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 June 30, 1994

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from __________ to __________

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-5532	PORTLAND GENERAL CORPORATION (an Oregon Corporation) 121 SW Salmon Street Portland, Oregon 97204 (503) 464-8820	93-0909442
1-5532-99	PORTLAND GENERAL ELECTRIC COMPANY (an Oregon Corporation) 121 SW Salmon Street Portland, Oregon 97204 (503) 464-8000	93-0256820

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

The number of shares outstanding of the registrants' common stocks as of July 31, 1994 are:

Portland General Corporation	50,285,571
Portland General Electric Company (owned by Portland General Corporation)	42,758,877

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Portland General Corporation and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial and Operating Outlook

Utility

General Rate Filing

On November 8, 1993, Portland General Electric Company (PGE or the Company) filed a request with the Oregon Public Utility Commission (PUC) to increase electric prices by an average of 5% beginning January 1, 1995. Commercial and industrial customers' rates would increase, on average, 3.2%.

The proposed increase in average annual revenues is $43 million, after the effects of the Regional Power Act (RPA) exchange benefits. Under provisions of the Regional Power Act PGE exchanges its higher-cost power for lower-cost federal hydroelectric power with Bonneville Power Administration (BPA) and passes the benefits to residential and small farm customers.

PGE requested a return on equity of 11.5%, down from the current authorized return of 12.5%. If approved, this would be the Company's first general price increase since 1991.

The general rate filing includes PGE's request for continued recovery of Trojan Nuclear Plant (Trojan) costs including decommissioning, operating expenses, taxes, return of capital invested in the plant and return on the undepreciated investment. PGE's current rates include recovery of these Trojan costs. In May 1994, the PUC issued an order to delay consideration of the Trojan-related issues and cost of capital in order to allow the PUC Staff to retain an expert to consult and advise the PUC regarding Trojan issues.

In July 1994, PGE and the PUC Staff agreed to delay a final order addressing all rate case matters to no later than March 31, 1995, contingent upon the PUC approving PGE's first quarter 1995 deferred accounting application. In the application the Company seeks to defer, for later collection, certain costs incurred from January 1, 1995, through March 31, 1995, or until the PUC issues an order in the general rate case, if earlier (see the Power Cost Recovery discussion below). If approved, the amount of revenues PGE will be allowed to collect will be the lesser of the recorded deferral, PGE's requested increase or the same level of revenue as if rates had become effective January 1, 1995. The delay, requested by the PUC Staff, provides additional review time for the PUC Staff's expert and allows the PUC more time to review the entire rate proceeding and issue a final order. The Company expects the PUC Staff's recommendations regarding Trojan issues and cost of capital in September 1994.

Recovery of power cost deferrals is addressed in separate rate proceedings, not in the general rate case (see the discussion of Power Cost Recovery below).

Portland General Corporation and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations

Trojan Related Issues

Shutdown - In early 1993, PGE ceased commercial operation of Trojan as recommended in PGE's Least Cost Plan (LCP). On June 3, 1993 the PUC acknowledged PGE's LCP.

Decommissioning Estimate - The Company estimates the total cost to decommission Trojan, including costs incurred to date, to be $409 million, reflected in nominal dollars (actual dollars expected to be spent in each year). The decommissioning cost estimate includes the cost of decommissioning planning, removal and burial of irradiated equipment and facilities as required by the Nuclear Regulatory Commission (NRC); building demolition and nonradiological site remediation; and spent nuclear fuel management costs including licensing, surveillance and transition costs. Transition costs of $75 million are the costs associated with operating and maintaining the spent fuel pool and securing the plant until dismantlement can begin. While most decommissioning costs will utilize funds from PGE's Nuclear Decommissioning Trust (NDT), transition costs will continue to be paid from current operating funds.

The decommissioning plan represents a site-specific decommissioning cost estimate performed for Trojan by an experienced decommissioning engineering firm and assumes that the majority of decommissioning activities will occur between 1998 and 2002, after construction of a temporary dry spent fuel storage facility. Decommissioning of the temporary dry spent fuel storage facility and final nonradiological site remediation activities will occur in 2018 after PGE completes shipment of spent fuel to a United States Department of Energy (USDOE) facility. In 1994, transition costs have leveled off and are estimated to continue at $10 to $15 million per year. As of June 30, 1994 the Company has expensed approximately $6 million in transition costs for 1994. In addition, since plant closure the Company has spent $2 million on decommissioning planning and related activities resulting in a remaining decommissioning liability, including transition costs, of $401 million.

PGE plans to submit a formal decommissioning plan to the NRC and Energy Facility Siting Council of Oregon (EFSC) in late 1994. This is later than the previously expected submittal date of mid-1994 due to the additional time required to further evaluate decommissioning options. The NRC and EFSC rules require the plan be submitted before January 23, 1995.

Presently, PGE is planning to accelerate the removal of some of Trojan's large components which is expected to result in overall decommissioning cost savings. Since the Company plans to begin this work in 1994, prior to receiving NRC and EFSC approval of its formal decommissioning plan, specific approval will be required from EFSC. Request for this approval was filed with EFSC on July 7, 1994. Additionally, the NRC must approve the use of PGE's NDT funds for removal of large components.

Assumptions used to develop the site-specific cost estimate for decommissioning represent the best information PGE has currently.

The Company is continuing to evaluate various options which could change the timing and scope of decommissioning activities and expects any future changes in estimated decommissioning costs to be incorporated in future revenues to be collected from customers.

Investment Recovery - In its general rate filing PGE requested continued recovery of Trojan plant costs, including decommissioning. See the General Rate Filing discussion above for details regarding the order to delay the schedule for Trojan-related issues and the agreement to delay issuance of a final order addressing all rate case matters.

The analysis performed for the LCP assumed that continued recovery of the Trojan plant investment, including future decommissioning costs, would be granted by the PUC. Regarding the authority of the PUC to grant recovery, the Oregon Department of Justice (Attorney General) issued an opinion that the PUC may allow rate recovery of total plant costs, including operating expenses, taxes, decommissioning costs, return of capital invested in the plant and return on the undepreciated investment. While the Attorney General's opinion does not guarantee recovery of costs associated with the shutdown, it does clarify that under current law the PUC has authority to allow recovery of such costs in rates.

PGE asked the PUC to resolve certain legal and policy questions regarding the statutory framework for future ratemaking proceedings related to the recovery of the Trojan investment and decommissioning costs. On August 9, 1993 the PUC issued a declaratory ruling agreeing with the Attorney General's opinion discussed above. The ruling also stated that the PUC will favorably consider allowing PGE to recover in rates some or all of its return on and return of its undepreciated investment in Trojan, including decommissioning costs, if PGE meets certain conditions. PGE believes that its general rate filing provides evidence that satisfies the conditions established by the PUC. See Legal Proceedings for further discussion of legal challenges to the declaratory ruling.

Management believes that the PUC will grant future revenues to cover all, or substantially all, of Trojan plant costs with an appropriate return. However, future recovery of the Trojan plant investment and future decommissioning costs requires PUC approval in a public

regulatory process.
Although the PUC has allowed PGE to continue, on an interim basis, collection of these costs in the same manner as prescribed in the Company's last general rate proceeding, the PUC has yet to address recovery of costs related to a prematurely retired plant when the decision to close the plant was based upon a least cost planning process. Due to uncertainties inherent in a public process, management cannot predict, with certainty, whether all, or substantially all, of the $355 million Trojan plant investment and $346 million of decommissioning charges (to be collected through future rates) will be recovered.
Management believes the ultimate outcome of this public regulatory process will not have a material adverse effect on the financial condition, liquidity or capital resources of Portland General. However, it may have a material impact on the results of operations for a future reporting period.

Management's Discussion and Analysis of Financial Condition and Results of Operations

SCE Complaint - On August 3, 1994, Southern California Edison (SCE) filed a complaint claiming PGE's decision to close Trojan violated the terms of a long-term firm power sales and exhcange agreement entered into on July 31, 1986. The 25-year contract is for 75 megawatts of firm energy and capacity plus a 225 megawatt seasonal exchange.

SCE contends that PGE appointed itself liquidator of a substantial portion of its assets under the general bankruptcy default provision of the contract. SCE is seeking termination of the agreement and damages, including a return of payments made to PGE from the date of PGE's alleged default (approximately $27 million).

Under the agreement SCE is obligated to pay to PGE a reservation fee for system capacity, seasonal exchange and other services equal to $16.9 million annually. SCE continues to make these payments.

The Company will vigorously defend itself and believes it will succeed in the defense of these claims. See the Legal Proceedings discussion below.

