

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1993

or

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

Employer
Commission File Number Address; and Telephone Number
Identification No.

1-5532 PORTLAND GENERAL CORPORATION
93-0909442
(an Oregon Corporation)
121 SW Salmon Street
Portland, Oregon 97204
(503) 464-8820

1-5532-99 PORTLAND GENERAL ELECTRIC COMPANY
93-0256820
(an Oregon Corporation)
121 SW Salmon Street
Portland, Oregon 97204
(503) 464-8000

Securities registered pursuant to Section 12(b) of the Act:

Each Exchange Which Registered	Title of Each Class	Name of on
Portland General Corporation Common Stock, par value \$3.75 per share Stock Exchange		New York Pacific Stock Exchange
Portland General Electric Company First Mortgage Bonds, 9-1/2% Series Due April 1, 2006 Stock Exchange		New York Stock Exchange
First Mortgage Bonds, 8-3/4% Series Due June 1, 2007 Stock Exchange		New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Portland General Corporation, None

Portland General Electric Company,
Cumulative Preferred Stock, par value \$100 per share

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Indicate by check mark if disclosure of delinquent filers
pursuant to Item 405 of Regulation S-K is not contained herein,
and will not be contained, to the best of registrant's knowledge,
in definitive proxy or information statements incorporated by
reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

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 No

The aggregate market value of Portland General Corporation voting
stock held by non-affiliates of the registrant as of January 31,
1994 is \$942,776,125.

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

Portland General Corporation 47,735,500

Document Incorporated by Reference

The information required to be included in Part III hereof is incorporated by reference from Portland General Corporation's definitive proxy statement to be filed on or about March 29, 1994.

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DEFINITIONS

The following abbreviations or acronyms used in the text and notes are defined below:

Abbreviations

or Acronyms	Term
Beaver	Beaver Combustion Turbine Plant
Bethel	Bethel Combustion Turbine Plant
Boardman	Boardman Coal Plant
Bonneville Pacific	Bonneville Pacific Corporation
BPA	Bonneville Power Administration
Centralia	Centralia Coal Plant
Cornerstone Company	Cornerstone Columbia Development
Colstrip Plant	Colstrip Units 3 and 4 Coal
Coyote Project	Coyote Springs Generation
CWDC Company	Columbia Willamette Development
CWL Inc.	Columbia Willamette Leasing,
DEQ Environmental Quality	Oregon Department of
EPA	Environmental Protection Agency
FASB Board	Financial Accounting Standards
FERC Commission	Federal Energy Regulatory
Financial Statements of Portland	Refers to Financial Statements
Item 8 of	General included in Part II,
Holdings	this report.
Intertie transmission	Portland General Holdings, Inc. Pacific Northwest Intertie line
IOU	Investor-Owned Utilities
IRS	Internal Revenue Service
ITC	Investment Tax Credits
kWh	Kilowatt-Hour
MMBtu	Million British thermal units
MW	Megawatt
MW _a	Average megawatts
NRC	Nuclear Regulatory Commission
PGE	Portland General Electric Company
PGFS Services, Inc.	Portland General Financial
PRP	Potentially Responsible Party
PUC	Oregon Public Utility Commission
Portland General or PGC	Portland General Corporation
PowerLink	PowerLink Corporation
Regional Power Act	Pacific Northwest Electric Power Planning and Conservation Act
SFAS	Statement of Financial Accounting Standards issued by the FASB
Supply System	Washington Public Power Supply System
Trojan	Trojan Nuclear Plant
USDOE	United States Department of Energy
WNP-3	Washington Public Power Supply System
WSA	Unit 3 Nuclear Project WNP-3 Settlement Exchange Agreement

PART I

Item 1. Business

Portland General Corporation -
Holding Company

Portland General Corporation (Portland General), an electric utility holding company, was organized in December 1985. Portland General Electric Company (PGE or the Company), an electric utility company and Portland General's principal operating subsidiary, accounts for substantially all of Portland General's assets, revenues and net income. Portland General is also the parent company of Portland General Holdings, Inc. (Holdings) which is presently involved in leveraged leasing and the liquidation of its real estate investments. Portland General is exempt from regulation under the Public Utility Holding Company Act of 1935, except Section 9(a)(2) thereof relating to the acquisition of securities of other public utility companies.

As of December 31, 1993, Portland General and its subsidiaries had 2,618 regular employees compared to 3,253 and 3,256 at December 31, 1992 and 1991, respectively.

Portland General Electric Company -
Electric Utility

General

PGE, incorporated in 1930, is an electric utility engaged in the generation, purchase, transmission, distribution, and sale of electricity in the State of Oregon. In addition, PGE sells energy in the wholesale market to other utilities, primarily in the State of California. Its Oregon service area is 3,170 square miles, including 54 incorporated cities of which Portland and Salem are the largest, within a state-approved service area allocation of 4,070 square miles. PGE estimates that the population of its service area at the end of 1993 was approximately 1.3 million, constituting approximately 45% of the state's population. At December 31, 1993 PGE served over 620,000 customers.

In early 1993, PGE ceased commercial operation of the Trojan Nuclear Plant (Trojan). PGE determined that the likelihood of increasing costs made continued operation not cost effective.

Operating Revenues

PGE's operating revenues from customers peak during the winter season. The following table summarizes operating revenues and KWh sales for the years ended December 31:

	1993	1992	1991
Operating Revenues (thousands)			
Residential	\$340,440	\$311,235	
\$314,313			
Commercial	303,804	293,769	
281,424			
Industrial	147,274	137,901	
135,031			
Public Street Lighting	11,002	10,998	
10,679			
Tariff Revenues	802,520	753,903	
741,447			
Accrued Revenues	55,873	12,030	
6,766			
Retail	858,393	765,933	
748,213			
Wholesale	79,035	109,025	
131,605			
Other	7,103	5,140	
5,760			
Total Operating Revenues	\$944,531	\$880,098	
\$885,578			
Kilowatt-Hours Sold (millions)			
Residential	6,760	6,285	
6,471			
Commercial	5,885	5,737	
5,545			
Industrial	3,764	3,615	
3,597			
Public Street Lighting	98	99	
102			
Retail	16,507	15,736	
15,715			
Wholesale	1,599	2,739	
3,939			
Total KWh Sold	18,106	18,475	
19,654			

Retail (including other) revenues increased \$94 million in 1993 primarily due to a \$49 million increase in accrued revenues related to the future recovery of incremental power costs, and the combination of retail load growth of 2.6% and cooler weather during the early months of 1993 which increased sales of electricity 5%.

1992 retail (including other) revenues increased \$17 million over 1991 due primarily to revenues related to a temporary price increase to recover a portion of excess power costs incurred during the March 1991 to February 1992 Trojan outage.

Due to replacement of Trojan generation, excess low-cost power was not readily available for resale which drove wholesale revenues down \$30 million. 1992 wholesale revenues declined \$23 million due to poor hydro conditions experienced in the region which reduced surplus power and limited PGE's ability to make nonfirm resales.

Regulation

PGE is subject to regulation by the Oregon Public Utility Commission (PUC), which consists of a three-member commission appointed by the Governor. The PUC approves PGE's retail rates and establishes conditions of utility service. The PUC ensures that prices are fair and equitable and provides PGE an opportunity to earn a fair return on its investment. In addition, the PUC regulates the issuance of securities and prescribes the system of accounts to be kept by Oregon utilities. PGE is also subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) with regard to the transmission and sale of electric energy between utilities as well as with respect to licensed hydroelectric projects and certain other matters.

Construction of new generating facilities requires a permit from the Energy Facility Siting Council, a council of the Oregon Department of Energy. This council reviews the Company's need for energy and the resulting environmental impact of the generating plant.

The Nuclear Regulatory Commission (NRC) regulates the licensing, construction, operation and decommissioning of nuclear power plants. In 1993 the NRC issued PGE a possession only license amendment to its Trojan operating license allowing it to own the reactor and nuclear fuel but not to operate the facility. This license amendment eliminates certain operating requirements that are unnecessary for a permanently shut down and defueled reactor. PGE will continue to be subject to NRC regulation until the Trojan plant is fully decommissioned, all nuclear fuel is removed from the site to a U.S. Department of Energy facility and its license is terminated. The Oregon Department of Energy also monitors Trojan.

Oregon Regulatory Matters

General Rate Filing

On November 8, 1993 PGE filed a request with the PUC to increase electric prices by an average of 5.1% 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 exchange credit. PGE requested a return on equity of 11.5%, down from the current authorized return of 12.5%. If approved, this would be PGE's first general price increase since 1991.

Power Cost Deferrals

PGE has operated without a power cost adjustment provision in its rates since late 1987 which necessitates separate filings with the PUC to recover increases in power costs. In February 1993

the PUC authorized PGE to defer, for later collection, 80% of the incremental costs incurred from December 4, 1992 to March 31, 1993 to replace power no longer generated by Trojan. In January 1994 the PUC authorized PGE to start collecting this power cost deferral beginning in April 1994.

In August 1993 the PUC authorized PGE to defer, for later collection, 50% of the incremental replacement power costs incurred from July 1, 1993 to March 31, 1994, subject to a review of PGE earnings.

1993 Residential and Small Farm Customer Price Increase

Under provisions of the Regional Power Act (RPA) PGE exchanges higher-cost power for lower-cost federal hydroelectric power with BPA and passes the benefits to residential and small farm customers.

