, or for Bonds of the 1977 Series, or for Bonds of the 1977 Second Series, or for Bonds of the 1984 Series, or for Bonds of the 1986 Series, or for Bonds of the 4 7/8% Series due 1987, or for Bonds of the 1990 Series, or for Bonds of the 1991 Series, or for Bonds of the 4 5/8% Series due 1993, or for Bonds of the 4 3/4% Series due 1993, or for Bonds of the 1994 Series, or for Bonds of the 1995 Series, or for Bonds of the 1996 Series, or for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series if not theretofore canceled shall be canceled and, except as otherwise provided in the supplemental

indenture creating such series of Bonds, or in another supplemental indenture amending such supplemental indenture, so long as any Bonds of such 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 Original Indenture as the same may be amended in accordance with the provisions of any supplemental indenture) be made the basis of the authentication and delivery of Bonds or of any further action or credit under the Original Indenture or any supplemental indenture.

"To the extent that

- (a) in any given year the principal amount of Bonds made the basis of a credit upon any sinking fund payment, and/or redeemed (whether on a sinking fund payment date or in anticipation of a sinking fund payment) by operation of the sinking fund, for Bonds of the 1975 Series, or for Bonds of the 1977 Series, or for Bonds of the 1977 Second Series, or for Bonds of the 1984 Series, or for Bonds of the 1986 Series, or for Bonds of the 4 7/8% Series due 1987, or for Bonds of the 1990 Series, or for Bonds of the 1991 Series, or for Bonds of the 4 5/8% Series due 1993, or for Bonds of the 4 3/4% Series due 1993, or for Bonds of the 1994 Series, or for Bonds of the 1995 Series or for Bonds of the 1996 Series,

does not exceed

- (b) an amount equal to 1% of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after deducting from said 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 such Series theretofore redeemed by the application of the proceeds of property released from the lien of the Original Indenture or taken or purchased pursuant to the provisions of Article Six of the Original Indenture, and (2) the aggregate principal amount of Bonds of such Series theretofore redeemed and retired and made the basis for the withdrawal of such proceeds pursuant to Section 7.03 of the Original Indenture or certified pursuant to Section 6.06 of the Original Indenture in lieu of the deposit of cash upon the release or taking of property; and

to the extent that

- (c) in any given year the principal amount of Bonds made the basis of a credit upon any sinking fund payment, and/or redeemed (whether on a sinking fund payment date or in anticipation of a sinking fund payment) by operation of the sinking fund, for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series,

does not exceed

- (d) an amount equal to (1) 1% of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after making the deductions from said aggregate principal amount referred to in clause (b) of this paragraph, minus (2) 60% of the amount of available additions made the basis of a credit against such sinking fund payment,

the principal amount of Bonds so made the basis of a credit upon a sinking fund payment and/or so redeemed by operation of the sinking fund for Bonds of such Series 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 Original Indenture as the same may be amended in accordance with the provisions of any supplemental indenture) 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; and

to the extent that

- (e) in any given year the amount of available additions made the basis of a credit against any sinking fund payment for Bonds of the 1997 Series, or for Bonds of the 2000 Series, or for Bonds of the 2001 Series, or for Bonds of the 2002 Series, or for Bonds of the 2003 Series, or for Bonds of the 2003 Second Series,

does not exceed

- (f) an amount equal to one and sixty-six and two-thirds one hundredths per cent (1.66 2/3%) of the greatest aggregate principal amount of Bonds of such Series theretofore at any one time outstanding, after making the deductions from said aggregate principal amount referred to in clause (b) of this paragraph,

the amount of available additions so made the basis of a credit against a sinking fund payment 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 Original Indenture as the same may be amended in accordance with the provisions of any supplemental indenture) 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 Original Indenture.

