UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended SEPTEMBER 30, 1997

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

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

The number of shares outstanding of the registrant's common stock as of November 14, 1997 are:

Portland General Electric Company	42,758,877

TABLE OF CONTENTS

DEFINITIONS

AFDC...............................Allowance For Funds Used During Construction
Bonneville Pacific..............................Bonneville Pacific Corporation
BPA...Bonneville Power Administration
Coyote Springs.................................Coyote Springs Generation Plant
Enron..Enron Corp.
FERC.....................................Federal Energy Regulatory Commission

Holdings..Portland General Holdings, Inc.
kWh...Kilowatt-Hour
Mill...One tenth of one cent
MWa...Average megawatts
MWh...Megawatt-hour
NYMEX...New York Mercantile Exchange
OPUC or the Commission.........................Oregon Public Utility Commission
Portland General or PGC............................Portland General Corporation
PGE or the Company............................Portland General Electric Company
PUHCA...............................Public Utility Holding Company Act of 1935
Trojan...Trojan Nuclear Plant
USDOE..United States Department of Energy
WAPA..Western Area Power Authority
WNP-3..............................Washington Public Power Supply System Unit 3

Portland General Electric Company and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996 (UNAUDITED)

	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
	(Thousands of Dollars)			
OPERATING REVENUES	$390,883	$259,656	$1,066,160	$792,772
OPERATING EXPENSES				
Purchased power and fuel	223,694	80,299	508,208	205,390
Production and distribution	20,099	22,698	61,192	64,668
Maintenance and repairs	11,381	12,016	32,990	37,110
Administrative and other	25,936	26,726	75,771	80,862
Depreciation and amortization	36,661	38,868	114,891	114,909
Taxes other than income taxes	13,857	12,325	42,656	39,918
Income taxes	13,703	19,243	73,901	81,936
	345,331	212,175	909,609	624,793
NET OPERATING INCOME	45,552	47,481	156,551	167,979
OTHER INCOME (DEDUCTIONS)				
Other	(24,111)	(732)	(23,110)	(809)
Income taxes	10,867	856	12,653	2,920
	(13,244)	124	(10,457)	2,111
INTEREST CHARGES				
Interest on long-term debt and other	16,788	17,770	52,692	50,720
Interest on short-term borrowings	1,377	2,525	3,699	7,784
Allowance for borrowed funds used during construction	(365)	(609)	(995)	(1,351)
	17,800	19,686	55,396	57,153
NET INCOME	14,508	27,919	90,698	112,937
PREFERRED DIVIDEND REQUIREMENT	581	581	1,744	2,212
INCOME AVAILABLE FOR COMMON STOCK	$ 13,927	$ 27,338	$ 88,954	$110,725

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996 (Unaudited)

	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
	(Thousands of Dollars)			
BALANCE AT BEGINNING OF PERIOD	$335,947	$295,610	$ 292,124	$246,282
NET INCOME	14,508	27,919	90,698	112,937
ESOP TAX BENEFIT AND OTHER	(530)	(530)	(1,589)	(1,665)
	349,925	322,999	381,233	357,554
DIVIDENDS DECLARED				
Common stock - cash	16,676	56,014	46,821	88,938
Common stock - property	96,941	-	96,941	-
Preferred stock	581	581	1,744	2,212
	114,198	56,595	145,506	91,150
BALANCE AT END OF PERIOD	$235,727	$266,404	$ 235,727	$266,404