In September 1993 the PUC approved PGE's request to raise its electricity prices to residential and small farm customers an average of 7.8%, or \$28.6 million in annual revenues, effective October 1, 1993 to pass through the Bonneville Power Administration's (BPA) nearly 16% price increase. BPA's price increase reduces the power exchange credit that is passed through to PGE residential and small farm customers.

1992 Temporary Rate Increase

The PUC granted PGE recovery of a portion of its incremental power costs incurred during Trojan's 1991 extended outage. PGE was allowed to recover 90% of the excess power costs incurred from November 1, 1991 until Trojan returned to service in early March 1992. Revenue collections started on January 1, 1992, with commercial and industrial rates increasing 4.8% and residential rates increasing 0.6%. On April 7, 1992, the PUC approved the Company's request to decrease the

rate at which it was recovering excess power costs. Residential rates decreased 0.5% while commercial and industrial rates decreased 3.3%. Revenue collections were completed in June 1993. The PUC's temporary rate increase order has been challenged by the Utility Reform Project. See Item 3, Legal Proceedings.

Energy Efficiency

PGE and the PUC are working together to provide the appropriate financial incentives for PGE's energy efficiency programs. PGE is allowed a return on energy efficiency program expenditures. PGE and the PUC also developed the Share All Value Equitably (SAVE) program to remove a financial disincentive and encourage PGE to aggressively pursue cost-effective energy efficiency measures. SAVE, which began in 1991 consists of a lost revenue component and a shared savings incentive that rewards PGE with additional revenues for a portion of the difference between the equivalent cost a new generation and the cost of the energy efficiency measures. The shared savings component of the SAVE tariff can result in a penalty if the amount of energy savings falls short of the established benchmark levels. During the first three years of the program, PGE exceeded benchmarks set by the PUC, and qualified programs achieved an annualized 35 average megawatts of saved energy.

1991 General Rate Increase

The PUC authorized PGE a \$27 million, or 3.4%, rate increase which became effective February 5, 1991. The tariff change represented PGE's first general price increase since 1984. The PUC set PGE's allowed return on common shareholders' equity at 12.5%, a decrease from 12.75%. The price increase covered higher operating costs, including programs to improve efficiency and safety at Trojan. Additional revenues were granted to cover higher depreciation and decommissioning provisions for Trojan. The PUC also allowed PGE to recover, over ten years, \$29 million of costs associated with terminating a prior coal supply contract for Boardman.

Prior Years

Prior to the 1991 general rate increase, general prices had not increased since 1984. Between 1985 and 1990, PGE had price reductions totaling \$79 million in revenue requirements including refunds of excess tax credits.

In October 1989, PGE lowered residential and small farm customer prices by 3.8%, or \$11 million in annual revenue requirements. The lower prices resulted from increased benefits under the provisions of the RPA.

In January 1989 revenue requirements were reduced \$12 million as a result of the completion of PGE's recovery of abandoned nuclear project costs.

Litigation Settlement

In July 1990, PGE reached an out-of-court settlement with the PUC on two of three rate matters being litigated. PGE had sought judicial review of the three rate matters related to a 1987 general case. In 1989, PGE reserved \$89 million for an unfavorable outcome on these three issues. As a result of the settlement, \$16 million, or \$.35 per share, was restored to income during the 1990 third quarter.

The settlement resolved the dispute regarding treatment of accelerated amortization of certain investment tax credits (ITC) and 1986-1987 interim relief. PGE restored ITC in a manner consistent with the way the PUC had ordered that it be treated for ratemaking purposes. As settlement of the interim relief issue, PGE refunded \$17 million to its customers over a 12-month period beginning November 1, 1991. The settlement, however, did not resolve the issue regarding the gain on the sale of a portion of the Boardman/Intertie assets, 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. PGE has fully reserved this amount which is being amortized over a 27-year period in accordance with the rate order.

In PGE's general rate filing filed November 8, 1993 PGE proposes to accelerate the amortization of the Boardman gain to customers from 27 years to three years, starting in January 1995, as part of a comprehensive settlement of the outstanding litigation on this issue.

Least Cost Energy Planning

The PUC adopted Least Cost Energy Planning for all energy utilities in Oregon with the goal of selecting the mix of options that yields an adequate and reliable supply of energy at the least cost to the utilities and customers. "Demand side" options (ie, conservation and load management) as well as traditional "supply side" options (ie, generation and purchase of power) are evaluated. Although utility management continues to be fully responsible for decision-making, the process allows the PUC and the public to participate in resource planning. Ratemaking decisions are not made in the planning process. However, participation by the PUC and the public may reduce the uncertainty regarding the ratemaking treatment of the acquisition of new resources. PGE filed its first Least Cost Energy Plan (LCP) with the PUC in October 1990, and the PUC subsequently reviewed and acknowledged PGE's plan. The plan is updated every two years.

In August 1992, PGE submitted its draft 1992 LCP to the PUC. Included in the LCP was PGE's plan for an orderly phase-out of Trojan by 1996. In January 1993, PGE submitted an update to its LCP reflecting its decision to immediately shut down Trojan. The PUC acknowledged the LCP plan on June 11, 1993.

Competition and Marketing

Retail Competition

PGE competes with a local natural gas utility for residential and commercial customers' space and water heating. PGE captures the majority of the space and water heating market for new multi-family construction, but most new single-family homes are built with natural gas heat and hot water. PGE operates within a state-approved service area and is substantially free from direct competition with other electric utilities.

Competition in the industrial market has increased in recent years due to the availability and low price of natural gas. To meet this competition, PGE is working to retain customers by assisting them with energy-related decisions. Neighboring retail electric utilities are becoming another competitive factor. In 1990, two of PGE's industrial customers approached

other utilities to investigate obtaining power at a lower price. PGE has signed a settlement agreement with Pacific Power & Light (PP&L) permitting PP&L to serve one of these customers and is continuing to serve the other customer. See Item 3, Legal Proceedings for more information.

Cogeneration is another form of competition. However, PGE also views it as an opportunity to invest in joint projects which earn a return and provide additional resources to meet PGE's load growth and to replace Trojan's output.

Retail Marketing

PGE recognizes that all customers do not have the same energy needs and that they do not all value a product equally. Some customers require more reliable services to reduce outage costs. Other price sensitive customers prefer reduced service levels to achieve a lower electric bill. PGE continues to work with customers to develop and deliver kWh products and services that meet different customers' needs.

Meeting customer needs while promoting energy efficiency means employing demand side management strategies. Demand side management includes influencing market growth through high value electrical applications, managing wise use of electricity through energy efficiency and managing capacity demand through load shaping. PGE and the PUC developed the SAVE program (see discussion on page 8) to remove a financial disincentive from energy efficiency measures.

The most successful programs under PGE's SAVE incentive tariff include low-flow showerheads, the Super Good Cents program which encourages energy-efficient construction, the Commercial Rationalization program for construction of energy-efficient commercial buildings, commercial and industrial lighting, and a program to encourage industrial customers to install more efficient motors.

PGE also has programs for residential energy audits, low-income weatherization, more efficient lighting and appliances, and the repair and replacement of water heaters.

Among the other services provided to commercial and industrial customers, PGE and subsidiaries offer power quality services and high voltage maintenance services for customer-owned equipment. PGE's Energy Resource Center provides commercial and other customers with technical assistance and training for energy-related business issues. Commercial customers can receive a design review of energy efficiency systems for their buildings.

The U.S. Environmental Protection Agency (EPA) has selected PGE as the first utility in the Pacific Northwest to participate in its Green Lights program. This program encourages the largest businesses and industries to use energy-efficient lighting. PGE is working with its customers to help them qualify for the Green Lights program. In addition, PGE is the first U.S. utility to become a member of Power Smart, an international organization that promotes energy efficiency through marketing and product endorsements.

PGE has joined with the Oregon Superintendent of Public Instruction and other utilities to develop a curriculum to encourage teachers, students, and parents to use energy more efficiently in their homes. A related plan is designed to make school facilities more energy-efficient.

Wholesale Sales

Energy sales to other utilities depend on the availability of surplus power in the Pacific Northwest, access to transmission systems, changing prices of fossil fuels, competition from alternative suppliers, and the demand for power by other utilities. Power supply and transmission assets, including a partial ownership in the AC Intertie, provide valuable linkages to a wide array of wholesale customers.

The AC Intertie is a transmission line with a total capacity of 4,800 megawatts that links winter-peaking northwest utilities with summer-peaking wholesale customers in California.

Currently, PGE has total scheduling capability for 950 megawatts on the AC Intertie including 150 MW gained from the recent capacity expansion. PGE and BPA completed expansion of the capacity of the AC Intertie in 1993. PGE has traded 100 megawatts of this scheduling capability to BPA for 100 megawatts of scheduling capability on BPA's DC Intertie in order to reach additional wholesale customers in the Southwest. The January 1994 earthquake experienced in the Los

Angeles area removed the DC intertie from service. Until repaired, this outage limits PGE's ability to make wholesale sales to the southwest region.

FERC can now order wholesale transmission access, wholesale wheeling, of electric power. Wholesale wheeling allows independent power producers and utilities to market excess power to other utilities over wide geographic areas. PGE's ownership of 950 megawatts of transmission rights on the Pacific Northwest Intertie provides access to power and wholesale customers beyond PGE's service territory.