"From and after the time when all Bonds of any of the Series referred to in (a) of the paragraph immediately preceding shall cease to be outstanding, a principal amount of Bonds equal to the excess of

- (i) the aggregate principal amount of Bonds made the basis of a credit upon all sinking fund payments and/or redeemed by operation of the sinking fund for Bonds of such Series as set forth in said (a) in all years, over
- (ii) the aggregate amounts set forth in (b) of the paragraph immediately preceding with reference to Bonds of such Series for all years,

shall become 'available Bond retirements' as such term is defined in Section 1.10.J. of the Original Indenture and may thereafter be included in Item 4 of any 'certificate of available Bond retirements' thereafter delivered to and/or filed with the Trustee pursuant to Section 3.02 of the Original Indenture; and from and after the time when all Bonds of any of the Series referred to in (c) of the paragraph immediately preceding shall cease to be outstanding, a principal amount of Bonds equal to the excess of

- (iii) the aggregate principal amount of Bonds made the basis of a credit upon all sinking fund payments and/or redeemed by operation of the sinking fund for Bonds of such Series as set forth in said (c) in all years, over
- (iv) the aggregate amounts set forth in (d) of the paragraph immediately preceding with reference to Bonds of such Series for all years,

shall become 'available Bond retirements' as such term is defined in Section 1.10.J. of the Original Indenture and may thereafter be included

in Item 4 of any `certificate of available Bond retirements' thereafter delivered to and/or filed with the Trustee pursuant to Section 3.02 of the Original Indenture, and an amount of available additions equal to the excess of

- (v) the amount of available additions made the basis of a credit against all sinking fund payments for Bonds of such Series as set forth in (e) of the paragraph immediately preceding in all years, over
- (vi) the aggregate amounts set forth in (f) of the paragraph immediately preceding with reference to Bonds of such Series for all years,

shall become `available additions' as such term is defined in Section 1.10.I. of the Original Indenture and may thereafter be included in Item 5 of any `certificate of available additions' thereafter filed with the Trustee pursuant to Section 3.01 of the Original Indenture.";

(3) subsection H of Section 1.10 of the Original Indenture 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 Original Indenture be amended by changing the reference therein from "Item 5" to "Item 7"; and Subsection J of Section 1.10 of the Original Indenture be amended by changing the reference therein from "Item 4" to "Item 5";

(4) paragraph (3) of Section 3.01(A) of the Original Indenture 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";

(5) the Certificate of Available Additions set forth in Section 3.03.A. of the Original Indenture 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

(6) the Certificate of Available Bond Retirements set forth in Section 3.03.B. of the Original Indenture 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".

IV. The amendments of Subsections A, G, H, I and/or J of Section 1.10 of the Original Indenture, of Sections 3.01, 3.03 and/or 4.03 of the Original Indenture and/or of Section 1.03 of the First, Third, Fifth, Sixth, Seventh and Ninth through Twenty-fourth Supplemental Indentures set forth above shall, subject to the Company and the Trustee, in accordance with the provisions of Section 17.02 of the Original Indenture, entering into an indenture or indentures supplemental to the Original Indenture for the purpose of so amending said Subsections A, G, H, I and/or J, Sections 3.01, 3.03 and/or 4.03 and/or Section 1.03, become effective at such time as the holders of not less than 75% in principal amount of Bonds then outstanding or their attorneys-in-fact duly authorized, including the holders of not less than 60% in principal amount of the Bonds then outstanding of each series the rights of the holders of which are affected by such amendment, shall have consented to such amendment. No further vote or consent of the holders of Bonds of the Medium Term Note Series ___ shall be required to permit such amendments to become effective and in determining whether the holders of not less than 75% in principal amount of Bonds outstanding at the time such amendments become effective have consented thereto, the holders of all Bonds of the Medium Term Note Series ___ then outstanding shall be deemed to have so consented.

SECTION 1.08. This Article shall be of force and effect only so long as any Bonds of the Medium Term Note Series ___ are outstanding.

ARTICLE TWO.

TRUSTEE.

SECTION 2.01. 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 THREE.

MISCELLANEOUS PROVISIONS.