Power Cost Recovery

In early 1993, the PUC authorized PGE to defer 80% of the incremental power costs incurred from December 4, 1992 through March 31, 1993 to replace Trojan generation. In total, $44 million of accrued revenues were recorded for later collection. In accordance with Oregon law collection is subject to PUC review of PGE's reported earnings, adjusted for the regulatory treatment of unusual and/or nonrecurring items, as well as the determination of an appropriate rate of return on equity for the deferral period. In early 1994, the PUC granted approval for full recovery and PGE began collection in April 1994. Amounts will be collected over a three year period.

In August 1993, the PUC authorized PGE to defer, for later collection, 50% of the incremental replacement power costs incurred from July 1, 1993 through March 31, 1994. The PUC granted the lower deferral rate to reflect expected nuclear operating cost savings. In total, $49 million of revenues were recorded. The amount of revenues PGE will be allowed to collect will be established by the PUC following its review of PGE earnings, as adjusted, and its determination of a rate of return on equity for the April 1, 1993 through March 31, 1994 review period. The PUC approved a 45-day extension to allow PGE to submit its filing to the PUC by August 15, 1994. PGE has since filed a request to delay this earnings review to June 30, 1995 to coincide with the timing of the review of the first quarter 1995 power cost deferral (see discussion below). If approved by the PUC, this will result in a concurrent review of PGE's earnings for these separate deferral periods.

In July 1994, PGE filed an application to defer, for later collection, 40% of the incremental replacement power costs incurred from January 1, 1995 through March 31, 1995, or until a PUC order in the general rate case, if earlier (see the General Rate Filing discussion above). PGE expects PUC approval of its application by fall 1994. In addition to the limitation discussed in the General Rate Filing section above, the amount of revenues PGE would be allowed to collect will be established by the PUC following its review of PGE earnings, as adjusted, and its determination of a rate of return on equity for the April 1, 1994 through March 31, 1995 review period. PGE would file an earnings review by June 30, 1995.

Power Supply

Restoration of Salmon Runs - The Snake River chinook salmon has been listed as a threatened species and the Snake River sockeye salmon has been listed as endangered under the federal Endangered Species Act. The National Marine Fisheries Service proposed minor changes to current river operations in a draft recovery plan. In April 1994, a U.S. District Court judge rejected the draft recovery plan. In May 1994, the federal government ordered a temporary spilling of water over the Columbia and Snake River dams in an attempt to increase the number of salmon that survive their downriver trip to the Pacific Ocean. This emergency spill was halted in July 1994, when it was not clear that the spill actually helped the migrating fish.

PGE purchases power from many sources including the mid-Columbia dams run by the federal government. Reductions in the amount of water allowed to flow through the dams' turbines reduce the amount and increase the cost of power available to purchase on a non-contract or secondary basis.

The attempt to improve fish passage by releasing more water from the reservoirs in the spring and summer could mean less water available in the fall and winter when the demand for electricity in the Pacific Northwest is the highest. This could lead to higher costs for hydro power and the need to run more expensive gas- and coal-fired plants.

Fuel Supply

In May 1994, PGE signed an agreement with Pacific Gas & Electric (PG&E) to take assignment of a portion of PG&E's excess firm natural gas transportation on the Pacific Gas Transmission (PGT) system. In July 1994, PGE signed an agreement with Alberta & Southern (A&S) to take assignment of a portion of PG&E's excess Canadian firm transportation on both the Alberta Natural Gas (ANG) system and the Nova Corporation of Alberta (NOVA) system. These agreements collectively provide for 41,000 MMBtu/day of delivered capacity to PGE's existing and proposed natural gas-fired generating facilities and replace earlier agreements PGE signed with PGT and

ANG.

Service under these agreements is scheduled to start in winter 1995/6.

Under the terms of the agreements, PGE is committed to paying annual demand charges for the capacity on all three systems of approximately $3.2 million to $4.5 million, depending upon resolution of federal rate treatment issues. The agreements provide for service with PGT, ANG and NOVA for 15 years, 10 years and 6 years, respectively. However, PGE has renewal rights upon expiration and the right to assign unused capacity to other parties.
In order to fully utilize these contracts for its facilities, PGE may incur a capital expenditure in 1995 of approximately $17 million for pipeline construction or may incur additional capacity charges in lieu of construction.

Portland General Corporation and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations

Customer Growth and Revenues

During the second quarter of 1994, 3,000 retail customers were added to PGE's service territory. For the twelve-months ended June 30, 1994, 13,000 retail customers were added. PGE's weather-adjusted retail energy sales through the second quarter of 1994 were 2.7% higher than weather-adjusted retail energy sales for the same period in 1993. The Company expects 1994 load growth to be approximately 2.6%.

Seasonality

PGE's retail sales peak in the winter, therefore, second quarter earnings are not necessarily indicative of results to be expected for fiscal year 1994.

Nonutility

Portland General Corporation (Portland General), Portland General Holdings, Inc. (Holdings) and certain Portland General affiliated individuals have been named in a class action suit by investors in Bonneville Pacific Corporation (Bonneville Pacific) and in a suit filed by the bankruptcy trustee for Bonneville Pacific. The class action suit alleges various violations of securities law, fraud and misrepresentation. The suit by the bankruptcy trustee for Bonneville Pacific alleges common law fraud, breach of fiduciary duty, tortious interference, negligence, negligent misrepresentation and other actionable wrongs.

Regarding the class action suit, in May 1994 the U.S. District Court for the District of Utah (the Court) issued an order dismissing the claims filed by the plaintiffs against Portland General, Holdings and the Portland General affiliated individuals for common law fraud and negligent misrepresentation, primary liability for violations of the federal securities laws and secondary liability for aiding and abetting and conspiracy to violate the federal securities laws. The order permanently dismisses the secondary liability claims. The Court stated that it will consider an amendment to the complaint with regard to the other claims. The Court also held that it would not consider the claims for Utah state securities law violations until certain issues are addressed by the Utah state courts.

Holdings has filed a complaint seeking approximately $228 million in damages against Deloitte & Touche and certain parties associated with Bonneville Pacific alleging that it relied on fraudulent and negligent statements and omissions when it acquired a 46% interest in and made loans to Bonneville Pacific.

Management's Discussion and Analysis of Financial
Condition and Results of Operations

A detailed report released in June 1992, by a U.S. Bankruptcy examiner outlined a number of questionable transactions that resulted in gross exaggeration of Bonneville Pacific's assets prior to Holdings' investment. This report includes the examiner's opinion that there was significant mismanagement and very likely fraud at Bonneville Pacific. These findings support management's belief that a favorable outcome on these matters can be achieved.

For background information and further details, see Note 3, Legal Matters, in Notes to Financial Statements.

Results of Operations

1994 Compared to 1993 for the Three Months Ended June 30

Portland General earned $24 million or $0.48 per share for the second quarter of 1994, compared with $13 million or $0.28 per share in 1993. Increased earnings were primarily the result of $6 million, after tax, in previously recorded real estate reserves relating to discontinued operations which were restored to income in June 1994. Excluding discontinued operations, 1994 earnings would have been $17 million. Net operating income was consistent with the earlier period due to customer growth, higher wholesale sales and nuclear cost savings helping to offset the effects of mild weather and poor regional water conditions in 1994.

Operating revenues rose $10 million and variable power costs increased $18 million in 1994 resulting in an $8 million decline in margin. The decline in margin is primarily the result of higher average variable power costs in 1994.

Increased operating revenues reflect improved wholesale sales and continued growth in the retail market. Wholesale megawatt-hour sales increased 43% due to increased availability of power and opportunities for sales. Despite mild 1994 weather, retail revenues rose $5 million partially due to an increase in the number of customers. A decrease in RPA exchange benefits (due to the 1993 BPA rate increase) resulted in a $3 million increase in retail revenues and a corresponding increase in variable power costs, therefore having no effect on margin.

Variable power costs rose significantly in 1994. Poor water conditions in the region resulted in higher purchased power costs and increased generation at PGE thermal plants. Average variable power costs rose to 17.4 mills per kilowatt-hour (10 mills = 1 cent) in 1994 from

15.2 mills per kilowatt-hour in 1993, resulting in approximately $9 million more 1994 expense. Total system send-out (megawatt-hours purchased and generated, net) increased by 204,103 megawatt-hours or 5% to meet the needs of increased retail and wholesale sales. The decrease in RPA exchange benefits caused a $3 million increase in variable power costs and retail revenues as discussed above.

Operating expenses (excluding variable power costs and depreciation) declined $9 million or 12%. The Company experienced $7 million in nuclear operating cost savings due to fewer personnel at Trojan. During the second quarter of 1994, $3 million of nuclear operating costs were expensed to operating expenses.

The increase in other income reflects a $2 million gain, after tax, on the sale of nonutility property.

The Company has substantially completed the divestiture of its real estate portfolio with the disposition of its largest remaining holdings.

As a result $6 million, after tax, of previously recorded real estate reserves were restored to income in the second quarter of 1994.