Power Supply

PGE's decision in January 1993 to immediately cease operation of Trojan (see Note 6, Trojan Nuclear Plant) ended 17 years of operation during which the plant provided about a quarter of PGE's annual energy requirements. PGE is replacing this output and meeting new load growth with a mix of demand-side and supply-side resources, including renewables, cogeneration, combined-cycle combustion turbines, and energy purchases from other utilities.

Removing this major generating plant from service increased the importance of PGE's existing hydroelectric and thermal resources. Hydro power is a key economic resource for the Company. In addition to company-owned hydroelectric projects, PGE relies on long term power contracts with four hydro projects on the mid-Columbia River. PGE also purchases surplus energy, primarily hydro-generated, from other Pacific Northwest utilities. Operation of the gas-fired Beaver plant (Beaver) continues to benefit from a larger natural gas pipeline. This pipeline, completed in 1993, gives PGE assured access to natural gas markets, enabling Beaver generation to be competitive with other resources in the Pacific Northwest. The Boardman coal-fired plant (Boardman) has run as a base load plant since lower-cost coal supply contracts were negotiated in 1990.

Generating Capability

PGE has 1,911 megawatts of generating capability, which consists of hydroelectric, coal-fired and gas-fired plants. PGE's lowest-cost producers are its eight hydroelectric projects on the Clackamas, Sandy, Deschutes, and Willamette rivers in Oregon. With the decision to permanently close Trojan, PGE lost 745 megawatts of generating capability.

Purchased Power

Long-term firm power contracts with four hydro projects on the mid-Columbia River in central Washington state provide PGE with 669 megawatts. A long-term contract with the BPA for 250 megawatts of capacity expired in 1991 and was replaced with 550 megawatts of new long-term (3 to 23 years) firm contracts from several utilities. In addition, PGE has long-term exchange contracts with summer-peaking California utilities to help meet its winter-peaking requirements.

During 1993 PGE negotiated new firm power purchase contracts ranging from two to four years for the purchase of 300 MW to replace capacity and energy previously supplied by Trojan. These agreements, with companies in the Northwest and Southwest, will help meet the Company's needs until new resources are brought on-line in the 1995/96 timeframe.

These and other sources provide PGE with a total of 2,095 megawatts of firm capacity to serve PGE's peak loads. PGE also has access to surplus energy in the "spot market", referred to as secondary energy, which is utilized to meet customers' needs when it is economical to do so, and to provide replacement energy during plant maintenance outages.

Reserve Margin

Reserve margin is the amount of firm resource capacity in excess of customer demand during a period of peak loads. Based on its generating plants and firm purchased power contracts in place as of December 31, 1993, capacity available to PGE compared with historical peak loads is:

Source:	Megawatts
PGE-owned hydro plants	609
Coal-fired plants	652
Gas-fired plants	650
Firm power purchase contracts	2,095
Total	4,006

Peak Load:	
System record (Dec. 1990)	3,698
1993 peak (Jan.)	3,441

PGE has access to spot-market purchases (referred to as secondary energy) during peak demand.

Year in Review

PGE generated 42% of its load

requirements in 1993 compared with 58% in 1992. Trojan operated at a 48% capacity factor in 1992. Firm and secondary purchases primarily replaced Trojan generation in 1993.

Below average precipitation in some parts of the Columbia River basin reduced the availability of inexpensive hydro power on the secondary market in 1993. Regional water conditions were about 83% of normal. Poor water conditions in the region drove secondary prices up, causing Beaver to be a more economical source of energy. Beaver produced 13% more energy than in 1992.

1994 Forecast

The combination of power purchases and increased internal generation will continue to be utilized to replace Trojan's energy. PGE expects to purchase 57% of its 1994 load requirement. The early predictions of water conditions indicate they will be about 75% of normal. A high run-off in late spring is expected because of water release for fisheries. Early spring and summer run-off will likely be low due to the low water content of the snow pack in the Columbia River Basin.

PGE plans to operate Beaver at a 38% capacity factor, the same level experienced in 1993. Boardman will continue to operate as a base-load plant.

Outlook

PGE's Least Cost Energy Plan (see the discussion on page 9) focuses on meeting customers' current and anticipated future energy needs with cogeneration, additional natural gas-fired combined-cycle combustion turbines, wind power, geothermal, energy efficiency, repowering existing resources and efficiency improvements to generating and transmission facilities. Energy efficiency programs include demand-side measures such as load management and encouraging more efficient use of electricity by customers. PGE plans on meeting 45% of new load growth needs with energy efficiency programs.

PGE is beginning construction of the Coyote Springs Generation Project (Coyote Springs). This project will be a 220 megawatt cogeneration facility constructed near Boardman as part of the Trojan replacement resource portfolio. Coyote Springs is expected to be completed in the fall of 1995.

The Company is reviewing plans to bring an additional 380 average megawatts (Mwa) of new resources on-line by 1997. Average megawatts are calculated by converting the total annual output of a resource into an hourly average.

Until new generating resources come on line PGE will utilize a combination of additional internal generation and short and medium-term power

12 purchase contracts. Price and supply of these power purchases will be of particular importance until PGE brings new resources on-line. Adequate supplies of secondary energy are expected to be available to meet customer demand. The completion of the third intertie in 1993 increased PGE's access to surplus energy in California and Arizona. However, potential curtailments of power supply and voltage instability could result if unusual weather-related events or loss of generating resources occur in the region.

The January, 1994 earthquake in the Los Angeles area caused damage to the direct current (DC) intertie. PGE expects this transmission loss to affect the supply of power from the southwest to the Pacific northwest. As a result, the price of secondary power may be affected.

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 (ESA). The National Marine Fisheries Service (NMFS) has appointed a 7-member team to develop a recovery plan to reestablish these fish runs. This plan was completed in November 1993 and is now undergoing public comment. The plan proposes changes to current river operations. Some environmental organizations are calling for major improvements in fish passage around hydro projects on the Snake and lower Columbia rivers during the spring and summer by increasing the amount of water released from the reservoirs. This could mean less water will be available for release from the reservoirs in the fall and winter, resulting in less electricity generated at the hydro projects. NMFS is required to consider the economic impact as well as biological value of the proposed measures.

Much of the regional impact from reduced power generation could be mitigated by increasing the region's seasonal power exchanges with California. California has peak energy needs in the summer while the Pacific Northwest has peaks in the winter. BPA estimates that proposed Columbia and Snake river flows would have only a small impact on power generation. BPA estimates the cost of power to replace lost generation would result in a retail rate increase of less than 2%. However, the final recovery plan could alter this estimate.

PGE is closely monitoring this process and the potential impact of the proposals on its operations. PGE does not own hydro projects on the lower Columbia or Snake rivers although PGE purchases power from facilities located on these rivers. PGE's biologists are working with state and federal agencies to ensure that its hydro operations are compatible with the survival of both hatchery and

wild salmon and steelhead trout. PGE does not expect the ESA process to significantly impact its generation or long-term purchased power contracts. However, the costs of secondary purchased power may increase throughout the region during low-water years.

Fuel Supply

Nuclear

Since the permanent closure of Trojan in January 1993 PGE has terminated all uranium conversion, enrichment and fabrication contracts. Termination costs were approximately \$4.5 million. In addition PGE terminated, at no cost, a uranium supply contract from an Australian source and assigned its remaining uranium supply contract from a domestic source to a third party, permanently relieving PGE of any future obligations associated with either contract. PGE sold its remaining inventory of enriched and natural uranium.

Coal

PGE has an agreement with Cyprus AMAX Coal Sales Company (in 1993 AMAX Coal Company merged with Cyprus Coal Sales Corporation to become Cyprus AMAX Coal Sales Corporation) to supply coal to Boardman through the year 2000. The agreement does not require a minimum amount of coal to be purchased, leaving PGE free to obtain coal from other sources. PGE did not take deliveries from AMAX under this agreement in 1993 because lower priced coal was available on the spot market. The coal purchased contained less than 0.5% of sulfur by weight and emitted less than the EPA allowable limit of 1.2 pounds of sulfur dioxide per MMBtu (million British thermal units) when burned. The coal is from both surface mining operations and underground operations, each subject to federal, state, and local regulations. Railroad transportation to Boardman represents the single largest component of the total cost of the coal. In 1993 PGE negotiated a favorable railroad transportation rate with the Union Pacific Railroad and Western Railroad Properties. PGE believes it will continue to have

several coal supply sources and will be able to continue meeting Boardman's needs.

Coal for Colstrip 3 and 4, located in southeastern Montana, is provided under contract with Western Energy Company, a wholly owned subsidiary of Montana Power Company. The contract provides that the coal delivered will not exceed a maximum sulfur content of 1.5% by weight. The plant design includes sulfur dioxide removal equipment to allow operation in compliance with EPA's source performance emission standards.

Coal for Centralia 1 and 2, located in southwestern Washington, is provided under contract with PacifiCorp doing business as PacifiCorp Electric Operations. The plant will need to implement a blending (adding low-sulphur coal to the current supply), co-firing (adding natural gas to the fuel mix), or other strategies to achieve compliance with EPA's source performance emission standards. The majority of Centralia's coal requirements are expected to be provided under this contract.

About one quarter of PGE's firm resources comes from coal-fired plants:

Pollution Plant Equipment	PGE's % Ownership and MWS	Sulfur Content	Type of Control
Boardman, OR precipitators	65%; 330 MW	0.5%	Electrostatic
Centralia, WA precipitators	2.5%; 33 MW	0.9%	Electrostatic
Colstrip, MT precipitators	0%; 288 MW	1.0%	Scrubbers and precipitators

Natural Gas

PGE has short-term agreements with various suppliers to purchase gas during the winter peak demand period. PGE also utilizes spot-market purchases of gas when necessary.