SECTION 3.01. 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 3.02. 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 3.03. In case any one or more of the provisions contained in this Supplemental Indenture or in the Bonds or coupons 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 3.04. 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, Marine Midland Bank (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: _____

Title: _____

Attest:

Title: _____

(Seal)

MARINE MIDLAND BANK

By: _____

Title: _____

Attest:

Title: _____

(Seal)

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

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)
) ss.:
County of _____)

The foregoing instrument was acknowledged before me on this ____ day of _____ by _____, a(an) _____ of MARINE MIDLAND BANK, 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 _____.

 Notary Public for Oregon
 My Commission Expires _____

[NOTARIAL SEAL]

September 11, 1995

Portland General Electric Company
121 SW Salmon Street
Portland, Oregon 97204

Ladies and Gentlemen:

I refer to the proposed issue and sale of up to \$250,000,000 principal amount of Debt Securities ("Debt Securities") to be issued from time to time or all at one time, by Portland General Electric Company (the "Company") with respect to which the Company proposes to file a Registration Statement on Form S-3 with the Securities and Exchange Commission ("Commission") under the Securities Act of 1933, as amended, and Rule 415 thereof.

I am Deputy General Counsel to Portland General Corporation, the parent corporation to the Company. I have general responsibility for legal matters regarding corporate, financial and securities matters for the Company. As such, I am generally familiar with the organization, history and affairs of Portland General Corporation and the Company. I have examined the proposed Registration Statement, including exhibits (the "Registration Statement"), to which this opinion is attached as an exhibit, and such other corporate documents, proceedings and questions of law as I have considered necessary.

Based on the foregoing, I am of the opinion that when (a) the Registration Statement, and any amendments thereto, have become effective under the Securities Act of 1933, as amended, (b) the indentures applicable to the Debt Securities have been qualified under the Trust Indenture Act of 1939, as amended, (c) an appropriate order or orders have been obtained from the Public Utility Commission of Oregon, (d) the Company has authorized the issuance and sale of the Debt Securities, (e) one or more prospectus supplements have been filed with the Commission, (f) the Underwriting Agreement and/or the Distribution Agreement has been duly executed by the parties thereto, (g) the applicable indentures, and any indentures supplemental thereto, have been executed by the Company and the trustee thereto and have been delivered by the Company to the trustee, and (h) the Debt Securities have been duly executed, authenticated, issued and delivered, the Debt Securities will be duly authorized and will constitute legal, valid and binding obligations of the Company, subject to the application of bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles relating to or limiting creditors rights.

The statements made in the Registration Statement as to matters of law and legal conclusions contained under the heading "Description of Debt Securities" have been prepared under my supervision and have been reviewed by me and such statements as to matters of law and legal conclusions are, in my opinion, correct.

I hereby consent to filing of this opinion with the Registration Statement and to the use of my name under the caption "Experts" included therein.

Sincerely,

/s/ Steven F. McCarrel

Steven F. McCarrel

cc: Leonard A. Girard
Ronald W. Johnson

PORTLAND GENERAL ELECTRIC COMPANY
 EARNINGS TO FIXED CHARGES - SEC BASIS
 THE YEARS ENDED 12/31/94 - 12/31/90
 and the Twelve Months Ended 6/30/1995