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

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 1997 AND DECEMBER 31, 1996

	(Unaudited) September 30 1997	December 31 1996
	(Thousands of Dollars)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of $28,435 and $36,919)	$ 3,002,771	$ 2,899,746
Accumulated depreciation	(1,206,639)	(1,124,337)
	1,796,132	1,775,409
Capital leases - less amortization of $32,536 and $30,569	4,783	6,750
	1,800,915	1,782,159
OTHER PROPERTY AND INVESTMENTS		
Contract termination receivable	105,576	111,447
Receivable from parent	105,870	-
Trojan decommissioning trust, at market value	86,091	78,448
Corporate owned life insurance, less loans of $26,411 and $26,411	58,552	51,410
Other investments	17,460	20,700
	373,549	262,005
CURRENT ASSETS		
Cash and cash equivalents	27,288	19,477
Accounts and notes receivable	146,657	145,372
Unbilled and accrued revenues	39,779	53,317
Inventories, at average cost	30,883	32,903
Prepayments and other	26,266	16,476
	270,873	267,545
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	257,599	275,460
Trojan decommissioning	261,325	282,131
Income taxes recoverable	177,419	195,592
Debt reacquisition costs	26,315	28,063
Conservation investments - secured	75,423	80,102
Energy efficiency programs	14,628	11,974
Other	20,065	22,575
WNP-3 settlement exchange agreement	-	163,217
Miscellaneous	33,638	27,389
	866,412	1,086,503
	$ 3,311,749	$ 3,398,212
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, $3.75 par value per share, 100,000,000 shares authorized, 42,758,877 shares outstanding	$ 160,346	160,346
Other paid-in capital - net	478,522	475,055
Retained earnings	235,727	292,124
Cumulative preferred stock Subject to mandatory redemption	30,000	30,000
Long-term debt	839,598	933,042
	1,744,193	1,890,567
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	85,962	92,559
Short-term borrowings	114,517	92,027
Accounts payable and other accruals	158,255	144,712
Accrued interest	14,743	14,372
Dividends payable	868	17,117
Accrued taxes	102,252	31,485

	476,597	392,272
OTHER		
Deferred income taxes	366,596	497,734
Deferred investment tax credits	44,242	47,314
Deferred gain on contract termination	105,346	112,697
Merger obligation	104,359	-
Trojan decommissioning and transition costs	342,094	357,844
Miscellaneous	128,322	99,784
	1,090,959	1,115,373
	$ 3,311,749	$ 3,398,212

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

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996
(UNAUDITED)

	Nine Months Ended September 30 1997	1996
	(Thousands of Dollars)	
CASH PROVIDED (USED IN) OPERATIONS:		
Net Income	$ 90,698	$ 112,937
Non-cash items included in net income:		
Depreciation and amortization	92,541	89,765
Amortization of WNP-3 exchange agreement	6,500	3,887
Amortization of Trojan investment	19,037	18,118
Amortization of Trojan decommissioning	10,531	10,531
Amortization of deferred charges (credits)	(3,264)	354
Deferred income taxes - net	(56,656)	(8,900)
Other non-cash expenses	24,000	-
Changes in working capital:		
(Increase) Decrease in receivables	11,702	27,890
(Increase) Decrease in inventories	2,020	3,506
Increase (Decrease) in payables and accrued taxes	85,268	7,896
Other working capital items - net	(9,790)	(8,697)
Trojan decommissioning expenditures	(11,057)	(4,836)
Deferred items - other	5,550	12,841
Miscellaneous - net	10,421	4,440
	277,501	269,732
INVESTING ACTIVITIES:		
Utility construction	(115,560)	(133,344)
Energy efficiency programs	(4,543)	(10,243)
Nuclear decommissioning trust deposits	(10,530)	(11,692)
Nuclear decommissioning trust withdrawals	8,469	3,229
Other investments	(6,936)	(9,301)
	(129,100)	(161,351)
FINANCING ACTIVITIES:		
Short-term debt - net	22,490	4,277
Borrowings from Corporate Owned Life Insurance	-	1,312
Long-term debt issued	-	85,000
Long-term debt retired	(98,267)	(87,661)
Preferred stock retired	-	(20,000)
Dividends paid	(64,813)	(88,989)
	(140,590)	(106,061)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,811	2,320
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	19,477	2,241
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	$ 27,288	$ 4,561

Supplemental disclosures of cash flow information		
Cash paid during the period:		
Interest, net of amounts capitalized	$ 51,535	$ 53,485
Income taxes	73,185	75,667

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - PRINCIPLES OF INTERIM STATEMENTS