PGE owns 90% of a pipeline which directly connects Beaver to Northwest Pipeline, an interstate gas pipeline operating between British Columbia and New Mexico. Beginning in June 1993 PGE has access to 30,000 MMBtu/day of Northwest Natural Gas's capacity on Northwest Pipeline. Increased access to gas supplies improves the cost effectiveness and reliability of gas transportation to the plant. This agreement also allows for an increase to 76,000 MMBtu/day in November 1995.

PGE also signed an agreement in 1993 with Pacific Gas Transmission to provide 41,000 MMBtu/day of capacity on its natural gas pipeline. This service is scheduled to start on or after November 1995, when PGE's new gas-fired resources come on line.

Environmental Matters

PGE operates in a state recognized for environmental leadership. PGE's commitment to environmental stewardship resulted in the adoption of a corporate environmental policy in 1991. The policy asserts PGE's commitment to minimize waste in its operations, minimize environmental risk and take the lead in promoting energy efficiency.

Environmental Regulation

PGE is subject to regulation by federal, state, and local authorities with regard to air and water quality, noise, waste disposal and other environmental issues. PGE is also subject to the Rivers and Harbors Act of 1899 and similar Oregon laws under which it must obtain permits from the U.S. Army Corps of Engineers or the Oregon Division of State Lands to construct facilities or perform activities in navigable waters or in waters of the State. The EPA regulates the proper use, transportation, clean up and disposal of Polychlorinated biphenyls (PCBs). State agencies or departments which have direct jurisdiction over environmental matters include the Environmental Quality Commission, the Department of Environmental Quality (DEQ), the Oregon Department of Energy, and the Energy Facility Siting Council. Environmental matters regulated by these agencies include the siting and operation of generating facilities and the accumulation, clean-up and disposal of toxic and hazardous wastes.

Air/Water Quality

Congress passed amendments to the Clean Air Act (Act) in 1990 that will renew and intensify national efforts to reduce air pollution. Significant

14 reductions in emissions of sulfur dioxide, nitrogen oxide and other air toxic contaminants will be required over the next several years. Coal-fired plant operations will be affected by these emission limitations.

Federal implementing standards under the Act are being drafted at the present time. State governments are also charged with monitoring and administering certain portions of the Act. Each state is required to set guidelines that at least equal the federal standards.

On March 5, 1993, the EPA issued its final allocation of emission allowances. Boardman was assigned sufficient allowances to operate after the year 2000 at a 60 to 67% capacity factor without having to further reduce emissions or to buy additional credits. Centralia will be required to reduce emissions by the year 2000 and the owners are examining several options such as installing scrubbers, converting to lower-sulfur coal or natural gas, or purchasing emission allowances. It is not anticipated that Colstrip will be required to reduce emissions because it utilizes scrubbers.

In addition, Congress is currently considering other legislation to reduce emissions of gases that are thought to cause global atmospheric warming. The burning of coal, oil, and natural gas by electric utilities is thought to be a source of these pollutants. Legislation, if adopted, could significantly increase PGE operating costs and reduce coal-fired capacity.

Boardman's air contaminant discharge permit, issued by the DEQ, has no restrictions on plant operations. This permit expires in 1994 and will be automatically extended until a new permit is issued under new permit rules being reviewed by the EPA for final approval. The water pollution control facilities permit for Boardman expired in May 1991. The DEQ is processing the permit application and renewal is expected. In the interim, Boardman is permitted to continue operating under the terms of the original permit.

The wastewater discharge permit for Beaver expires in 1994. DEQ is currently reviewing the permit renewal application.

DEQ air contaminant discharge permits for the combustion turbine generators at Bethel expire in 1995. The existing air permits will automatically be extended until new permits are issued under new air permit rules being reviewed by the EPA for final approval. The current permits allow unrestricted plant operations except for a limitation whereby only one Bethel unit may operate at night due to noise limitations. The combustion turbines are allowed to operate on either natural gas or oil.

PGE has developed an emergency oil spill response plan for the fuel oil storage tanks and unloading dock at Beaver. This plan has been submitted to the Coast Guard, EPA and DEQ in compliance with new federal and state oil spill regulations. The plan includes employee training and the probable acquisition of clean up equipment.

Environmental Clean Up

PGE, as a "potentially responsible party", is involved with others in environmental clean up of PCB contaminants at various sites. The clean up effort is underway and is anticipated to take several years to complete. The total cost of clean up is presently estimated at \$27 million. PGE's share is approximately \$3 million.

Human Resources

As of December 31, 1993, PGE had 2,577 regular employees, including 224 employees at Trojan, compared to 3,157 and 3,094 employees at December 31, 1992 and 1991, respectively.

Portland General Holdings, Inc. - Nonutility Businesses

General

Holdings is a wholly owned subsidiary of Portland General and is the parent company of Portland General's subsidiaries presently engaged in leveraged leasing and the liquidation of its real estate investment. Holdings has provided organizational separation from PGE and financial flexibility and support for the operation of non-utility businesses. The assets and businesses of Holdings are its investments in its subsidiaries. Portland General has determined to no longer pursue development in the independent power and real estate businesses, and has recorded write-offs and reserves for related phase-out costs.

Leasing

Portland General Financial Services, Inc

Portland General Financial Services (PGFS) is the parent company of Columbia Willamette Leasing (CWL), which acquired and leases capital equipment on a leveraged basis. CWL accounts for essentially all of the assets and earnings of PGFS. During 1993 and 1992, CWL made no new investments in leveraged leases. CWL's investment portfolio consists of six commercial aircraft, two container ships, 5,500 containers, coal, tank, and hopper railroad cars, a truck assembly plant, an acid treatment facility, and a wood chipping facility, totaling \$454 million in original cost. No new investments are expected or planned for the foreseeable future.

Independent Power Production

PowerLink Corporation

PowerLink Corporation (PowerLink) was Portland General's entry into the independent power business. During 1992 Portland General sold PowerLink.

Investment in Bonneville Pacific Corporation

In October 1990, Holdings purchased 20% of the common stock of Bonneville Pacific, an independent power producer headquartered in Salt Lake City, Utah. Over the next six months, Holdings purchased additional shares of Bonneville Pacific common stock, increasing its investment to 46% of the outstanding stock. Holdings also has outstanding loans of \$28 million to Bonneville Pacific and its subsidiaries. In November 1991, Portland General announced that it was halting further investments, and Holdings wrote off its equity investment in and loans to Bonneville Pacific. In addition, Holdings' representatives resigned from Bonneville Pacific's board of

directors. These decisions were based in part on Bonneville Pacific underperforming expectations, the impairment of the investment in Bonneville Pacific and the inability of Bonneville Pacific to meet project sell-down commitments under the original purchase agreement. Bonneville Pacific has filed for protection under Chapter 11 of the Federal Bankruptcy Code. Holdings has instituted legal proceedings with regard to its investment in Bonneville Pacific. See Note 3, Loss From Independent Power and Note 14, Legal Matters, in the Notes to the Financial Statements and Item 3. Legal Proceedings for more information.

Real Estate

Columbia Willamette Development Company

Projects in Columbia Willamette Development Company's (CWDC) development portfolio include an upscale retirement community and single family residential developments. The process of liquidating the projects is expected to be substantially completed during 1994. See Note 2, Real Estate - Discontinued Operations, in Notes to the Financial Statements.

Item 2. Properties

Portland General Corporation

Discussion regarding nonutility properties is included in the previous section.

Portland General Electric Company

Generating facilities owned by PGE are set forth in the following table:

Facility	Location	Fuel	Net MW Capability
Wholly owned:			
Sullivan	Willamette River	Hydro	16
Faraday	Clackamas River	Hydro	43
River Mill	Clackamas River	Hydro	23
Bull Run	Sandy River	Hydro	22
Oak Grove	Clackamas River	Hydro	43
Pelton	Deschutes River	Hydro	108
North Fork	Clackamas River	Hydro	54
Round Butte	Deschutes River	Hydro	300
Bethel *	Salem, OR	Gas/Oil	116
Beaver *	Clatskanie, OR	Gas/Oil	534

Jointly Owned:

PGE %			
Interest			
Trojan**	Rainier, OR	Nuclear	-
67.5			
Boardman	Boardman, OR	Coal	508
65.0			
Colstrip 3 & 4	Colstrip, MT	Coal	1,440
20.0			
Centralia	Centralia, WA	Coal	1,310
2.5			

* Combustion turbine generators at Bethel and Beaver are leased by PGE

** Trojan ceased commercial operation in early 1993

PGE holds licenses under the Federal Power Act (which expire during the years 2001 to 2006) for all of its hydroelectric generating plants and state licenses covering all or portions of certain plants. The NRC granted a 40-year license, which expires in the year 2011, to operate Trojan at full power, and all other presently required permits and certificates have been granted by other federal and state agencies. PGE has been granted a possession only license amendment for Trojan by the NRC.

PGE's principal plants and appurtenant generating facilities and storage reservoirs are situated on land owned by PGE in fee or land under the control of PGE pursuant to valid existing leases, federal or state licenses, easements, or other agreements. In some cases meters and transformers are located upon the premises of customers. The Indenture securing PGE's first mortgage bonds constitutes a direct first mortgage lien on substantially all utility property and franchises, other than expressly excepted property.