1994 Compared to 1993 for the Six Months Ended June 30

Portland General earned $63 million or $1.28 per share for the six months ended June 30, 1994, compared with $50 million or $1.05 per share for the 1993 period. Higher operating revenues, nuclear cost savings and the divestiture of real estate holdings resulted in increased earnings in 1994.
Excluding discontinued operations which contributed $6 million, after tax, in previously recorded real estate reserves which were restored to income, 1994 earnings would have been $57 million.

Operating revenues increased $11 million and variable power costs rose $29 million resulting in an $18 million decline in margin. The decline in margin is primarily due to $17 million fewer accrued revenues associated with the deferral of replacement power costs and an increase in variable power costs. The lower margin is offset by nuclear operating cost savings of $24 million.

The increase in operating revenues reflects improved wholesale revenues offset by lower retail revenues. Wholesale revenues rose $15 million due to increased availability of power and opportunities for sales. During 1994, PGE sold 82% more wholesale energy than in 1993.

Retail revenues decreased $3 million. Despite 2.7% load growth, retail megawatt-hour sales declined slightly as a result of mild weather in 1994 and colder than normal weather in 1993. In 1994, $19 million in revenues associated with the 50% deferral of replacement power costs (see Power Cost Recovery in the Financial and Operating Outlook section above) were accrued, down from $36 million relating to the 80% deferral in 1993. The PUC granted the lower deferral rate to reflect expected nuclear operating cost savings. The lower deferral rate, coupled with lower power costs during the deferral period ending March 31, 1994, reduced the amount of the power cost deferral. The decrease in RPA exchange benefits caused a $16 million increase in retail revenues and a corresponding increase in variable power costs, therefore having no effect on margin.

Variable power costs rose 21%. Increased wholesale sales resulted in a 453,387 megawatt-hour or 5% increase in total system send-out. This caused variable power costs to increase approximately $8 million in 1994. Poor regional water conditions resulted in increased generation at PGE thermal plants. Average variable power costs rose slightly to 18.9 mills per kilowatt-hour in 1994 from 18.4 mills per kilowatt-hour in 1993. Decreased RPA exchange benefits resulted in a $16 million increase in variable power costs and retail revenues as discussed above.

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The Company continued to experience significant nuclear cost savings. Due to fewer personnel at Trojan, nuclear operating costs declined $24 million in 1994 resulting in a 16% decrease in operating expenses (excluding variable power costs and depreciation). During the six months ended June 30, 1994, $7 million of nuclear operating costs were expensed to operating expenses.

The Company recorded a $2 million gain, after tax, on the sale of nonutility property which is included in other income.

The divestiture of real estate holdings resulted in $6 million, after tax, of previously recorded real estate reserves which were restored to income in the second quarter of 1994.

1994 Compared to 1993 for the Twelve Months Ended June 30

Portland General earned $102 million or $2.11 per share for the twelve months ended June 30, 1994, compared with $102 million or $2.15 per share for the 1993 period. Earnings for 1994 would have been $96 million excluding the $6 million, after tax, of previously recorded real estate reserves restored to income. Excluding the effects of Trojan steam generator repair costs of $11 million, after tax, which were restored to 1992 calendar earnings (and included in the 1993 twelve month period), 1993 earnings would have been $91 million.

Operating revenues rose $40 million and variable power costs increased $88 million in 1994 resulting in a $48 million decline in margin. The decline in margin is primarily the result of higher average variable power costs.

The increase in operating revenues is primarily due to a 5% rise in retail revenues.

Increased variable power costs reflect a 21% increase in the amount of power purchased by PGE in 1994. During the 1993 twelve month period, Trojan supplied 10% of PGE's total system send-out at an average price of 3.5 mills per kilowatt-hour. Increased purchases to replace Trojan generation helped to drive the average variable power cost up from 16.5 mills per kilowatt-hour in 1993 to 19.6 mills per kilowatt-hour in 1994.

Operating expenses (excluding variable power costs and depreciation) declined $64 million in the 1994 period. This was primarily due to $62 million in nuclear operating cost savings.

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Depreciation, decommissioning and amortization rose 23% as a result of the capitalization of $18 million ($11 million, after tax) of steam generator repair costs in the 1993 period as discussed above.

The divestiture of real estate holdings resulted in $6 million, after tax, of previously recorded real estate reserves being restored to income in the second quarter of 1994.

Cash Flow

Portland General Corporation

Portland General requires cash to pay dividends to its common stockholders, to provide funds to its subsidiaries, to meet debt service obligations and for day to day operations. Sources of cash are dividends from PGE, its principal subsidiary, asset sales and leasing rentals, short- and intermediate-term borrowings and the sale of its common stock.

Portland General received $15.4 million in dividends from PGE during the second quarter of 1994 and $2.2 million in proceeds from the issuance of shares of common stock under its Dividend Reinvestment and Optional Cash Payment Plan.

Portland General Electric Company

Cash Provided by Operations

Operations are the primary source of cash used for day to day operating needs of PGE and funding of construction activities. PGE also obtains cash 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. The decrease in cash flow from operations, when comparing second quarter 1994 to second quarter 1993, is primarily due to fewer deferred income taxes and higher receivables.

Future cash requirements may be affected by the ultimate outcome of the IRS audit of PGE's 1985 WNP-3 abandonment loss deduction. The IRS has issued a statutory notice of tax deficiency, which Portland General is contesting, related to its examination of Portland General's 1985 tax return.

See Note 4, Income Taxes, for further information.

PGE has been named a "potentially responsible party" (PRP) of PCB contaminants at various environmental cleanup sites. The total

cost of
cleanup is estimated at $27 million, of which the Company's share
is

approximately $3 million. PGE has made an assessment of the other involved PRP's and is satisfied that they can meet their share of the obligation. Should the eventual outcome of these environmental matters result in additional cash requirements, PGE expects internally generated cash flows or external borrowings to be sufficient to fund such obligations.

Investing Activities

PGE invests in facilities for generation, transmission and distribution of electric energy and for energy efficiency improvements. Estimated capital expenditures for 1994 are expected to be $250 million. This represents a decrease from the previous estimate of $265 million due to construction activity delays relating to various new generating resources. Completion of the Coyote Springs Generation Project (a 220 megawatt cogeneration facility), previously estimated for fall 1995, is now estimated for the 1995/6 winter due to delays in the site certification process. The Company does not expect to incur significant additional costs as a result of this delay. Approximately $124 million has been expended for capital projects, including energy efficiency, through June 30, 1994.

PGE continues to fund an external trust for the future costs of Trojan decommissioning. Funding began in March 1991. Currently PGE funds $11 million each year. As of June 30, 1994, the fund had a current market value of $53 million which was invested in investment-grade tax-exempt bonds. Upon approval from the NRC these funds will become available to PGE for use in the removal of some of Trojan's large components in addition to other future decommissioning activities.

Financing Activities

Second quarter 1994 financing activities include a $20 million sinking fund redemption of 200,000 shares of PGE's $100 par value 8.10% preferred stock series. The redemption included 100,000 optional shares in addition to the required 100,000 share redemption.

In May 1994, PGE borrowed $20 million from the assets of its Corporate Owned Life Insurance (COLI) policy. The COLI loan is a long-term variable rate (6.5% in 1994) arrangement with varying maturity dates. Proceeds were used for PGE's construction program.

Portland General replaced expiring committed credit facilities in July 1994. As a result, Portland General now has a $35 million

committed
facility expiring in July 1995. PGE has a committed facility of $120
million expiring in July 1997 and an $80 million commitment expiring July
1995. The lines of credit have annual facility fees ranging from 0.125 to
0.20 percent and do not require compensating cash balances. The facilities
are used primarily as backup for commercial paper. Portland General
has a commercial paper facility of $35 million and PGE has a $200
million commercial paper facility.

The issuance of additional preferred stock and First Mortgage Bonds
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 June 30, 1994, PGE could issue $460 million of preferred
stock and $440 million of additional First Mortgage Bonds.