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

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

NOTE 2 - BUSINESS COMBINATION

On July 1, 1997 Portland General Corporation (PGC), the former parent of PGE, consummated a merger transaction pursuant to the Amended and Restated Agreement and Plan of Merger by and among Enron Corp., PGC and Enron Oregon Corp. dated as of July 20, 1996 and amended and restated as of September 24, 1996 and as further amended by the First Amendment dated April 14, 1997 (Amended Merger Agreement). Pursuant to the Amended Merger Agreement, Enron Corp., a Delaware corporation merged with and into Enron Oregon Corp., an Oregon corporation (Reincorporation Merger) and the name of Enron Oregon Corp. was changed to Enron Corp. (Enron). Promptly following the Reincorporation Merger, PGC merged with and into Enron (PGC Merger), with Enron continuing in existence as the surviving corporation. Pursuant to the Amended Merger Agreement PGE is now a wholly owned subsidiary of Enron and subject to control by the Board of Directors of Enron.

PGE's consolidated financial statements have been prepared on the historical cost basis and do not reflect an allocation of the purchase price to PGE that was recorded by Enron as a result of the PGC Merger.

NOTE 3 - WNP-3 SETTLEMENT EXCHANGE AGREEMENT

On August 28, 1997, PGE's Board of Directors declared a special dividend in the form of a transfer of PGE's rights and certain obligations under the WNP-3 Settlement Exchange Agreement (WSA) and the long-term power sale agreement with the Western Area Power Administration (WAPA). This transaction was recorded during the third quarter of 1997 with the transfer of PGE's net investment in these contracts to Enron Corp., PGE's parent and sole common stockholder. The FERC is currently reviewing this transaction with approval expected by the end of 1997.

NOTE 4 - LEGAL MATTERS

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

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

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

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

OTHER LEGAL MATTERS - PGE is party to various other claims, legal actions and complaints arising in the ordinary course of business. These claims are not considered material.

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

RESULTS OF OPERATIONS

The following review of Portland General Electric Company's (PGE) results of operations should be read in conjunction with the Consolidated Financial Statements.

Due to seasonal fluctuations in electricity sales, as well as the price of wholesale energy and fuel costs, quarterly operating earnings are not necessarily indicative of results to be expected for calendar year 1997.

1997 COMPARED TO 1996 FOR THE THREE MONTHS ENDED SEPTEMBER 30

PGE earned $15 million for the third quarter of 1997 which includes a $14 million (net of income taxes) non-recurring loss provision recorded for future costs associated with non-utility property. Excluding this provision 1997 third quarter earnings would have been $29 million compared to earnings of $28 million in 1996. Increased retail sales volume offset the effects of a December 1996 price decrease.

Retail revenues of $204 million were 2% higher than 1996. Increased sales volume to all customer classes more than offset a December 1996 price decrease. Commercial and industrial MW sales benefitted from a strong economy. Additionally there was an 18,697 or 3% increase in the number of residential customers compared to last year.

KILOWATT HOURS SOLD (MILLIONS)

	1997	1996
Retail	4,364	4,103
Wholesale	8,665	2,913

Wholesale revenues increased $124 million from 1996 due to increased trading activities.

The increase in wholesale sales activity along with increased retail sales volume contributed to a $143 million or 179% increase in purchased power and fuel expense. Energy purchases, which were up 124%, averaged 18.6 mills compared to 13.4 mills for 1996.

This increase in price was driven by increased natural gas prices along with tight power supply conditions in the southwestern United States. Company generation provided 16% of total power needs.

KILOWATT/VARIABLE POWER COSTS

	Kilowatt-Hours (millions) 1997	1996		Average Variable Power Cost (Mills/kWh) 1997	1996
Generation	2,288	2,427		9.1	9.3
Firm Purchases	10,104	3,990		19.2	14.8
Spot Purchases	916	934		11.8	8.3
Total Send-Out	13,308	7,351	Average	17.0	12.0

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

Operating expenses (excluding variable power, depreciation and income taxes) decreased $2 million due to productivity improvements at PGE's generating facilities.