Leased Properties

Combustion turbine generators at Bethel and Beaver are leased by PGE. These leases expire in the late 1990s. PGE leases its headquarters complex in downtown Portland and the coal-handling

facilities and certain railroad
cars for Boardman.

Item 3. Legal Proceedings

Nonutility

Gerhard W. Gohler, IRA, et al v.
Robert L. Wood et al, U.S.
District Court for the District
of Utah

This case, filed on August 31, 1992 is the consolidation of the various class action suits previously filed on behalf of persons who purchased Bonneville Pacific Corporation common shares and convertible subordinated debentures between August 18, 1989 and January 22, 1992. The defendants in the action are certain Bonneville Pacific Corporation insiders, Portland General Corporation, Portland General Holdings, Inc., certain Portland General individuals, Deloitte & Touche (Bonneville's independent auditors) and three underwriters of a Bonneville offering of subordinated debentures (Kidder, Peabody & Co., Piper Jaffray & Hopwood Incorporated, and Hanifen, Imhoff Inc.). The claims against Portland General defendants are for alleged violations of federal and Utah state securities laws, common law fraud and negligent misrepresentation. The amount of damages alleged is not specified.

Portland General, Holdings and Portland General individual defendants have filed motions to dismiss. Plaintiffs have filed a response to the motions. A decision has not been rendered.

Roger G. Segal, as the Chapter 11 Trustee for Bonneville Pacific Corporation v. Portland General Corporation, Portland General Holdings, Inc. et al, U.S. District Court for the District of Utah

On April 24, 1992, Bonneville Pacific Corporation filed a suit against Portland General Corporation, Portland General Holdings, Inc., and certain individuals affiliated with Portland General and Holdings seeking \$200 million in damages alleging breach of fiduciary duty, tortious interference, breach of contract, and other actionable wrongs.

On August 2, 1993 an amended complaint was filed by the Bonneville Pacific bankruptcy trustee against Portland General, Holdings, certain individuals affiliated with Portland General and Holdings and over 50 other defendants unrelated to Portland General or Holdings alleging federal and state securities violations, common law fraud, breach of fiduciary duty, tortious interference, negligence, negligent misrepresentation, partnership by estoppel and other actionable wrongs. This complaint was dismissed by the Court. In January 1994 the bankruptcy trustee filed another amended complaint which deleted the federal and state securities law violations and the partnership by estoppel count which were claimed

in the previously filed amended complaint. The amount of damages sought is not specified in the complaint.

Portland General Holdings, Inc.
v. Deloitte & Touche, et al,
Third Judicial District Court for
Salt Lake County

On January 22, 1992, Holdings filed a complaint alleging Deloitte & Touche and certain individuals associated with Bonneville Pacific misrepresented the financial condition of Bonneville Pacific. The complaint alleges that Holdings relied on fraudulent statements and omissions by Deloitte & Touche and the individual defendants in acquiring a 46% interest in and making loans to Bonneville Pacific starting in September 1990. In late April 1992, the Court granted motions by Deloitte & Touche to dismiss the complaint. Holdings filed an amended complaint and various motions with regard to the dismissal. The Court granted the Portland General motions and denied motions by Deloitte & Touche and all other defendants to dismiss.

Holdings alleges, among other things, the existence of transactions in which generation projects developed or purchased by Bonneville Pacific were transferred at exaggerated valuations or artificially inflated prices to Bonneville Pacific's affiliated entities, Bonneville Pacific related parties or third parties. The suit claims that Bonneville Pacific's books, as audited by Deloitte & Touche, led Holdings to conclude wrongly that Bonneville Pacific's management was effective and could achieve the profitable sale of certain assets, as called for in Holdings purchase agreement with Bonneville Pacific. Holdings is seeking approximately \$228 million in damages.

Portland General Holdings, Inc.
v. The Bonneville Group and
Raymond L. Hixson, Third Judicial
District Court for Salt Lake
County

On June 1, 1993 Holdings filed a complaint alleging The Bonneville Group and Raymond L. Hixson misrepresented the financial condition of Bonneville Pacific. The complaint contains substantially the same allegations against these defendants as claimed in Portland General Holdings,

Inc. v. Deloitte & Touche, et al and seeks the same damages. The defendants have filed three counterclaims, two for a total of approximately \$11 million and one for an unspecified amount of damages.

Utility

BPA v. WPPSS (WPPSS v. 88 Participants), U.S. District Court for the Western District of Washington

Cost Sharing Litigation
On October 26, 1982, the Washington Public Power Supply System filed suit against PGE, Puget Sound Power & Light Company (Puget), PacifiCorp, The Washington Water Power Company (Water Power), BPA, the public power entities that are participants in Supply System Units 1, 3, 4 and 5 (the Participants), and the Morgan Guaranty Trust Company of New York seeking a declaration of the respective rights and obligations of the parties to the litigation for the proper allocation of shared costs between and among the various Supply System Units (the Cost-Sharing Litigation).

While the Cost-Sharing Litigation was pending, the Supply System on or about May 27, 1983, ceased work on Unit 3, the Unit owned by PGE, Puget, PacifiCorp, and Water Power (the IOUs) in common with the Supply System.

In August 1983, PGE, Puget, and Water Power filed in the Cost-Sharing Litigation counterclaims, cross-claims, third-party claims and a motion for a preliminary injunction against the Supply System, BPA, and certain of the Participants seeking injunctive relief and a declaratory judgment that the Supply System was obligated to complete Unit 3, that the Supply System, BPA, and the Participants in Unit 3 were obligated to collect and pay funds to finance the Supply System's 70% portion of the construction costs, or in the alternative for monetary damages on account of the suspension of work on Unit 3 (the Suspension of Construction Litigation).

To avoid potential jurisdictional problems, the court realigned the parties to the litigation making BPA the plaintiff and the Supply System, the IOUs, the Participants and others, the defendants. As a result, the title of the action is now BPA v. WPPSS.

In the Cost-Sharing Litigation, PGE, Puget and Water Power sought a declaratory judgment against the Supply System, PacifiCorp and the Unit 4 and 5 Participants requiring costs between Units 3 and 5 to be allocated in accordance with the 1976 Policy Statement or if the Policy Statement was found to be non-binding, then damages from the Supply System and others for misrepresentations and omissions would be requested. Following decisions by the Washington Supreme Court that certain of the

Unit 4 and 5 Participants were not responsible for Unit 4 and 5 costs, Chemical Bank, as trustee for the Unit 4 and 5 bondholders, intervened in this litigation.

In May 1989 the Court ruled 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. In October 1990, the Court, in granting a motion by Chemical Bank for an accounting of the cost of facilities shared between Units 3 and 5, ruled that the proper methodology for the allocation of shared costs "required the application of principles akin to those espoused by Chemical Bank". The Court stated that as a result, Units 4 and 5 "apparently bore more than their fair and equitable share of construction costs". PGE and the IOUs appealed the order to the Ninth Circuit Court of Appeals.

On February 25, 1992 the Court of Appeals reversed the District Court's decision on the method of allocating shared costs. 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 were properly performed.

PGE v. Ronald Eachus, Myron Katz, Nancy Ryles (Oregon Public Utility Commissioners) and the Oregon Public Utility Commission, Marion County Circuit Court

In July 1990 PGE reached an out-of-court settlement with the PUC on two of three 1987 rate matters being litigated. The settlement resolved the dispute regarding the treatment of certain investment tax credits and the 1986-1987 interim relief. The settlement, however, did not resolve the Boardman/Intertie gain issue, which the parties continue to litigate.

On January 7, 1991 the Utility Reform Project (URP) petitioned the PUC to reconsider the order approving the settlement. On the same date, The Citizen's Utility Board (CUB) filed a complaint in the Marion County Circuit Court seeking to

modify, vacate, set aside or reverse the PUC's order implementing the settlement. CUB claims the PUC's action in accepting the settlement was unlawful and not within the PUC's authority.

On January 14, 1991 the Oregon Department of Justice filed an answer to the CUB's complaint denying that the PUC's action was unlawful. On February 1, 1991, the PUC granted the URP's motion, and PGE later filed its reply to the issues raised by URP. The 1991 Oregon legislature subsequently passed a law clarifying the PUC's authority to approve the settlement. On August 28, 1991, the PUC issued an order implementing the settlement.

On October 28, 1991 URP filed an appeal in the Multnomah County Circuit Court to overturn the PUC's order implementing settlement. On September 22, 1992, a decision was issued by the Marion County Circuit Court upholding the PUC orders approving the settlement. CUB filed an appeal with the Oregon Court of Appeals on November 9, 1992. On December 15, 1993 the Oregon Court of Appeals affirmed without opinion the Circuit Court decision upholding the PUC order. URP's appeal filed in the Multnomah County Circuit Court remains inactive. PGE will vigorously oppose this appeal. See Note 13, Regulatory Matters, in the Notes to the Financial Statements for related details.

Utility Reform Project v. Oregon Public Utility Commission,
Multnomah County Circuit Court

On February 18, 1992 URP filed a complaint in Multnomah County Oregon Circuit Court asking the PUC to set aside and rescind PUC Order No. 91-1781 that authorized PGE a temporary rate increase to recover a portion of the excess power costs incurred during the 1991 Trojan outage. URP and the PUC agreed to stay the case pending PUC hearings on the PUC order. On February 22, 1992 the PUC issued an order approving the rate increase.