Graph Description, Page 8
Quarterly Increase in Retail Customers

Quarter/Year	Increase in Residential Customers	Increase in Commercial and Industrial Customers
1Q 1992	2,374	344
2Q 1992	1,839	427
3Q 1992	2,272	376
4Q 1992	2,927	380
1Q 1993	2,025	275
2Q 1993	1,697	429
3Q 1993	2,802	446
4Q 1993	2,775	563
1Q 1994	2,986	390
2Q 1994	2,476	550

Graph Description, Page 12
Gross Margin
12 Months Ending June 30

	Mills/kWh		
	1992	1993	1994
Net Variable Power	7	9	14
Retail Revenues	49	50	52

Graph Description, Page 11
Operating Expenses
12 Months Ending June 30

	Millions of Dollars		
	1992	1993	1994
Operating Costs	349	324	261
Variable Power	244	252	341
Depreciation	117	100	123

Graph Description, Page 11
PGE Electricity Sales
12 Months Ending June 30

	Billions of kWhs		
	1992	1993	1994
Residential	6.2	6.7	6.6
Commercial	5.7	5.9	6.1
Industrial	3.6	3.7	3.8
Wholesale	3.3	2.0	2.2

Consolidated Statements of Income for the Three Months, Six Months and Twelve Months Ended June 30, 1994 and 1993

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	1994	1993	1994	1993	1994	1993
	(Thousands of Dollars)					
Operating Revenues	$202,110	$192,146	$480,124	$468,978	$957,975	$918,020
Operating Expenses						
Purchased power and fuel	63,847	45,401	164,817	136,209	340,321	252,277
Production and distribution	15,607	18,999	31,013	39,590	64,999	87,827
Maintenance and repairs	14,069	17,448	23,228	32,566	45,982	73,874
Administrative and other	25,294	26,625	47,726	51,196	96,851	106,994
Depreciation, decommissioning and amortization	30,399	30,161	61,248	60,905	122,561	99,917
Taxes other than income taxes	12,793	13,756	27,087	29,881	52,936	55,870
	162,009	152,390	355,119	350,347	723,650	676,759
Operating Income Before Income Taxes	40,101	39,756	125,005	118,631	234,325	241,261
Income Taxes	9,089	8,582	36,877	32,270	72,127	68,962
Net Operating Income	31,012	31,174	88,128	86,361	162,198	172,299
Other Income (Deductions)						
Interest expense	(17,868)	(18,085)	(34,919)	(35,825)	(69,896)	(71,900)
Allowance for funds used during construction	800	215	1,264	388	1,661	2,349
Preferred dividend requirement - PG	(2,646)	(3,001)	(5,634)	(6,069)	(11,611)	(12,205)
Other - net of income taxes	6,195	3,025	7,819	5,029	13,540	11,034
Income from Continuing Operations	17,493	13,328	56,658	49,884	95,892	101,577
Discontinued Operations						
Gain on disposal of real estate operations - net of income taxes of $4,226	6,472	-	6,472	-	6,472	-

	Three Months 1994	Three Months 1993	Six Months 1994	Six Months 1993	Twelve Months 1994	Twelve Months 1993
Net Income	$ 23,965	$ 13,328	$ 63,130	$ 49,884	$102,364	$101,577
Common Stock						
Average shares outstanding	50,145,565	47,354,072	49,411,959	47,298,907	48,449,925	47,163,990
Earnings per average share						
Continuing Operations	$0.35	$0.28	$1.15	$1.05	$1.98	$2.15
Gain on disposal of real estate operations	0.13	0.00	0.13	0.00	0.13	0.00
Earnings per average share	$0.48	$0.28	$1.28	$1.05	$2.11	$2.15
Dividends declared per share	$0.30	$0.30	$0.60	$0.60	$1.20	$1.20

Consolidated Statements of Retained Earnings for the Three Months, Six Months, and Twelve Months ended June 30, 1994 and 1993

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	1994	1993	1994	1993	1994	1993
	(Thousands of Dollars)					
Balance at Beginning of Period	$104,939	$ 72,481	$ 81,159	$ 50,481	$ 71,240	$ 30,009
Net Income	23,965	13,328	63,130	49,884	102,364	101,577
ESOP Tax Benefit & Amortization of Preferred Stock Premium	(426)	(363)	(796)	(742)	(1,578)	(3,740)
	128,478	85,446	143,493	99,623	172,026	127,846
Dividends Declared on Common Stock	15,051	14,206	30,066	28,383	58,599	56,606
Balance at End of Period	$113,427	$ 71,240	$113,427	$ 71,240	$113,427	$ 71,240

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

Portland General Corporation and Subsidiaries

Consolidated Balance Sheets as of June 30, 1994 and December 31, 1993

	(Unaudited) June 30 1994	December 31 1993
	(Thousands of Dollars)	
Assets		
Electric Utility Plant - Original Cost		
Utility plant (includes Construction Work in Progress of $109,031 and $46,679)	$2,475,693	$2,370,460
Accumulated depreciation	(930,473)	(894,284)
	1,545,220	1,476,176
Capital leases - less amortization of $24,711 and $23,626	12,608	13,693
	1,557,828	1,489,869
Other Property and Investments		
Leveraged leases	155,302	155,618
Net assets of discontinued real estate operations	10,785	31,378
Trojan decommissioning trust, at market value	53,018	48,861
Corporate Owned Life Insurance less loan of $19,619 in 1994	55,740	77,612
Other investments	28,020	29,552
	302,865	338,021
Current Assets		
Cash and cash equivalents	31,379	3,202
Accounts and notes receivable	80,292	91,641
Unbilled and accrued revenues	148,476	133,476
Inventories, at average cost		

	47,892	46,534
Prepayments and other	12,405	22,128
	320,444	296,981
Deferred Charges		
Unamortized regulatory assets		
Trojan abandonment - Plant	354,543	366,712
Trojan abandonment - Decommissioning	345,726	355,718
Trojan - other	66,443	66,387
Income taxes recoverable	219,128	228,233
Debt reacquisition costs	33,593	34,941
Energy efficiency programs	47,751	39,480
Other	32,019	33,857
WNP-3 settlement exchange agreement	175,655	178,003
Miscellaneous	23,533	21,126
	1,298,391	1,324,457
	$3,479,528	$3,449,328

Capitalization and Liabilities

Capitalization		
Common stock	$ 188,143	$ 178,630
Other paid-in capital	556,090	519,058
Unearned compensation	(16,195)	(19,151)
Retained earnings	113,427	81,159
	841,465	759,696
Cumulative preferred stock of subsidiary		
Subject to mandatory redemption	50,000	70,000
Not subject to mandatory redemption	69,704	69,704
Long-term debt	828,122	842,994
	1,789,291	1,742,394
Current Liabilities		
Long-term debt and preferred stock due within one year	53,936	51,614

Short-term borrowings	160,548	159,414
Accounts payable and other accruals	80,104	109,479
Accrued interest	18,329	18,581
Dividends payable	18,013	17,657
Accrued taxes	36,359	25,601
	367,289	382,346
Other		
Deferred income taxes	661,020	660,248
Deferred investment tax credits	58,429	60,706
Regulatory reserves	119,658	120,410
Trojan decommissioning reserve and misc. closure costs	401,429	407,610
Miscellaneous	82,412	75,614
	1,322,948	1,324,588
	$3,479,528	$3,449,328

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

Portland General Corporation and Subsidiaries

Consolidated Statements of Capitalization
as of June 30, 1994 and December 31, 1993

	(Unaudited) June 30 1994		December 31 1993	
	(Thousands of Dollars)			
Common Stock Equity				
Common stock, $3.75 par value per share 100,000,000 shares authorized, 50,171,330 and 47,634,653 shares outstanding	$ 188,143		$ 178,630	
Other paid-in capital - net	556,090		519,058	
Unearned compensation	(16,195)		(19,151)	
Retained earnings	113,427		81,159	
	841,465	47.0%	759,696	43.6%
Cumulative Preferred Stock				
Subject to mandatory redemption				
No par value, 30,000,000 shares authorized				
7.75% Series, 300,000 shares outstanding	30,000		30,000	
$100 par value, 2,500,000 shares authorized				
8.10% Series, 300,000 and 500,000 shares outstanding	30,000		50,000	
Current sinking fund	(10,000)		(10,000)	
	50,000	2.8	70,000	4.0
Not subject to mandatory redemption				
7.95% Series, 298,045 shares outstanding	29,804		29,804	
7.88% Series, 199,575 shares outstanding	19,958		19,958	
8.20% Series, 199,420 shares outstanding	19,942		19,942	
	69,704	3.9	69,704	4.0

Long-Term Debt				
First mortgage bonds				
Maturing 1994 through 1999				
4-3/4% Series due April 1, 1994	-		8,119	
4.70% Series due March 1, 1995	3,045		3,220	
5-7/8% Series due June 1, 1996	5,216		5,366	
6.60% Series due October 1, 1997	15,363		15,363	
Medium-term notes - 5.65%-9.27%	242,000		242,000	
Maturing 2002 through 2005 - 6.47%-9.07%	165,845		166,283	
Maturing 2021 through 2023 - 7 3/4%-9.46%	195,000		195,000	
Pollution control bonds				
Port of Morrow, Oregon, variable rate (Average 2.3% for 1993), due 2013	23,600		23,600	
City of Forsyth, Montana, variable rate (Average 2.4% for 1993), due 2013 through 2016	118,800		118,800	
Amount held by trustee	(8,559)		(8,537)	
Port of St. Helens, Oregon, due 2010 and 2014 (Average variable 2.2%-2.4% for 1993)	51,600		51,600	
Medium-term notes maturing 1994 through 1996 - 7.23%-8.09%	47,500		50,000	
Capital lease obligations	12,608		13,693	
Other	40		101	
	872,058		884,608	
Long-term debt due within one year	(43,936)		(41,614)	
	828,122	46.3	842,994	48.4
Total capitalization	$1,789,291	100.0%	$1,742,394	100.0%