Other Income (deductions) reflects a loss provision recorded for future demolition and removal costs associated with non-utility property.

1997 COMPARED TO 1996 FOR THE NINE MONTHS ENDED SEPTEMBER 30

PGE earned $89 million for the nine months ended September 30, 1997 which includes a $14 million (net of income taxes) non-recurring loss provision recorded for future costs associated with non-utility property. Excluding this provision 1997 earnings would have been $103 million compared to earnings of $111 million in 1996. Reduced earnings were the result of a decline in retail revenues caused by lower prices and warmer temperatures during the first quarter. Decreased operating expenses (excluding variable power, depreciation and income taxes) partially offset lower retail revenues.

Retail revenues were down for the period due to a December 1996 rate decrease. This decrease was partially offset by additional revenues resulting from strong sales growth in the industrial and commercial customer classes.

KILOWATT HOURS SOLD (MILLIONS)

	1997	1996
Retail	13,370	12,770
Wholesale	22,043	7,152

Wholesale revenues increased $271 million from 1996 due to increased trading activities.

The increase in wholesale sales activity along with increased retail sales volume contributed to a $303 million or 147% increase in purchased power and fuel expense. Energy purchases, which were up 90%, averaged 15.7 mills compared to 12.4 mills for 1996. Increased natural gas prices during the first quarter followed by tight power supply conditions in the southwestern United States were the major contributors to this increase in price. Company generation, primarily hydro, provided 13% of total power needs.

KILOWATT HOURS/VARIABLE POWER COSTS

	Kilowatt hours (millions)			Average Variable Power Cost (Mills/kWh)	
	1997	1996		1997	1996
Generation	4,965	4,455		5.3	6.9
Firm Purchases	28,818	13,436		16.2	13.2
Spot Purchases	2,528	3,034		9.8	9.0
Total Send out	36,311	20,925	Average	14.2	11.2

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

Operating expenses (excluding variable power, depreciation and income taxes) decreased $10 million due to productivity improvements at PGE's generating facilities. Non-recurring storm and flood related expenditures were incurred during the first quarter of 1996.

Depreciation and amortization expense increases resulting from normal asset additions (primarily distribution assets) were substantially offset by the amortization of a gain associated with the termination of a power sales agreement.

Other Income (deductions) reflects a loss provision recorded for future demolition and removal costs associated with non-utility property.

FINANCIAL CONDITION

During the third quarter PGE's net worth decreased $97 million due to the declaration of a special non-cash dividend by PGE's Board of Directors. This transaction resulted in the transfer of PGE's rights and certain obligations under the WNP-3 Settlement Exchange Agreement (WSA) and the long-term power sale agreement with the Western Area Power Administration (WAPA). This transaction was recorded during the third quarter of 1997 with the transfer of PGE's net investment in these contracts to Enron Corp., PGE's parent and sole common stockholder. The FERC is currently reviewing this transaction with approval expected by the end of 1997.

CASH FLOW

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

A significant portion of cash from operations comes from depreciation and amortization of utility plant, charges which are recovered in customer revenues but require no current cash outlay. Changes in accounts receivable and accounts payable can also be significant contributors or users of cash. Improved cash flows in the current year were due to reduced operating and maintenance expenditures.

INVESTING ACTIVITIES include improvements to generation, transmission and distribution facilities and continued investment in energy efficiency programs. Through September 30, 1997 nearly $116 million has been expended for capital projects, primarily improvements to the Company's distribution system to support the addition of new customers to PGE's service territory.

PGE funds an external trust for Trojan decommissioning costs through customer collections at a rate of $14 million annually. The trust invests in investment-grade tax-exempt and U.S. Treasury bonds. The Company makes withdrawals from the trust, as necessary for reimbursement of decommissioning expenditures. During the first three quarters of 1997 PGE has withdrawn $8 million from the trust.