Pacificorp v. PGE, Columbia Steel Casting Co., Inc., and Public Utility Commission of Oregon,
U.S. District Court for the District of Oregon

In 1972, PGE and PacifiCorp, dba Pacific Power & Light Company (PP&L) entered into an agreement (Agreement) which was subsequently approved by the PUC and the City of Portland. PGE and the PUC believe the Agreement created exclusive service territory for PGE and PP&L in defined areas within the City of Portland. Columbia Steel Casting Co. (Columbia Steel), an industrial customer of PGE located inside the area allocated to PGE, requested that PP&L provide it with electric service.

On May 31, 1990 PP&L filed a complaint for declaratory judgment in the US District Court

for the District of Oregon seeking a determination of the respective rights and responsibilities of the parties under the Agreement and the Sherman Antitrust Act with regard to Columbia Steel's request. On June 19, 1990, Columbia Steel also filed a complaint in US District Court for the District of Oregon with regard to the allocation of the service territories between PGE and PP&L. (See Columbia Steel Casting Co., Inc. v. PGE, et al below.) These two cases were consolidated.

UA 37 - On July 2, 1990 PGE requested the PUC, the governmental agency charged with allocating the service territories among utilities, to affirm the exclusive territories allocated under the 1972 Agreement. Columbia Steel intervened.

On May 2, 1991 PGE and PP&L entered into an agreement to settle the District Court litigation filed by PP&L. The settlement provided, among other things, that the parties would file a joint application to the PUC for exclusive territories within the City of Portland and that PP&L would serve Columbia Steel in exchange for certain assets.

UA 41 - On October 2, 1991 PGE and PP&L filed a joint application with the PUC for the purpose of fully and finally allocating service territory within the City of Portland and transferring from PGE to PP&L the right to serve Columbia Steel. UA-37 and UA-41 were consolidated.

On April 16, 1992 the PUC issued an order in UA-37/UA-41 which corrected and affirmed the 1972 Order allocating exclusive territories within the City of Portland pursuant to the 1972 Agreement between PGE and PP&L requested in UA-37. The Order also approved the 1992 territorial allocation agreement between PGE and PP&L and approved the transfer of the right to serve Columbia Steel as requested in UA-41.

Columbia Steel requested reconsideration by the PUC of the 1992 Order, which the PUC denied on August 7, 1992.

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. Columbia Steel contends that the 1972 territory allocation agreement (Agreement) (see above case for background information) 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 the last ten years.

On July 3, 1991 the federal court granted Columbia Steel's motion for partial summary judgment. The Court concluded that the Agreement only provided for the exchange of electric utility property and service facilities and that the Agreement did not allocate customers for the provision of exclusive services. The Court further found that the 1972 order of the PUC approving the Agreement did not order the allocation of territories and customers.

On February 4, 1993 the Court ruled that Columbia Steel is entitled to recover the additional costs incurred by it for electric service from July 25, 1990 to July 1991. On March 22, 1993, PGE filed for reconsideration.

On May 28, 1993 the Court denied PGE's motion for reconsideration. On August 19, 1993 the Court ruled that Columbia Steel was entitled to receive from PGE approximately \$1.3 million in damages which represented the additional costs incurred by Columbia Steel for electric service from July 25, 1990 to July 1991, trebled, plus costs and attorney's fees. Both PGE and Columbia Steel appealed the ruling.

Columbia Steel Casting Co., Inc.
v. Oregon Public Utility
Commission, Oregon Court of
Appeals

On October 6, 1992 Columbia Steel filed a complaint in Marion County Circuit Court seeking review of the PUC's decision made on April 16, 1992 regarding PGE and PP&L exclusive service territories. (See descriptions of PacifiCorp v. PGE, et al and Columbia Steel Casting Co., Inc. v. PGE, et al above.) On February 9, 1993 the Court ruled on the motion for summary judgement in favor of the defendant. On February 18, 1993 the Court reviewed the PUC order and ruled that the PUC analysis was correct and confirmed that PGE and PP&L had exclusive territories within the City of Portland. Columbia Steel filed a Notice of Appeals with the Oregon Court of Appeals. On December 15, 1993 the Oregon Court of Appeals affirmed without opinion the determination on exclusive territories.

PGE v. Columbia River People's
Utility District, Circuit Court

of Oregon for the County of
Multnomah

On September 18, 1990 PGE filed a complaint in the Circuit Court of Oregon charging Columbia River People's Utility District (CRPUD) with violating Oregon law in its efforts to annex a portion of PGE's service territory and supply power to a northwest Portland chemical plant (Atochem). The complaint seeks an injunction to prohibit CRPUD from attempting to provide electric service outside of its service territory and unspecified damages for interference with a business relationship.

Subsequently, CRPUD and PGE each filed an action in Columbia County seeking to validate its annexation process. These cases are inactive. Atochem intervened in PGE's suit as a defendant (although no claims are asserted against it) and in the CRPUD suit as a plaintiff.

On April 12, 1991 the Multnomah County Court ruled that the territorial allocation statutes apply to CRPUD. It later ruled that the annexation process employed by CRPUD was invalid.

PGE, Atochem and CRPUD agreed to stay entry of the court judgement until the PUC rendered a decision regarding a 1982 PUC order that authorized the sale to BPA of a substation then used to serve Atochem.

On July 15, 1993 CRPUD, PGE and Atochem settled all litigation. Under the settlement, CRPUD agreed to give up any rights to annex Atochem into its service territory and to terminate its 1990 power sales agreement with Atochem. PGE agreed to sell to Atochem any additional power required by Atochem.

Portland General Electric Company
v. Westinghouse Electric
Corporation, U.S. District Court
for the Western District of
Pennsylvania

On February 17, 1993 PGE filed a complaint against Westinghouse Electric Corporation (Westinghouse), the manufacturer of Trojan's steam generators, alleging breach of contract, negligence, fraud, negligent misrepresentation and violation of federal and state racketeering statutes relating to Westinghouse's design, manufacture and installation of the steam generators.

On June 28, 1993 the Court ruled on Westinghouse's motions to dismiss PGE's causes of action. The Court dismissed PGE's claims of negligence and negligent misrepresentation. The Court did not dismiss PGE's claims alleging breach of contract, violation of federal and state racketeering statutes and fraud.

In the Matter of Portland General Electric Company, U.S. Environmental Protection Agency

The U.S. Environmental Protection Agency (EPA) has filed a civil complaint against PGE alleging violations of environmental standard with respect to storage of materials and related recordkeeping at a transmission substation. EPA is seeking to collect \$190,000 in civil penalties related to the alleged violations.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of Portland General Corporation and Portland
General
Electric (*)

Name Experience	Age	Business
Ken L. Harrison position of Chairman Chairman of the Board, Chief Executive Officer Executive Officer - PGC/PGE President of President - PGC August 4, 1992. Portland General until September	51	Appointed to current of the Board and Chief on December 1, 1988 and Portland General since Served as President of Electric from June 1987 1989.
Richard G. Reiten position on August President and Chief Operating President of Portland Officer - PGE until appointed	54	Appointed to current 4, 1992. Served as General from January 1989 to current position.
Leonard A. Girard position on September Senior Vice President President, Legal General Counsel and Secretary and Secretary from PGC/PGE appointed to current	51	Appointed to current 1, 1988. Served as Vice and Regulatory Affairs, January 1988 until position.
Joseph M. Hirko position on December Vice President-Finance, Chief Treasurer beginning Financial Officer, Chief Vice President, Accounting Officer and Financial Services, Inc. Treasurer PGC/PGE June 1989.	37	Appointed to current 3, 1991. Served as in June 1989. Served as Portland General from November 1985 until June 1989.
Donald F. Kielblock position on October Vice President - PGC/PGE served as General Human Resources Services of PGE until position.	52	Appointed to current 4, 1989. Previously Manager, Information appointed to current position.
Alvin Alexanderson position on February Vice President - PGE President of Portland Rates and Regulatory Affairs 1988 until position.	46	Appointed to current 5, 1991. Served as General Exchange from May appointed to current position.
David K. Carboneau position on October Vice President - PGE President, Administration from October 1989 current position. For October 1989, served of PGE.	47	Appointed to current 1, 1991. Served as Vice Information Resources until appointed to four years prior to as an executive officer
James E. Cross position on December Vice President and responsibility for Chief Nuclear Officer - PGE February 15, 1994). Thermal Generation Nuclear from May	47	Appointed to current 3, 1991 (assumed Thermal Generation on Served as Vice President, 1990 until appointed to

current position. of Florida Power Point Nuclear 1990.		Served as Plant Manager & Light Company's Turkey Plant from 1988 until May
Richard E. Dyer position on July 17, Vice President - PGE President and Marketing and Supply of the until appointed Prior to October President, PGE Power	51	Appointed to current 1991. Served as PGC Vice Assistant to the Chairman Board from October 1990 to current position. 1990 served as Vice Management.
Peggy Y. Fowler position on January Vice President - PGE responsibility for Distribution 15, 1994). Manager, Hydro Transmission from September current position. General Manager,	42	Appointed to current 1, 1990 (assumed Distribution on February Served as General Production and 1989 until appointed to Previously served as Service and Installation.
Frederick H. Lamoureaux position on July 17, Vice President - PGE responsibility for Hydro Hydro Production and Services on Utility Services Served as Vice from September current position. General Manager, Transmission.	54	Appointed to current 1991 (assumed Production and Utility February 15, 1994). President, Distribution 1989 until appointed to Previously served as Hydro Production and
Frederick D. Miller position on October Vice President - PGE Director of Executive Oregon, from 1987 current position.	52	Appointed to current 15, 1992. Served as Department, State of until appointed to

(*) Officers are listed as of January 31, 1994. The officers are elected to serve for a term of one year or until their successors are elected and qualified.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Portland General Corporation

Portland General's common stock is publicly held and traded on the New York and Pacific Stock Exchanges. The table below reflects the dividends on Portland General's common stock and the stock price ranges as reported by The Wall Street Journal for 1993 and 1992.