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

Portland General Corporation and Subsidiaries

Consolidated Statements of Cash Flow for the Three Months, Six Months and Twelve Months Ended June 30, 1994 and 1993

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	1994	1993	1994	1993	1994	1993
Cash Provided (Used) By -						
Operations:						
Net income	$ 23,965	$ 13,328	$ 63,130	$ 49,884	$102,364	$101,577
Adjustments to reconcile net income to net cash provided by operations:						
Depreciation and amortization	21,497	21,900	43,221	43,765	85,693	90,452
Amortization of WNP-3 exchange agreement	1,173	1,122	2,347	2,244	4,592	5,073
Amortization of deferred charges - Trojan Plant	5,915	6,093	12,056	11,942	24,129	11,942
Amortization of deferred charges - Trojan Decomm.	2,805	2,805	5,610	5,610	11,220	5,610
Amortization of deferred charges - Trojan Other	580	548	1,160	1,162	2,312	2,430
Amortization of deferred charges - other	2,235	(461)	4,574	994	10,293	3,708
Deferred income taxes - net	8,032	6,875	10,844	22,138	49,792	44,068
Other noncash income	(324)	(435)	(658)	(893)	(1,691)	(2,259)
Changes in working capital:						
(Increase) Decrease in receivables	14,185	17,528	(3,584)	(10,565)	(65,856)	(52,432)
(Increase) Decrease in inventories	(2,475)	(883)	(1,358)	(203)	13,862	1,365
Increase (Decrease) in payables	(47,367)	(49,100)	(18,609)	(33,694)	(14,752)	(11,175)
Other working capital items - net	13,722	18,264	6,104	10,166	8,411	7,010
Gain from discontinued operations	(6,472)	-	(6,472)	-	(6,472)	-
Deferred items	1,991	(220)	1,689	200	(2,173)	(8,870)
Miscellaneous - net	6,768	4,290	7,315	4,525	21,903	15,983
	46,230	41,654	127,369	107,275	243,627	214,482
Investing Activities:						
Utility construction - new resources	(28,191)	-	(52,485)	-	(81,151)	-
Utility construction - other	(36,108)	(26,469)	(61,408)	(47,380)	(115,720)	(134,009)
Energy efficiency programs	(5,198)					

		(3,745)	(10,032)	(6,124)	(22,057)	(12,155)
Rentals received from leveraged leases	3,214	5,456	12,882	9,588	15,299	15,062
Trojan decommissioning trust	(2,805)	(2,805)	(5,610)	(5,610)	(11,220)	(11,220)
Other investments	(1,987)	(2,503)	(2,327)	(2,069)	(11,021)	(5,623)
	(71,075)	(30,066)	(118,980)	(51,595)	(225,870)	(147,945)
Financing Activities:						
Short-term debt - net	40,283	13,297	1,134	(5,406)	25,276	60,963
Borrowings from Corporate Owned Life Insurance	19,619	-	19,619	-	19,619	-
Long-term debt issued	-	177,000	-	177,000	75,000	237,000
Long-term debt retired	(233)	(185,550)	(11,465)	(194,239)	(97,212)	(275,690)
Repayment of nonrecourse borrowings for leveraged leases	(2,902)	(4,473)	(12,061)	(9,415)	(13,601)	(12,987)
Preferred stock retired	(20,000)	(3,600)	(20,000)	(3,600)	(20,000)	(31,225)
Common stock issued	1,899	2,262	45,206	4,942	49,784	10,182
Dividends paid	(15,482)	(14,255)	(29,710)	(28,401)	(58,159)	(56,698)
	23,184	(15,319)	(7,277)	(59,119)	(19,293)	(68,455)
Net Cash Provided By (Used In) Continuing Operations	(1,661)	(3,731)	1,112	(3,439)	(1,536)	(1,918)
Discontinued Operations	26,454	793	27,065	1,829	27,836	(375)
Increase (Decrease) in Cash and Cash Equivalents	24,793	(2,938)	28,177	(1,610)	26,300	(2,293)
Cash and Cash Equivalents at the Beginning of Period	6,586	8,017	3,202	6,689	5,079	7,372
Cash and Cash Equivalents at the End of Period	$ 31,379	$ 5,079	$ 31,379	$ 5,079	$ 31,379	$ 5,079

Supplemental disclosures of cash flow information						
Cash paid during the period:						
Interest	$ 20,330	$ 21,414	$ 32,938	$ 38,524	$ 68,675	$ 74,044
Income taxes	18,450	10,860	18,239	10,370	20,128	18,845

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

Portland General Corporation and Subsidiaries

Notes to Financial Statements
(Unaudited)

Note 1

Principles of Interim Statements

The interim financial statements have been prepared by Portland General Corporation (Portland General) and, in the opinion of management, reflect all material adjustments which are necessary to a fair statement of results for the interim periods presented. Certain information and footnote disclosures made in the last annual report on Form 10-K have been condensed or omitted for the interim statements. Certain costs are estimated for the full year and allocated to interim periods based on the estimates of operating time expired, benefit received or activity associated with the interim period. Accordingly, such costs are subject to year-end adjustment. It is Portland General's opinion that, when the interim statements are read in conjunction with the 1993 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

Regulatory Matters

Public Utility Commission of Oregon
Portland General Electric Company (PGE) had sought judicial review of three rate matters related to a 1987 general rate case. In 1989, PGE reserved $89 million for an unfavorable outcome of these matters. In July 1990 PGE reached an out-of-court settlement with the Oregon Public Utility Commission (PUC) on two of the three rate matter issues being litigated.
As a result of the settlement $16 million was restored to income in 1990.
The settlement resolved the dispute with the PUC regarding treatment of accelerated amortization of certain investment tax credits (ITC) and 1986-1987 interim relief. As a settlement of the interim relief issue, PGE refunded approximately $17 million to customers.

In 1991 the Utility Reform Project (URP) petitioned the PUC to reconsider the order approving the settlement. The Oregon legislature subsequently passed a law clarifying the PUC's authority to approve the settlement. As a result, the PUC issued an order implementing the settlement. URP filed an appeal in Multnomah County Circuit Court to overturn the PUC's order implementing settlement which was later dismissed in December 1992.

In addition, the Citizen's Utility Board (CUB) filed a complaint in 1991 in
Marion County Circuit Court seeking to modify, vacate, set aside or reverse
the PUC's order implementing settlement. In September 1992 the Marion
County Circuit Court judge issued a decision upholding the PUC

orders approving the settlement. CUB appealed this decision to the Oregon Supreme Court which denied CUB's petition for review in April 1994.

The settlement, however, did not resolve the Boardman/Intertie gain issue, which the parties continue to litigate. PGE's position is that 28% of the gain should be allocated to customers. The 1987 rate order allocated 77% of the gain to customers over a 27-year period. PGE has fully reserved this amount, which is being amortized over a 27-year period in accordance with the 1987 rate order. The unamortized gain, $120 million at June 30, 1994, is shown as "Regulatory reserves" on the balance sheet.

Note 3

Legal Matters

WNP Cost Sharing
PGE and three other investor-owned utilities (IOUs) are involved in litigation surrounding the proper allocation of shared costs between Washington Public Power Supply System (Supply System) Units 1 and 3 and Units 4 and 5. A court ruling, issued in May 1989, stated that Bond Resolution No. 890, adopted by the Supply System, controlled disbursement of proceeds from bonds issued for the construction of Unit 5, including the method for allocation of shared costs. It is the IOUs' contention that at the time the project commenced there was agreement among the parties as to the allocation of shared costs and that this agreement and the Bond Resolution are consistent, such that the allocation under the agreement is not prohibited by the Bond Resolution.

In February 1992, the Court of Appeals ruled that shared costs between Units 3 and 5 should be allocated in proportion to benefits under the equitable method supported by PGE and the IOUs. A trial remains necessary to assure that the allocations are properly performed.

Bonneville Pacific Class Action Suit and Lawsuit
A consolidated case of all previously filed class actions has been filed in U.S. District Court for the District of Utah (the Court), purportedly on behalf of purchasers of common shares and convertible subordinated debentures of Bonneville Pacific Corporation (Bonneville Pacific) in the period from August 18, 1989 until January 22, 1992, alleging violations of federal and Utah state securities laws, common law fraud and negligent misrepresentation. The defendants are specific Bonneville Pacific

insiders, Portland General, Portland General Holdings, Inc. (Holdings), certain Portland General affiliated individuals, Deloitte & Touche and three underwriters of a Bonneville Pacific offering of subordinated debentures.