(Thousands of Dollars)	06/30/95	12/31/94	12/31/93	12/31/92	12/31/91	12/31/90
NET INCOME	\$ 81,831	\$106,118	\$ 99,744	\$105,562	\$ 74,075	\$121,949
INCOME TAXES	63,134	74,937	75,492	70,629	48,235	85,875
INCOME BEFORE CUMULATIVE EFFECT ITEMS AND INCOME TAXES	\$144,965	\$181,055	\$175,236	\$176,191	\$122,310	\$207,824
FIXED CHARGES, EXCLUDING PREFERRED DIVIDEND REQUIREMENT	90,552	84,650	82,156	84,899	93,079	98,177
EARNINGS BEFORE INCOME TAXES AND FIXED CHARGES	\$235,517	\$265,705	\$257,392	\$261,090	\$215,389	\$306,001
FIXED CHARGES:						
INTEREST EXPENSE (long & short-term)	73,183	67,281	65,260	67,472	75,338	79,948
INTEREST ON LONG-TERM POWER CONTRACTS (PUD'S)	9,679	9,679	9,591	9,438	9,700	9,485
INTEREST FACTOR IN LONG-TERM LEASES	7,690	7,690	7,305	7,989	8,041	8,744
TOTAL FIXED CHARGES	\$ 90,552	\$ 84,650	\$ 82,156	\$ 84,899	\$ 93,079	\$ 98,177
RATIO OF EARNINGS TO FIXED CHARGES BEFORE INCOME TAXES	2.60	3.14	3.13	3.08	2.31	3.12

POWER OF ATTORNEY

The undersigned director(s) of Portland General Electric Company hereby appoint(s) Leonard A. Girard, Joseph M. Hirko, Steven N. Elliott and Steven F. McCarrel, and each of them severally, as the attorney-in-fact of the undersigned, to sign in the name(s) and behalf of the undersigned, in any and all capacities stated therein, and to file with the Securities and Exchange Commission under the Securities Act of 1933, as amended, a Registration Statement on Form S-3 with respect to an aggregate principal amount of up to \$250 million of secured and unsecured debt, and any and all amendments and supplements thereto.

Dated: July 11, 1995
Portland, Oregon

/s/ Gwyneth Gamble Booth

Gwyneth Gamble Booth

/s/ Peter J. Brix

Peter J. Brix

/s/ Carolyn S. Chambers

Carolyn S. Chambers

/s/ John W. Creighton, Jr.

John W. Creighton, Jr.

/s/ Ken L. Harrison

Ken L. Harrison

/s/ Jerry E. Hudson

Jerry E. Hudson

Warren E. McCain

/s/ Jerome J. Meyer

Jerome J. Meyer

/s/ Randolph L. Miller

Randolph L. Miller

/s/ Richard G. Reiten

Richard G. Reiten

/s/ Bruce G. Willison

Bruce G. Willison

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1
 STATEMENT OF ELIGIBILITY UNDER THE TRUST
 INDENTURE ACT OF 1939 OF A CORPORATION
 DESIGNATED TO ACT AS TRUSTEE

 CHECK IF AN APPLICATION TO DETERMINE
 ELIGIBILITY OF A TRUSTEE PURSUANT TO
 SECTION 305(b)(2)

MARINE MIDLAND BANK

(Exact name of trustee as specified in its charter)

New York (Jurisdiction of incorporation or organization if not a U.S. national bank)	16-1057879 (I.R.S. Employer Identification No.)
---	---

140 Broadway, New York, N.Y. (212) 658-1000 (Address of principal executive offices)	10005-1180 (Zip Code)
--	--------------------------

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

Oregon (State or other jurisdiction of incorporation or organization)	93-0256820 (I.R.S. Employer Identification No.)
---	---

121 S.W. Salmon Street Portland, Oregon (503) 464-8000 (Address of principal executive offices)	97204 (Zip Code)
--	---------------------

FIRST MORTGAGE BONDS
 (Title of Indenture Securities)

General

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervisory authority to which it is subject.

State of New York Banking Department.

Federal Deposit Insurance Corporation, Washington, D.C.

Board of Governors of the Federal Reserve System,
Washington, D.C.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None

Item 16. List of Exhibits.