1992 Quarter		1993					
		1st	2nd	3rd	4th	1st	2nd
3rd	4th						
High		21-1/8	22-1/4	23-1/8	22 7/8	16-5/8	16-7/8
19-5/8	19-3/8						
Low		16	19-7/8	21-1/2	18 3/4	15	15-1/8
16	18						
Closing price		21	22-1/8	22-1/4	20 1/2	15-1/8	16-1/8
19	18-3/8						
Cash dividends declared (cents)		30	30	30	30	30	30
30	30						

The approximate number of shareholders of record as of December 31, 1993 was 48,521.

Portland General Electric Company

PGE is a wholly owned subsidiary of Portland General. PGE's common stock is not publicly traded. Aggregate cash dividends declared on common stock were as follows (thousands of dollars):

Quarter	1993	1992
First	\$ 18,206	\$16,184
Second	18,206	18,206
Third	18,206	18,206
Fourth	18,206	18,206

PGE is restricted, without prior PUC approval, from making any dividend distributions to Portland General that would reduce PGE's common equity capital below 36% of total capitalization.

Item 6. Selected Financial Data

Portland General Corporation

For the Years Ended December
31

1989	1993	1992	1991	1990
(Thousands of dollars except per share amounts)				
Operating Revenues	\$946,829	\$883,266	\$889,876	
\$852,105				\$796,910
Net Operating Income	160,431	163,500	136,531	
176,457				161,877
Income (Loss) from Cont.				
Operations	89,118	89,623	(20,698)	1
99,9522				(9,900)2
Loss from Discontinued				
Operations3	-	-	(29,169)	
- -				(17,033)
Net Income (loss)	\$ 89,118	\$ 89,623	\$(49,867)	\$
99,952				\$(26,933)

Earnings (loss) per Avg.				
Common Share				
Continuing Operations	\$ 1.88	\$ 1.934	\$ (.43)	4
\$2.17				\$ (.21)
Discontinued Operations	-	-	(.63)	
- -				(.37)
	\$ 1.88	\$ 1.934	\$(1.06)	4
\$2.17				\$ (.58)
Dividends Declared				
per Common Share	\$ 1.20	\$ 1.20	\$1.20	
\$1.20				\$ 1.96

Total Assets	\$3,449,328	\$3,140,625	\$3,092,596	
\$3,104,736				\$2,680,082
Long-Term Obligations5	912,994	937,938	967,968	
820,538				875,751

Portland General Electric Company

For the Years Ended December 31

1989	1993	1992	1991	1990
(Thousands of Dollars)				
Operating Revenues	\$ 944,531	\$ 880,098	\$ 885,578	\$
884,720				\$ 784,083
Net Operating Income	156,450	160,037	139,257	
181,344				160,334
Net Income	99,744	105,562	74,075	
121,9492				3,0742
Total Assets	3,226,674	2,920,980	2,912,254	
2,855,809				2,434,678
Long-Term Obligations5	872,994	887,938	887,952	
810,538				867,751

1 Includes a loss of \$74 million from independent power. See Note 3, Loss From Independent

Power, in the Notes to Financial Statements.

2 Includes regulatory loss reserves of \$89 million for certain rate issues in 1989 and a gain of \$16 million for settlement of certain of these issues in 1990. See Note

13, Regulatory Matters, in the Notes to Financial Statements.

3 Portland General discontinued its real estate operations. Current and prior

years' amounts are not reflected in operating revenues and net operating income.

4 Includes \$.02 for tax benefits from ESOP dividends.

5 Includes long-term debt, preferred stock subject to mandatory redemption requirements and long-term obligations under capital leases.

Item 7. Management's Discussion and Analysis of
Financial Condition and Results of Operations

Financial and Operating Outlook

Trojan Related Issues

Shutdown - In early 1993, Portland General Electric Company (PGE or the Company) ceased commercial operation of the Trojan Nuclear Plant (Trojan). PGE made the decision to shut down Trojan as part of its least cost planning process, a biennial process whereby PGE evaluates a mix of energy options that yield an adequate and reliable supply of electricity at the least cost to the utility and to its customers. On June 3, 1993 the Oregon Public Utility Commission (PUC) acknowledged PGE's Least Cost Plan.

Decommissioning Estimate - The 1993 nuclear decommissioning estimate of \$409 million represents a site-specific decommissioning cost estimate performed for Trojan by an experienced decommissioning engineering firm. This cost estimate assumes that the majority of decommissioning activities will occur between 1998 and 2002, after construction of a temporary dry spent fuel storage facility. The final decommissioning activities will occur in 2018 after PGE completes shipment of spent fuel to a United States Department of Energy (USDOE) facility.

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 fuel management costs including licensing, surveillance and \$75 million of transition costs. Transition costs are the costs associated with operating and maintaining the spent fuel pool and securing the plant until dismantlement can begin.

The 1992 decommissioning cost estimate of \$411 million was based upon a study performed on a nuclear plant similar to Trojan and included the cost of dismantlement activities performed

during the years 1996 through 2002, monitoring of stored spent fuel through 2018 and \$130 million of miscellaneous closure and transition costs (\$43 million was amortized to nuclear operating expenses during 1993).

The 1992 estimate and the 1993 site-specific estimate are reflected in the Company's financial statements in nominal dollars (actual dollars expected to be spent in each year). The difference between the 1992 and the 1993 cost estimates, reflected in nominal dollars, is due to the application of a higher inflation factor, the timing of decommissioning activities and certain changes in assumptions, such as decommissioning the temporary dry spent fuel storage facility and shipping highly activated reactor components to the USDOE repository in 2018, which are included in the 1993 estimate. Both the 1992 cost estimate and the 1993 site-specific cost estimate reflected in 1993 (current) dollars are \$289 million.

Assumptions used to develop the site-specific cost estimate represent the best information PGE has currently. However, the Company is continuing its analysis of various options which could change the timing and scope of dismantling activities. Presently, PGE

is planning to accelerate the timing of large component removal which could reduce overall decommissioning costs. PGE plans to submit a detailed decommissioning work plan to the NRC in mid-1994. The Company 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, which addresses recovery of Trojan plant costs, including decommissioning. In late February 1993, the PUC granted PGE accounting authorization to continue using previously approved depreciation and decommissioning rates and lives for its Trojan investment.

Least cost analysis assumed that 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. In February 1993 the Citizens' Utility Board of Oregon appealed the ruling to the Marion County Circuit Court.

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 \$367 million Trojan plant investment and \$356 million of future decommissioning costs 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.

The Company's independent accountants are satisfied that management's assessment regarding the ultimate outcome of the regulatory process is reasonable. Due to the inherent uncertainties in the regulatory process discussed above, the magnitude of the amounts involved and the possible impact on the results of operations for a future reporting period, the Company's independent accountants have added a paragraph to their audit report to give emphasis to this matter.

General Rate Filing

On November 8, 1993, the Company filed a request with the 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 exchange credit. 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 increase in the cost of power, driven by higher priced purchased power and increased fuel costs, is the single largest factor behind the need to request an increase in prices. Other operating factors that contributed to the request are federal tax increases

and capital improvements to PGE's distribution system. Helping to offset these cost increases are cost savings at Trojan, property tax reductions and customer growth. In addition, the Company is proposing to accelerate the return to customers of profits from the 1985 sale of a portion of the Boardman Coal Plant (Boardman) from 27 years to three years. In the 1987 rate proceeding the PUC ordered PGE to allocate 77% of the gain to customers over a 27 year period.

The general rate filing includes PGE's request for continued recovery of 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. The Company expects a PUC decision in late 1994.

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

Customer Growth and Revenues

Customer growth in PGE's service territory was evident with the addition of 11,000 retail customers in 1993. This growth accounted for a 2.6% increase in weather-adjusted retail sales. In 1993, 9,300 residential customers were added to the system, compared to 9,400 in 1992. The Company estimates retail load growth in 1994 to be approximately the same as the growth experienced in 1993.

Power Cost Recovery

The Company is incurring substantial near-term power costs to replace Trojan generation. PGE's Power Cost Adjustment Tariff (PCA) was eliminated in 1987. As a result, adjustments for power costs above or below those used in existing general tariffs are not automatically reflected in

customers' rates. In February 1993, the PUC authorized PGE to defer, for later collection, 80% of the incremental power costs incurred from December 4, 1992, to March 31, 1993, to replace Trojan generation. In January 1994, the PUC authorized PGE to start collecting this power cost deferral beginning in April 1994.

In August 1993, the PUC authorized PGE to defer, for later collection, 50% of the incremental replacement power costs incurred from July 1, 1993, to March 31, 1994, subject to a review of PGE earnings. This power cost deferral authorization does not immediately affect customer rates. However, PGE expects future rates to allow recovery of these costs.