In May 1994 the Court issued an order dismissing the claims filed by the plaintiffs against Portland General, Holdings and the Portland General affiliated individuals for common law fraud and negligent misrepresentation, primary liability for violations of the federal securities laws and secondary liability for aiding and abetting and conspiracy to violate the federal securities laws. The order permanently dismisses the secondary liability claims. The Court stated that it will

Portland General Corporation and Subsidiaries

Notes to Financial Statements
(Unaudited)

consider an amendment to the complaint with regard to the other claims. The Court also held that it would not consider the claims for Utah state securities law violations until certain issues are addressed by the Utah state courts.

A separate legal proceeding has been initiated by the bankruptcy trustee for Bonneville Pacific who has filed an amended complaint against Portland General, Holdings and certain affiliated individuals in US District Court for the District of Utah alleging common law fraud, breach of fiduciary duty, tortious interference, negligence, negligent misrepresentation and other actionable wrongs. The original suit was filed by Bonneville Pacific prior to the appointment of the bankruptcy trustee. The amount of damages sought is not specified in the complaint.

Other Legal Matters
Portland General and certain of its subsidiaries are party to various other claims, legal actions and complaints arising in the ordinary course of business. These claims are not considered material.

Summary
While the ultimate disposition of these matters may have an impact on the results of operations for a future reporting period, management believes, based on discussion of the underlying facts and circumstances with legal counsel, that these matters will not have a material adverse effect on the financial condition of Portland General.

Other Bonneville Pacific Related Litigation
Holdings filed complaints seeking approximately $228 million in damages in the Third Judicial District Court for Salt Lake County (Utah) against Deloitte & Touche and certain other parties associated with Bonneville Pacific alleging that it relied on fraudulent and negligent statements and omissions by Deloitte & Touche and the other defendants when it acquired a 46% interest in and made loans to Bonneville Pacific starting in September 1990.

Note 4

Income Taxes

The IRS has issued a statutory notice of tax deficiency, which Portland General is contesting, related to its examination of Portland General's 1985 tax return. The IRS has proposed to disallow PGE's 1985 WNP-3 abandonment loss deduction on the premise that it is a taxable exchange. Portland General disagrees with this position and will take appropriate action to defend its deduction. Management believes that it has appropriately provided for probable tax adjustments and is of the opinion that the ultimate disposition of this matter will not have a material adverse impact on the financial condition of Portland General.

Portland General Corporation and Subsidiaries

Notes to Financial Statements
(Unaudited)

Note 5

Trojan Nuclear Plant

Shutdown - In early 1993, PGE ceased commercial operation of Trojan as recommended in PGE's Least Cost Plan (LCP). On June 3, 1993 the PUC acknowledged PGE's LCP.

Decommissioning Estimate - PGE estimates the total cost to decommission Trojan, including costs incurred to date, to be $409 million, reflected in nominal dollars (actual dollars expected to be spent in each year). The decommissioning cost estimate includes the cost of decommissioning planning, removal and burial of irradiated equipment and facilities as required by the Nuclear Regulatory Commission (NRC); building demolition and nonradiological site remediation; and spent nuclear fuel management costs including licensing, surveillance and transition costs. Transition costs of $75 million are the costs associated with operating and maintaining the spent fuel pool and securing the plant until dismantlement can begin. While most decommissioning costs will utilize funds from PGE's Nuclear Decommissioning Trust (NDT), transition costs will continue to be paid from current operating funds.

The decommissioning plan represents a site-specific decommissioning cost estimate performed for Trojan by an experienced decommissioning engineering firm and assumes that the majority of decommissioning activities will occur between 1998 and 2002, after construction of a temporary dry spent fuel storage facility. Decommissioning of the temporary dry spent fuel storage facility and final nonradiological site remediation activities will occur in 2018 after PGE completes shipment of spent fuel to a United States Department of Energy (USDOE) facility. In 1994, transition costs have leveled off and are estimated to continue at $10 to $15 million per year.
As of June 30, 1994, PGE has expensed approximately $6 million in transition costs for 1994. In addition, since plant closure PGE has spent $2 million on decommissioning planning and related activities resulting in a remaining decommissioning liability, including transition costs, of $401 million.

PGE plans to submit a formal decommissioning plan to the NRC and Energy Facility Siting Council of Oregon (EFSC) in late 1994. This is later than the previously expected submittal date of mid-1994 due to the additional time required to further evaluate decommissioning options. The NRC and EFSC rules require the plan be submitted before January 23, 1995.

Presently, PGE is planning to accelerate the removal of some of Trojan's large components which is expected to result in overall decommissioning cost savings. Since the Company plans to begin this work in 1994, prior to receiving NRC and EFSC approval of its formal decommissioning plan, specific approval will be required from EFSC. Request for this approval was filed with EFSC on July 7, 1994. Additionally, the NRC must approve the use of PGE's NDT funds for removal of large components.

Portland General Corporation and Subsidiaries

Notes to Financial Statements
(Unaudited)

Assumptions used to develop the site-specific cost estimate for decommissioning represent the best information PGE has currently.

PGE is continuing to evaluate various options which could change the timing and scope of decommissioning activities and expects any future changes in estimated decommissioning costs to be incorporated in future revenues to be collected from customers.

Investment Recovery - PGE filed a general rate case on November 8, 1993, requesting continued recovery of Trojan plant costs, including decommissioning. In May 1994, the PUC issued an order to delay consideration of the Trojan-related issues and cost of capital in order to allow the PUC Staff to retain an expert to consult and advise the PUC regarding Trojan issues. In July 1994, PGE and the PUC Staff agreed to delay a final order addressing all rate case matters to no later than March 31, 1995, contingent upon the PUC approving PGE's first quarter 1995 deferred accounting application. The delay, requested by the PUC Staff, provides additional review time for the PUC Staff's expert and allows the PUC more time to review the entire rate proceeding and issue a final order.

The analysis performed for the LCP assumed that continued recovery of the Trojan plant investment, including future decommissioning costs, would be granted by the PUC. Regarding the authority of the PUC to grant recovery, the Oregon Department of Justice (Attorney General)issued an opinion that the PUC may allow rate recovery of total plant costs, including operating expenses, taxes, decommissioning costs, return of capital invested in the plant and return on the undepreciated investment. While the Attorney General's opinion does not guarantee recovery of costs associated with the shutdown, it does clarify that under current law the PUC has authority to allow recovery of such costs in rates.

PGE asked the PUC to resolve certain legal and policy questions regarding the statutory framework for future ratemaking proceedings related to the recovery of the Trojan investment and decommissioning costs. On August 9, 1993, the PUC issued a declaratory ruling agreeing with the Attorney General's opinion discussed above. The ruling also stated that the PUC will favorably consider allowing PGE to recover in rates some or all of its return on and return of its undepreciated investment in Trojan, including decommissioning costs, if PGE meets certain conditions. PGE believes that its general rate filing provides evidence that satisfies the conditions established by the PUC. URP and CUB have appealed the PUC ruling.

Management believes that the PUC will grant future revenues to coverall, or substantially all, of Trojan plant costs with an appropriate return. However, future recovery of the Trojan plant investment and future decommissioning costs requires PUC approval in a public regulatory process. Although the PUC has allowed PGE to continue, on an interim basis, collection of these costs in the same manner as prescribed in PGE's last general rate proceeding, the PUC has yet to address recovery of costs related to a prematurely retired plant when the decision to close the plant was based upon a least cost planning process. Due to uncertainties inherent in a public process, management cannot predict, with certainty, whether all, or substantially all, of the $355 million Trojan plant investment and $346 million of decommissioning charges (to be collected through future rates) will be recovered.

Portland General Corporation and Subsidiaries

Notes to Financial Statements
(Unaudited)

Management believes the ultimate outcome of this public regulatory process will not have a material adverse effect on the financial condition, liquidity or capital resources of Portland General. However, it may have a material impact on the results of operations for a future reporting period.

Note 6

Short-Term Borrowings

Portland General replaced expiring committed credit facilities in July 1994. As a result, Portland General now has a $35 million committed facility expiring in July 1995 and PGE has a committed facility of $120 million expiring in July 1997 and an $80 million commitment expiring July 1995. These lines of credit have annual facility fees ranging from 0.125 to 0.20 percent and do not require compensating cash balances. The facilities are used primarily as backup for commercial paper.

Portland General and PGE have commercial paper facilities of $35 million and $200 million, respectively. The amount of commercial paper outstanding cannot exceed each company's unused committed lines of credit.

Note 7

Real Estate - Discontinued Operations

Portland General has substantially completed divestiture of its real estate operations, which consist primarily of Columbia Willamette Development Company (CWDC). In June 1994, CWDC sold for $16 million the largest remaining property in its real estate holdings. As a result $6 million was restored to income relating to previously recorded real estate reserves.