FINANCING ACTIVITIES - Cash used for financing activities totaled $141 million in 1997 compared to $106 million in 1996. PGE has issued no new long-term debt in 1997 and has instead relied on short-term borrowings to manage its day to day financing requirements. Through September 30, 1997 PGE's cash dividend payments to its parents totaled $65 million compared to $89 million in 1996.

The issuance of additional First Mortgage Bonds and preferred stock requires PGE to meet earnings coverage and security provisions set forth in the Articles of Incorporation and the Indenture securing its First Mortgage Bonds. As of September 30, 1997 PGE has the capability to issue preferred stock and additional First Mortgage Bonds in amounts sufficient to meet its capital requirements.

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

FINANCIAL AND OPERATING OUTLOOK

RETAIL CUSTOMER GROWTH AND ENERGY SALES

Weather adjusted retail energy sales were up 6.3% for the nine months ended September 30, 1997 compared to the same period last year. Industrial and commercial sales increased by 13.0% and 4.3%, respectively due to strong growth in most industry segments. Sales to Paper and High-Tech industrial customers have increased by more than 300 million kWh compared to last year accounting for almost 70% of the 440 million kWh growth in sales in this sector. Most commercial sectors grew between 3% and 8%. The addition of over 13,546 customers resulted in residential sales growth of 3.7%. The Company expects 1997 retail energy sales growth to be approximately 6%.

QUARTERLY INCREASE IN RETAIL CUSTOMERS

Quarter/Year	Residential	Commercial/Industrial
2Q 95	2,194	509
3Q 95	2,145	435
4Q 95	5,566	554
1Q 96	3,633	539
2Q 96	3,664	76
3Q 96	3,021	594
4Q 96	5,151	877
1Q 97	3,953	509
2Q 97	4,693	537
3Q 97	3,529	388

RESIDENTIAL EXCHANGE PROGRAM - The Regional Power Act (RPA), passed in 1980, attempted to resolve growing power supply and cost inequities between customers of government and publicly owned utilities, who have priority access to the low-cost power from the federal hydroelectric system, and the customers of investor owned utilities (IOU). The RPA created the residential exchange program which exists to ensure that all residential and farm customers in the region, the vast majority of which are served by IOUs, receive similar benefits from the publicly funded federal power system. Exchange program benefits are passed directly to residential and farm customers. The exchange benefit provided PGE residential and small farm customers totaled $44 million for the 12 months ended September 30, 1997. PGE and the BPA are engaged in negotiations about the possibility of a BPA buy out and termination of the current exchange program. Proceeds received from the possible buy out will be used to establish future Residential Benefits.

WHOLESALE MARKETING

The surplus of electric generating capability in the Western U.S., the entrance of numerous wholesale marketers and brokers into the market, and open access transmission is contributing to increasing pressure on the price of power. In addition, the development of financial markets and NYMEX electricity contract trading has led to increased price discovery available to market participants, further adding to the competitive pressure on wholesale margins. During the first nine months of 1997 PGE's wholesale revenues increased $270 million compared to the same period last year, accounting for 37% of total revenues and 62% of total sales volume. PGE will continue its participation in the wholesale marketplace in order to balance its supply of power to meet the needs of its retail customers, manage risk and to administer PGE's current long-term wholesale contracts. However, due to increasing volatility and reduced margins resulting from increased competition, long-term wholesale marketing activities are being transferred to PGE's non-regulated affiliates. As a result PGE expects that its future revenues from the wholesale marketplace will decline.

POWER SUPPLY

Hydro conditions for the year have been extremely favorable. The 1997 January-to-July runoff on the Columbia River was 150% of normal representing the largest runoff since consistent record keeping began in 1929. Reservoirs were 95% full at the end of July which will allow the region to use rainfall for generation of electricity rather than to fill reservoirs. Hydro conditions for the remainder of the year are highly dependant upon levels of precipitation.