Exhibit -----			
T1A(i)	*	-	Copy of the Organization Certificate of Marine Midland Bank.
T1A(ii)	*	-	Certificate of the State of New York Banking Department dated December 31, 1993 as to the authority of Marine Midland Bank to commence business.
T1A(iii)		-	Not applicable.
T1A(iv)	*	-	Copy of the existing By-Laws of Marine Midland Bank as adopted on January 20, 1994.
T1A(v)		-	Not applicable.
T1A(vi)	*	-	Consent of Marine Midland Bank required by Section 321(b) of the Trust Indenture Act of 1939.
T1A(vii)		-	Copy of the latest report of condition of the trustee (March 31, 1995), published pursuant to law or the requirement of its supervisory or examining authority.
T1A(viii)		-	Not applicable.
T1A(ix)		-	Not applicable.

* Exhibits previously filed with the Securities and Exchange Commission with Registration No. 33-53693 and incorporated herein by reference thereto.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, Marine Midland Bank, a banking corporation and trust company organized under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York on the 16th day of June, 1995.

MARINE MIDLAND BANK

By: /s/ RICHARD G. PITTIUS

Richard G. Pittius
Assistant Vice President

This form is for use by State Banks only. It should be used for publication purposes only, and should not be returned to the FDIC.

Federal Reserve Bank
Administrator of State Banks

REPORT OF CONDITION

Consolidated Report of Condition of Marine Midland Bank of Buffalo, New York and Foreign and Domestic Subsidiaries, a member of the Federal Reserve Sytem, at the close of business on March 31, 1995, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS

Thousands of dollars

Cash and balances due from depository institutions:

Noninterest-bearing balances currency and coin	\$974,096
Interest-bearing balances	897,640
Held-to-maturity securities	2,095,379
Available-for-sale securities	43,753

Federal Funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:

Federal funds sold	782,000
Securities purchased under agreements to resell	317,383

Loans and lease financing receivables:	
Loans and leases net of unearned income	12,647,803
LESS: Allowance for loan and lease losses	540,156
LESS: Allocated transfer risk reserve	0

Loans and lease, net of unearned income, allowance, and reserve	12,107,647
Trading assets	399,701
Premises and fixed assets (including capitalized leases)	182,043
Other real estate owned	21,078
Investments in unconsolidated subsidiaries and associated companies	0
Customers' liability to this bank on acceptances outstanding	20,189
Intangible assets	61,282
Other assets	656,014
Total assets	18,558,205

LIABILITIES

Deposits:

In domestic offices	12,873,835

Noninterest-bearing	2,935,310
Interest-bearing	9,938,525

In foreign offices, Edge, and Agreement subsidiaries, and IBFs	2,509,707

Noninterest-bearing	0
Interest-bearing	2,509,707

Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:

Federal funds purchased	412,770
Securities sold under agreements to repurchase	325,438
Demand notes issued to the U.S. Treasury	94,586
Trading Liabilities	80,731
Other borrowed money:	
With original maturity of one year or less	

.....	43,408
With original maturity of more than one year	0
Mortgage indebtedness and obligations under capitalized leases	38,288
Bank's liability on acceptances executed and outstanding	20,189
Subordinated notes and debentures	225,000
Other liabilities	413,450
Total liabilities	17,037,402
Limited-life preferred stock and related surplus	0
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common Stock	185,000
Surplus	1,758,098
Undivided profits and capital reserves	(422,295)
Net unrealized holding gains (losses) on available-for-sale securities	0
Cumulative foreign currency translation adjustments	0
Total equity capital	

.....	1,520,803
Total liabilities, limited-life preferred stock, and equity capital.	18,558,205

I, Gerald A. Ronning, Exec. Vice President & Controller of the above-named bank hereby declare that (Name and title of officer authorized to sign report) this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

/s/ Harold A. Ronning
Signature of officer authorized to sign report

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

/s/ James H. Cleave
Director

/s/ B. J. Kennedy
Director

/s/ Henry J. Nowak
Director

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST
INDENTURE ACT OF 1939 OF A CORPORATION
DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A
TRUSTEE PURSUANT TO SECTION 305(b)(2) _____

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York
(Jurisdiction of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. Employer
Identification No.)