At June 30, 1994, the net assets of discontinued real estate operations primarily consist of deferred taxes.
At June 30, 1994 and December 31, 1993, the net assets of real estate operations were composed of the following (thousands of dollars):

	June 30, 1994	December 31, 1993
Assets		
Real estate development	$ 1,987	$18,900
Other assets	9,247	21,234
Total assets	11,234	40,134
Liabilities	449	1,632
Reserve for discontinuance - net	-	7,124
Net assets	$10,785	$31,378

Portland General Corporation and Subsidiaries

Notes to Financial Statements
(Unaudited)

Note 8

Commitments

In May 1994, PGE signed an agreement with Pacific Gas & Electric (PG&E) to take assignment of a portion of PG&E's excess firm natural gas transportation on the Pacific Gas Transmission (PGT) system. In July 1994, PGE signed an agreement with Alberta & Southern (A&S) to take assignment of a portion of PG&E's excess Canadian firm transportation on both the Alberta Natural Gas (ANG) system and the Nova Corporation of Alberta (NOVA) system. These agreements collectively provide for 41,000 MMBtu/day of delivered capacity to PGE's existing and proposed natural gas-fired generating facilities and replace earlier agreements PGE signed with PGT and ANG.

Service under these agreements is scheduled to start in winter 1995/6. Under the terms of the agreements, PGE is committed to paying annual demand charges for the capacity on all three systems of approximately $3.2 million to $4.5 million, depending upon resolution of federal rate treatment issues. The agreements provide for service with PGT, ANG and NOVA for 15 years, 10 years and 6 years, respectively. However, PGE has renewal rights upon expiration and the right to assign unused capacity to other parties. In order to fully utilize these contracts for its facilities, PGE may incur a capital expenditure in 1995 of approximately $17 million for pipeline construction or may incur additional capacity charges in lieu of construction.

Portland General Electric Company and Subsidiaries

Financial Statements and Related Information

Table of Contents

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

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

Portland General Electric Company and Subsidiaries

Consolidated Statements of Income for the Three Months, Six Months and Twelve Months Ended June 30, 1994 and 1993

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	1994	1993	1994	1993	1994	1993
	(Thousands of Dollars)					
Operating Revenues	$201,773	$191,632	$479,445	$467,936	$956,040	$915,302
Operating Expenses						
Purchased power and fuel	63,847	45,401	164,817	136,209	340,321	252,277
Production and distribution	15,607	18,999	31,013	39,590	64,999	87,826
Maintenance and repairs	14,068	17,448	23,227	32,566	45,981	73,868
Administrative and other	24,405	26,451	46,412	50,377	94,443	104,116
Depreciation, decommissioning and amortization	30,318	30,076	61,088	60,714	122,272	99,441
Taxes other than income taxes	12,782	13,800	27,019	29,809	52,886	55,557
Income taxes	12,019	9,072	42,391	36,917	76,964	77,471
	173,046	161,247	395,967	386,182	797,866	750,556
Net Operating Income	28,727	30,385	83,478	81,754	158,174	164,746
Other Income (Deductions)						
Allowance for equity funds used during construction	-	-	-	-	-	311
Other	8,464	4,751	10,279	7,090	14,960	8,806
Income taxes	(3,003)	(1,823)	(3,139)	(2,230)	(4,911)	1,812
	5,461	2,928	7,140	4,860	10,049	10,929
Interest Charges						
Interest on long-term debt and other	15,134	16,048	29,845	31,256	60,406	62,726

	Three Months Ended June 30 1994	1993	Six Months Ended June 30 1994	1993	Twelve Months Ended June 30 1994	1993
Interest on short-term borrowings	1,314	776	2,310	1,660	4,093	3,015
Allowance for borrowed funds used during construction	(800)	(215)	(1,264)	(388)	(1,661)	(2,038)
	15,648	16,609	30,891	32,528	62,838	63,703
Net Income	18,540	16,704	59,727	54,086	105,385	111,972
Preferred Dividend Requirement	2,646	3,001	5,634	6,069	11,611	12,205
Income Available for Common Stock	$ 15,894	$ 13,703	$ 54,093	$ 48,017	$ 93,774	$ 99,767

Consolidated Statements of Retained Earnings for the Three Months, Six Months and Twelve Months Ended June 30, 1994 and 1993

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	1994	1993	1994	1993	1994	1993
	(Thousands of Dollars)					
Balance at Beginning of Period	$201,670	$181,678	$179,297	$165,949	$176,811	$153,653
Net Income	18,540	16,704	59,727	54,086	105,385	111,972
ESOP Tax Benefit & Amortization of Preferred Stock Premium	(426)	(363)	(796)	(742)	(1,578)	(3,740)
	219,784	198,019	238,228	219,293	280,618	261,885
Dividends Declared						
Common stock	15,393	18,207	30,786	36,413	67,199	72,826
Preferred stock	2,583	3,001	5,634	6,069	11,611	12,248
	17,976	21,208	36,420	42,482	78,810	85,074
Balance at End of Period	$201,808	$176,811	$201,808	$176,811	$201,808	$176,811

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

Portland General Electric Company and Subsidiaries

Consolidated Balance Sheets
as of June 30, 1994 and December 31, 1993

(Unaudited)

	June 30 1994	December 31 1993
(Thousands of Dollars)		
Assets		
Electric Utility Plant - Original Cost		
Utility plant (includes Construction Work in Progress of $109,031 and $46,679)	$2,475,693	$2,370,460
Accumulated depreciation	(930,473)	(894,284)
	1,545,220	1,476,176
Capital leases - less amortization of $24,711 and $23,626	12,608	13,693
	1,557,828	1,489,869
Other Property and Investments		
Trojan decommissioning trust, at market value	53,018	48,861
Corporate Owned Life Insurance less loan $19,619 in 1994	34,656	52,008
Other investments	25,376	25,706
	113,050	126,575
Current Assets		
Cash and cash equivalents	4,351	2,099
Accounts and notes receivable	75,373	85,169
Unbilled and accrued revenues	148,476	133,476
Inventories, at average cost	47,892	46,534
Prepayments and other	12,239	20,646
	288,331	287,924
Deferred Charges		
Unamortized regulatory assets		
Trojan abandonment - Plant	354,543	366,712
Trojan abandonment - Decommissioning	345,726	355,718
Trojan - other	66,443	66,387
Income taxes recoverable	219,128	228,233
Debt reacquisition costs	33,593	34,941
Energy efficiency programs		

	47,751	39,480
Other	32,019	33,857
WNP-3 settlement exchange agreement	175,655	178,003
Miscellaneous	21,408	18,975
	1,296,266	1,322,306
	$3,255,475	$3,226,674

Capitalization and Liabilities

Capitalization		
Common stock equity	$ 815,067	$ 747,197
Cumulative preferred stock		
Subject to mandatory redemption	50,000	70,000
Not subject to mandatory redemption	69,704	69,704
Long-term debt	798,122	802,994
	1,732,893	1,689,895
Current Liabilities		
Long-term debt and preferred stock due within one year	36,436	41,614
Short-term borrowings	150,344	129,920
Accounts payable and other accruals	79,755	111,647
Accrued interest	17,009	17,139
Dividends payable	18,268	21,486
Accrued taxes	45,996	27,395
	347,808	349,201
Other		
Deferred income taxes	527,831	534,194
Deferred investment tax credits	58,429	60,706
Regulatory reserves	119,658	120,410
Trojan decommissioning reserve and misc. closure costs	401,429	407,610
Miscellaneous	67,427	64,658
	1,174,774	1,187,578
	$3,255,475	$3,226,674

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

Portland General Electric Company and Subsidiaries

Consolidated Statements of Capitalization
as of June 30, 1994 and December 31, 1993

	(Unaudited) June 30 1994		December 31 1993	
	(Thousands of Dollars)			
Common Stock Equity				
Common stock, $3.75 par value per share, 100,000,000 shares authorized, 42,758,877 and 40,458,877 shares outstanding	$160,346		$151,721	
Other paid in capital net	468,307		433,978	
Unearned compensation	(15,394)		(17,799)	
Retained earnings	201,808		179,297	
	815,067	47.0%	747,197	44.2%
Cumulative Preferred Stock				
Subject to mandatory redemption				
No par value, 30,000,000 shares authorized				
7.75% Series, 300,000 shares outstanding	30,000		30,000	
$100 par value, 2,500,000 shares authorized				
8.10% Series, 300,000 and 500,000 shares outstanding	30,000		50,000	
Current sinking fund	(10,000)		(10,000)	
	50,000	2.9	70,000	4.2
Not subject to mandatory redemption				
7.95% Series, 298,045 shares outstanding	29,804		29,804	
7.88% Series, 199,575 shares outstanding	19,958		19,958	
8.20% Series, 199,420 shares outstanding	19,942		19,942	
	69,704	4.0	69,704	4.1
Long-Term Debt				
First mortgage bonds				
Maturing 1994 through 1999				
4 3/4% Series due April 1, 1994	-		8,119	
4.70% Series due March 1, 1995	3,045		3,220	
5 7/8% Series due June 1, 1996	5,216			