Several species of salmon found in the Snake River, a major tributary of the Columbia River, have been granted protection under the Federal Endangered Species Act (ESA). In an effort to help restore these fish, the federal government has reduced the amount of water allowed to flow through the turbines at the hydro electric dams on the Snake and Columbia River while the young salmon are migrating to the ocean. This has resulted in reduced amounts of electricity generated at the dams. Favorable hydro conditions helped mitigate the affect of these actions in 1996 and 1997. If this practice is continued in future years it could mean less water available in the fall and winter for generation when demand for electricity in the Pacific Northwest is highest. Although PGE does not own any hydroelectric facilities on the Columbia and Snake rivers, it does buy energy from the agencies which do.

In early 1997, the State of Oregon proposed an aggressive recovery plan for the Oregon coastal Coho salmon. The National Marine Fisheries Service (NMFS) accepted this recovery plan and as a result this run of salmon was not listed for federal protection. PGE has no hydro electric projects that will be impacted by this action.

A petition to protect winter steelhead trout under the federal endangered species act has been filed. The affected areas include the lower Columbia River tributaries in Oregon and Washington. PGE biologists along with state natural resource agencies and various stakeholders are developing a set of recommendations as an alternative to a federal listing. This will culminate in a state sponsored recovery plan which will be presented to the NMFS in early 1998. If this plan is accepted the steelhead will not be listed as endangered or threatened. Regardless of the outcome of this decision, PGE's hydro electric projects on the Willamette, Clackamas and Sandy Rivers will not be impacted for at least another year. PGE is examining ways to operate its hydro facilities to further enhance these populations of steelhead.

YEAR 2000

PGE utilizes software and related technologies that will be affected by the date change in the year 2000. An internal program is currently underway to determine the full scope, related costs and action plan to insure that PGE's systems continue to meet its internal needs and those of its customers.

BUSINESS COMBINATION

On July 1, 1997 Portland General Corporation (PGC), the former parent of PGE, consummated a merger transaction pursuant to the Amended and Restated Agreement and Plan of Merger by and among Enron Corp., PGC and Enron Oregon Corp. dated as of July 20, 1996 and amended and restated as of September 24, 1996 and as further amended by the First Amendment dated April 14, 1997 (Amended Merger Agreement). Pursuant to the Amended Merger Agreement, Enron Corp., a Delaware corporation merged with and into Enron Oregon Corp., an Oregon corporation (Reincorporation Merger) and the name of

Enron Oregon Corp. was changed to Enron Corp. (Enron). Promptly following the Reincorporation Merger, PGC merged with and into Enron (PGC Merger), with Enron continuing in existence as the surviving corporation. Pursuant to the Amended Merger Agreement PGE is now a wholly owned subsidiary of Enron and subject to control by the Board of Directors of Enron.

Essentially all of Enron's operations are conducted through its subsidiaries and affiliates which are principally engaged in the gathering, transportation and wholesale marketing of natural gas; the exploration and production of natural gas and crude oil; the production, purchase, transportation and marketing of natural gas liquids and refined petroleum products; the independent development, promotion, construction and operation of power plants, natural gas liquids facilities and pipelines; and the non-price regulated purchasing and marketing of energy related commitments.

PGE's consolidated financial statements have been prepared on the historical cost basis and do not reflect an allocation of the purchase price to PGE that was recorded by Enron as a result of the PGC Merger.

CUSTOMER CHOICE

GENERAL

As a condition to the OPUC's approval of the Enron/PGC merger, PGE filed with the OPUC a plan to open it's entire service territory to competition. This plan will allow all residential, commercial and industrial customers to choose their energy provider. This plan also outlines how PGE proposes to separate its regulated businesses from it's potentially competitive businesses of electricity sales, customer service and generation. Under the plan, PGE will cease to sell electricity, focusing instead on the transmission and distribution of electricity. This action will allow the generating assets to be used more effectively and compete in an open marketplace, and will allow distribution assets to be focused on providing quality service, safety and reliability. Enron Energy Services, an unregulated affiliated company, will compete with other energy service providers, but will not use the PGE name. PGE will seek 100 percent recovery of its transition costs, the difference between the cost of certain assets and the market value of those assets. The amount of these transition costs has yet to be determined.