48 Wall Street, New York, New York
(Address of principal executive offices)

10286
(Zip code)

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

Oregon
(State or other jurisdiction
of incorporation or organization)

93-0256820
(I.R.S. Employer
Identification No.)

17th Floor, One World Trade Center
121 SW Salmon Street
Portland, Oregon
(Address of principal executive offices)

97204
(Zip code)

Debt Securities*
(Title of the indenture securities)

*Specific title to be determined in connection with sale of Debt Securities

ITEM 1. GENERAL INFORMATION.

Furnish the following information as to the Trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Superintendent of Banks of the	2 Rector Street, New York, N.Y. 10006
State of New York	and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	550 17th Street, N.W., Washington, D.C. 20429
New York Clearing House Association	New York, N.Y.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

ITEM 2. AFFILIATIONS WITH OBLIGOR.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None. (See Note on page 2.)*

ITEM 16. LIST OF EXHIBITS.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and Rule 24 of the Commission's Rules of Practice.

1. - A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. - A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. - The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. - A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

*Pursuant to General Instruction B, the Trustee has responded only to Items 1, 2 and 16 of this form since to the best of the knowledge of the Trustee the obligor is not in default under any indenture under which the Trustee is a trustee.

NOTE

Inasmuch as this Form T-1 is being filed prior to the ascertainment by the Trustee of all facts on which to base a responsive answer to Item 2, the answer to said Item is based on incomplete information.

Item 2 may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 29th day of August, 1995.

THE BANK OF NEW YORK

By: /s/ VIVIAN GEORGES

Vivian Georges
Assistant Vice President

EXHIBIT 7
(Page 1 of 3)

THE BANK OF NEW YORK
of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries, a member of the Federal Reserve System, at the close of business June 30, 1995, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Thousands
-----	-----
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 3,025,419
Interest-bearing balances	881,413
Securities:	
Held-to-maturity securities	1,242,368
Available-for-sale securities	1,774,079
Federal funds sold in domestic offices of the bank	5,503,445
Securities purchased under agreements to resell	200,634
Loans and lease financing receivables:	
Loans and leases, net of unearned income 26,599,533	
LESS: Allowance for loan and lease losses 516,283	
Loans and leases, net of unearned income and allowance	26,083,250
Assets held in trading accounts	1,455,539
Premises and fixed assets (including capitalized leases)	612,547
Other real estate owned	79,667
Investments in unconsolidated subsidiaries and associated companies	198,737
Customers' liability to the bank on acceptances outstanding	1,111,464
Intangible assets	105,263
Other assets	1,237,264

Total assets	\$43,511,189
	=====
LIABILITIES	

Deposits:	
In domestic offices	\$19,233,885

EXHIBIT 7
(Page 2 of 3)

Noninterest-bearing. . .	7,677,954	
Interest-bearing. . .	11,555,931	
In foreign offices, Edge and Agreement subsidiaries and IBFs		12,641,676
Noninterest-bearing. . .	72,479	
Interest-bearing. . .	12,569,197	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:		
Federal funds purchased		1,747,669
Securities sold under agreements to repurchase		73,553
Demand notes issued to the U.S. Treasury		300,000
Trading liabilities		738,317
Other borrowed money:		
With original maturity of one year or less		1,586,443
With original maturity of more than one year		220,877
Bank's liability on acceptances executed and outstanding		1,113,102
Subordinated notes and debentures		1,053,860
Other liabilities		1,489,252

Total liabilities		40,198,624

 EQUITY CAPITAL		

Common stock		942,284
Surplus		525,666
Undivided profits and capital reserves		1,849,221
Net unrealized holding gains (losses) on available-for-sale securities		(662)
Cumulative foreign currency translation adjustments		(3,944)

Total equity capital		3,312,585

Total liabilities and equity capital		\$43,511,189
		=====

I, Robert E. Kellman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Kellman

EXHIBIT 7
(Page 3 of 3)

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot)
Thomas A. Renyi) Directors
Samuel F. Chevalier)