5,366
6.60% Series due October 1, 1997 15,363

15,363
Medium term notes 5.65% 9.27% 242,000

242,000
Maturing 2002 through 2005 6.47% 9.07% 165,845

166,283
Maturing 2021 through 2023 7 3/4% 9.46% 195,000

195,000
Pollution control bonds
Port of Morrow, Oregon, variable rate
(Average 2.3% for 1993), due 2013 23,600

23,600
City of Forsyth, Montana, variable rate
(Average 2.4% for 1993), due 2013
through 2016 118,800

118,800
Amount held by trustee (8,559)

(8,537)
Port of St. Helens, Oregon, due 2010 and 2014
(Average variable 2.2% - 2.4% for 1993) 51,600

51,600
Capital lease obligations 12,608

13,693
Other 40

101
824,558

834,608
Long term debt due within one year (26,436)

(31,614)
798,122
46.1 802,994 47.5

Total capitalization $1,732,893
100.0% $1,689,895 100.0%

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

Portland General Electric Company and Subsidiaries

Consolidated Statements of Cash Flow for the Three Months, Six Months and Twelve Months Ended June 30, 1994 and 1993

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	1994	1993	1994	1993	1994	1993
	(Thousands of Dollars)					
Cash Provided (Used) By -						
Operations:						
Net Income	$ 18,540	$ 16,704	$ 59,727	$ 54,086	$105,385	$111,972
Adjustments to reconcile net income to net cash provided by operations:						
Depreciation and amortization	21,491	21,887	43,209	43,718	85,697	90,392
Amortization of WNP-3 exchange agreement	1,173	1,122	2,347	2,244	4,592	5,073
Amortization of deferred charges - Trojan Plant	5,915	6,093	12,056	11,942	24,129	11,942
Amortization of deferred charges - Trojan Decomm.	2,805	2,805	5,610	5,610	11,220	5,610
Amortization of deferred charges - Trojan Other	580	548	1,160	1,162	2,312	2,430
Amortization of deferred charges - other	547	807	2,886	2,245	7,354	4,986
Deferred income taxes - net	(2,987)	5,164	4,590	19,457	45,854	23,750
Other noncash income	-	-	-	-	-	(311)
Changes in working capital:						
(Increase) Decrease in receivables	12,440	21,382	(5,137)	(5,647)	(66,921)	(45,558)
(Increase) Decrease in inventories	(2,476)	(883)	(1,359)	(203)	13,861	1,364
Increase (Decrease) in payables	(47,825)	(56,002)	(13,421)	(34,158)	(5,851)	(1,126)
Other working capital items - net	14,428	17,473	5,698	9,722	6,576	7,310
Deferred items	1,991	(2,401)	1,689	(1,981)	8	(11,112)
Miscellaneous - net	2,607	3,893	2,701	4,151	14,419	16,807
	29,229	38,592	121,756	112,348	248,635	223,529
Investing Activities:						
Utility construction - new resources	(28,191)	-	(52,485)	-	(81,151)	-
Utility construction - other	(36,108)	(26,469)	(61,408)	(47,380)	(115,720)	(134,009)
Energy efficiency programs	(5,198)	(3,745)	(10,032)	(6,124)	(22,057)	(12,155)
Trojan decommissioning trust	(2,805)	(2,805)	(5,610)	(5,610)	(11,220)	(11,220)
Other investments	(2,441)					

		(1,514)	(2,546)	(1,975)	(7,704)	(5,669)
	(74,743)	(34,533)	(132,081)	(61,089)	(237,852)	(163,053)
Financing Activities:						
Short-term debt - net	63,280	12,586	20,424	(2,028)	52,307	58,611
Borrowings from Corporate Owned Life Insurance	19,619	-	19,619	-	19,619	-
Long-term debt issued	-	177,000	-	177,000	75,000	237,000
Long-term debt retired	(150)	(171,626)	(8,882)	(180,315)	(95,553)	(241,766)
Preferred stock retired	(20,000)	(3,600)	(20,000)	(3,600)	(20,000)	(31,225)
Common stock issued	-	-	41,055	-	41,055	-
Dividends paid	(18,444)	(21,128)	(39,639)	(42,402)	(82,188)	(85,154)
	44,305	(6,768)	12,577	(51,345)	(9,760)	(62,534)
Increase (Decrease) in Cash and Cash Equivalents	(1,209)	(2,709)	2,252	(86)	1,023	(2,058)
Cash and Cash Equivalents at the Beginning of Period	5,560	6,037	2,099	3,414	3,328	5,386
Cash and Cash Equivalents at the End of Period	$ 4,351	$ 3,328	$ 4,351	$ 3,328	$ 4,351	$ 3,328

Supplemental disclosures of cash flow information

Cash paid during the period:						
Interest	$ 19,389	$ 20,256	$ 29,765	$ 34,616	$ 63,381	$ 66,173
Income taxes	31,560	17,853	25,460	17,853	24,849	45,834

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

Portland General Corporation and Subsidiaries

Part II. Other Information

Item 1. Legal Proceedings

For further information, see Portland General's report on Form 10-K for the year ended December 31, 1993.

UTILITY

Southern California Edison Company (SCE) v. PGE

On August 3, 1994, Southern California Edison (SCE) filed a complaint in Multnomah County Circuit Court in Portland, Oregon claiming PGE's decision to close Trojan violated the terms of a long-term firm power sales and exhcange agreement entered into on July 31, 1986. The 25-year contract is for 75 megawatts of firm energy and capacity plus a 225 megawatt seasonal exchange.

SCE contends that PGE appointed itself liquidator of a substantial portion of its assets under the general bankruptcy default provision of the contract. SCE is seeking termination of the agreement and damages, including a return of payments made to PGE from the date of PGE's alleged default (approximately $27 million).

Under the agreement SCE is obligated to pay to PGE a reservation fee for system capacity, seasonal exchange and other services equal to $16.9 million annually. SCE continues to make these payments.

Item 4. Results of Votes of Security Holders

At the Annual Meeting of Shareholders held on May 3, 1994 the matters voted upon and the results of voting were as follows:

	For	Against	Abstain
Election of Class II Directors:			
Carolyn S. Chambers	41,466,466	680,895	603,125
Ken L. Harrison	41,312,554	892,110	545,822
Warren E. McCain	41,391,245	690,543	668,698
Jerome J. Meyer	41,511,087	596,504	642,895
Ratification of the appointment of Arthur Andersen & Co. as independent public accountants for the year 1994:	41,869,178	343,257	538,051

Names of other directors whose terms of office as director continued after the meeting are:

Class I	Class III
Jerry E. Hudson	Gwyneth E. Gamble Booth
Richard G. Reiten	Peter J. Brix
Bruce G. Willison	John W. Creighton, Jr.
	Randolph L. Miller

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Number	Exhibit	Page
(24)	Powers of Attorney (filed herewith)	33

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 CORPORATION

PORTLAND GENERAL ELECTRIC COMPANY

(Registrants)

August 12, 1994 By /s/ Joseph E. Feltz

Joseph E. Feltz
Assistant Controller
Assistant Treasurer

Principal Financial Officer
Portland General Corporation
Portland General Electric Company

Joseph M. Hirko*
Joseph M. Hirko
Vice President Finance,
Chief Financial Officer,
Chief Accounting Officer
and Treasurer

*Signed on behalf of this person.

August 12, 1994 By /s/ Joseph E. Feltz

Joseph E. Feltz
Assistant Controller
Assistant Treasurer

[TEXT]

POWER OF ATTORNEY

The undersigned Joseph M. Hirko, in his capacity as Chief Financial Officer and Chief Accounting Officer of Portland General Corporation (the "Corporation"), hereby appoints Joseph E. Feltz, Assistant Controller of the Corporation, as the attorney-in-fact, in any and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Portland General Corporation Quarterly Report on Form 10-Q for the quarter ended June 30, 1994.

Dated: August 8, 1994
Portland, Oregon

/s/ Joseph M. Hirko
Joseph M. Hirko

POWER OF ATTORNEY

The undersigned Joseph M. Hirko, in his capacity as Chief Financial Officer and Chief Accounting Officer of Portland General Electric Company (the "Company"), hereby appoints Joseph E. Feltz, Assistant Controller of the Company, as the attorney-in-fact, in any and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Portland General Electric Company Quarterly Report on Form 10-Q for the quarter ended June 30, 1994.

Dated: August 8, 1994
Portland, Oregon

/s/ Joseph M. Hirko
Joseph M. Hirko