PGE is dependent upon the regulatory process to ensure that future revenues will be provided for the recovery of regulatory assets, including the transition costs mentioned above. In the event that the regulatory process does not provide revenues for recovery of transition costs, PGE could be required to write-off all or a portion of such amounts from its balance sheet.

INTRODUCTORY PROGRAM

In a move to prepare for future retail competition, PGE submitted to the OPUC a proposal for an introductory Customer Choice Plan to allow 50,000 PGE customers in four cities to buy their power from competing energy service providers by the end of 1997. This program will allow certain customers in Oregon to experience a competitive electricity market. The program, which received OPUC approval, will be available to residential, small business and commercial customers in the four cities, and industrial customers throughout PGE's service territory. Effective October 22, 1997 PGE's large industrial customers throughout its service territory have the opportunity to purchase up to 50 percent of their electricity from from competiting electricity providers. Residential, small business and commercial customers can begin receiving electricity from a company of their choice as early as December 1, 1997

Seven energy service providers have been certified by the OPUC and given the approval to begin offering to eligible customers electricity and other energy products and services. PGE is also encouraging the development of aggregators. Aggregators are companies or organizations that combine the power needs of their existing members, customers or constituents. By pooling the electricity load, the aggregators can make larger, more economical electricity purchases and deliver more competitive prices to the individual customer. Although customers may choose to purchase electricity from companies other than PGE, the power will be delivered over PGE's existing distribution system. PGE will continue to maintain all wires, power poles and equipment and will make all repairs in the event of an outage. Safety and reliability remain the highest priority for PGE. PGE does not expect that this program will have a materially adverse impact on operating margins. This program, which terminates on December 31, 1998, is being undertaken to provide information to PGE and the OPUC on the effects of future retail competition on PGE and its customers.

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although PGE believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important factors that could cause actual results to differ materially from those in the forward looking statements herein include, but are not limited to, political developments affecting federal and state regulatory agencies, the pace of deregulation of retail electricity, environmental regulations, changes in the cost of power and adverse weather conditions during the periods covered by the forward looking statements.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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

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

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

PGE appealed to the U.S. Court of Appeals for the Ninth Circuit which, on July 20, 1995, issued an opinion in favor of PGE, reversing the judgment and ordering judgment to be entered in favor of PGE. Columbia Steel filed a petition for reconsideration and on December 27, 1996 , the Ninth Circuit Court of Appeals reversed its earlier decision, ruling in favor of Columbia Steel. In early 1997 PGE's request for reconsideration by the Ninth Circuit was denied. The case was remanded to the US District Court for a new determination of damages for service rendered from early 1987 to July 1991. On July 2, 1997 PGE filed a request for certiorari with the US Supreme Court. A response is not expected before 1998. On August 2, 1997 the US District Court entered a new judgement in favor of Columbia Steel for approximately $3.7 million.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

NUMBER	EXHIBIT
27	Financial Data Schedule - UT (Electronic Filing Only)

b. Reports on Form 8-K

None.

SIGNATURES

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

PORTLAND GENERAL ELECTRIC COMPANY
(Registrants)

November 14 , 1997	By	/S/ STEVEN N. ELLIOTT Steven N. Elliott Vice President Finance and Treasurer
November 14 , 1997	By	/S/ JOSEPH E. FELTZ Joseph E. Feltz Controller Assistant Treasurer

UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1997 FOR PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES (PGE) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
0000784977
PORTLAND GENERAL ELECTRIC COMPANY

3-MOS
DEC-31-1996
SEP-30-1997
PER-BOOK
1,800,915
373,549
270,873
866,412
0
3,311,749
160,346
478,522
235,727
874,595
30,000
0
834,815
0
0
114,517
83,248
0
4,783
2,714
1,367,077
3,311,749
390,883
13,703
331,628
345,331
45,552
(13,244)
32,308
17,800
14,508
581
13,927
113,617
65,393
112,715
0
0

Represents the 12 month-to-date figure ending September 30, 1997.