Power Supply

The combination of power purchases and internal generation will continue to be utilized to replace Trojan's energy until new generating resources come on line by 1996. PGE expects to purchase approximately 57% of its 1994 load requirement. The early predictions of 1994 water conditions indicate they will be about 75% of normal. However, adequate supplies of secondary energy are expected to be available to meet customer demand. The completion of the third intertie in 1993 increased the Company's access to surplus energy and sales opportunities in California and Arizona.

The January 1994 earthquake in the Los Angeles area caused damage to the direct current (DC) intertie. PGE expects this transmission loss to affect the supply of power from the Southwest to the Pacific Northwest. As a result, the price of secondary power, and the Company's wholesale efforts, may be affected. PGE has 100 MW of scheduling capability on the DC line to reach wholesale customers in the Southwest.

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 has proposed minor changes to current river operations in a draft recovery plan that is undergoing public comment. Proposals to restore these salmon runs include measures to increase the river flows on the Snake and lower Columbia rivers during the spring to allow salmon to reach the Pacific Ocean faster, resulting in less water available for power generation in the fall and winter months. Although Company-owned hydro projects are not located on these rivers, future costs of secondary purchased power will likely increase throughout the region during low-water years.

Fuel Supply

PGE has short-term agreements with various suppliers to purchase gas during the winter peak demand period. PGE also utilizes spot-market purchases of gas when necessary.

PGE owns 90% of a pipeline which directly connects the Beaver Combustion Turbine Plant (Beaver) to an interstate gas pipeline operating between British Columbia and New Mexico. Beginning in June 1993, PGE had access to 30,000 million British thermal units (MMBtu/day) of capacity on the pipeline, increasing to 76,000 MMBtu/day in November 1995. Also in 1993, PGE signed

an agreement with Pacific Gas Transmission to provide 41,000 MMBtu/day of capacity, starting in November 1995, on its natural gas pipeline.

National Energy Policy Act of 1992

The Federal Energy Regulatory Commission (FERC) can now order wholesale transmission access (wholesale wheeling) of electric power. Wholesale wheeling allows independent power producers and utilities to market excess power to other utilities over wide geographic areas. PGE's ownership of 950 megawatts of transmission rights on the Pacific Northwest Intertie provides access to power and wholesale customers beyond

PGE's service territory.

Nonutility

Bonneville Pacific Litigation - Portland General Corporation (Portland General), Portland General Holdings, Inc. (Holdings), and certain 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 federal and Utah securities violations, common law fraud, breach of fiduciary duty, tortious interference, negligence, negligent misrepresentation and other actionable wrongs.

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.

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 14, Legal Matters, in Notes to Financial Statements.

Results of Operations

1993 Compared to 1992

Portland General reported 1993 earnings of \$89 million, \$1.88 per share, compared to \$90 million, \$1.93 per share, in 1992. In 1992, upon approval from the PUC, PGE applied capital treatment to \$18 million of Trojan steam generator repair costs which were incurred in 1991. As a result, \$11 million, after tax, was restored to 1992 earnings. Excluding this event, 1992 earnings would have been \$79 million compared to \$89 million in 1993. Regulatory action, continued customer growth and cost reductions contributed to the favorable 1993 results.

In August 1993, the PUC authorized PGE to defer, for later collection, 50% of the incremental Trojan replacement power costs incurred from July 1, 1993, through March 31, 1994. This authorization, coupled with the 80% deferral in place from December 4, 1992, to March 31, 1993, (see the Power Cost Recovery discussion in the Outlook section above) allowed the Company to record, in 1993, \$67 million of revenues related to the future recovery of replacement power costs.

Retail load growth of 2.6% and cooler weather during the early months of 1993 positively affected revenue by increasing sales of kilowatt-hours 5%. Wholesale revenue declined \$30 million due to the lack of low-cost power for resale. The recording of replacement

power revenues and retail sales growth, partially offset by the decline in wholesale revenues, yielded an operating revenue increase of \$64 million.

Operating costs (excluding variable power, depreciation, decommissioning and amortization) declined 14% due to a \$53 million decline in nuclear expenses. In May 1993, the NRC issued PGE a possession only license amendment for Trojan. This license amendment reduced or eliminated certain operating requirements that were unnecessary for a shut down and defueled reactor which allowed PGE to reduce personnel. Nuclear expenses for 1993 reflect the amortization of Trojan

miscellaneous

closure and transition costs (which were accrued and capitalized at December 31, 1992). These costs are amortized as payments are made. During 1993 the Company amortized \$43 million to nuclear operating expenses.

The \$53 million nuclear savings partially offset the \$90 million increase in variable power costs. The average variable power cost increased from 15 mills per kilowatt-hour in 1992 to 19 mills per kilowatt-hour (10 mills = 1 cent) in 1993. Trojan generated 16% of the Company's 1992 power needs at an average fuel cost of 4 mills per kilowatt-hour. This generation was primarily replaced by power purchases at an average price of 24 mills per kilowatt-hour.

Good plant performance helped control variable power costs. PGE's Beaver plant operated well in 1993, generating 13% more power than in 1992. Company-owned hydro production rose 21%. Additional maintenance outage time caused the Colstrip Units 3 and 4 Coal Plant (Colstrip) generation to decline which slightly reduced the Company's 1993 thermal generation from the 1992 level (excluding Trojan), however the total average fuel cost increased from 9 mills per kilowatt-hour to 10 mills per kilowatt-hour driving 1993 fuel expense up \$5 million.

Depreciation, decommissioning and amortization increased \$24 million in 1993. The 1992 amount includes a credit of \$18 million associated with the capitalization of 1991 Trojan steam generator repair costs discussed above. The remaining increase reflects depreciation charges for new plant placed in service.

Other income increased slightly reflecting accrued interest on deferred charges and declining interest costs, partially offset by an increase in charitable contributions of approximately \$4 million.

1992 Compared to 1991

Financial results for 1992 were much improved over 1991. Portland General's

earnings of \$90 million, or \$1.93 per share, reflected improved operations at the utility's generating facilities, continued customer growth and cost control. In 1991, Portland General experienced a loss of \$50 million, or \$1.06 per share, which included losses from independent power of \$74 million and additional real estate reserves of \$29 million. Excluding the effects of losses from nonutility interests, 1991 earnings would have been \$53 million.

Trojan operated for six months in 1992 compared with two months in 1991, generating more than twice the power. This reduced the need for power purchases on the secondary market. Operating and maintenance costs for Trojan declined 30% in 1992. The 1991 operating and maintenance costs included \$18 million for repairs that were capitalized in 1992 (see the discussion of 1993 compared to 1992 above).

The Company's non-nuclear generating facilities performed well in 1992. Boardman operated at an 85% capacity factor generating 31% more power than in 1991. Other thermal generation increased 30%, while Company-owned hydro power production declined 9% due to poor water conditions. Higher internal generation raised fuel expense 34%, but significantly reduced the need for incremental power purchases. 34% fewer megawatt-hours were purchased; however, the average price per megawatt-hour purchased increased 26% due to poor hydro conditions experienced in the region. The poor hydro conditions also limited PGE's ability to make nonfirm resales. Consequently, 1992 wholesale revenue declined 17%.

Even though unseasonably warm weather reduced demand, 1992 retail revenues rose slightly due to the addition of 11,000 retail customers and \$18 million of accrued revenues associated with the recovery of Trojan replacement power costs. Accrued revenues of \$12 million were recorded in 1991 representing the 1991 portion of 90% of the replacement power costs incurred from November 1, 1991 to March 6, 1992. The PUC authorized a temporary price increase to collect these revenues. The 1992 accrued revenues of \$18 million represented \$10 million of the 90% deferral and \$8 million of the 80% deferral (see the Power Cost Recovery discussion in the Outlook section above). Total 1992 operating revenues declined slightly due to the drop in wholesale revenue.

Corporate cost containment also contributed to the earnings growth. Operating expenses (excluding variable power, depreciation, decommissioning and amortization) declined 10% due to cost cutting measures. A manpower reduction program was implemented in 1991 that eliminated 300 positions. The severance costs associated with the program were reflected in 1991 results. Interest expense declined 10% as the Company took advantage of lower interest rates.

Financial Condition

1993 Compared to 1992

During 1993 PGE invested approximately \$126 million in electric utility plant. Plant investments included \$29 million in the Coyote Springs Generation Project (Coyote Springs). This project will be a 220 megawatt cogeneration facility constructed near Boardman as part of the Trojan replacement resource portfolio. Coyote Springs is expected to be completed in the fall of 1995. Also during 1993, PGE completed construction of a third intertie to California which gave the Company an additional 150 megawatts of scheduling capability. The intertie project has increased PGE's capacity for buying and selling wholesale energy. In addition to utility plant, the Company invested \$18 million in energy efficiency assets including new construction, lighting and appliances. The PUC has authorized a return on PGE's investment in energy efficiency projects.

The Company's non-cash revenues increased in 1993 due to the recording of \$67 million of revenues associated with the future recovery of Trojan replacement power costs (see the Power Cost Recovery discussion in the Financial and Operating Outlook section).

Deferred charges increased over \$200 million primarily due to the recording of \$228 million of deferred tax liabilities and related regulatory assets representing future collections from customers. Under the liability method specified by SFAS No. 109, the deferred tax assets and liabilities are determined based on the temporary differences between the financial statement bases and tax bases of assets and liabilities as measured by the enacted tax rates for the years in which the taxes are expected to be paid. Management believes it is probable that the regulatory asset will be fully recovered in customer rates.

Changes in liabilities primarily reflect the adoption of SFAS No. 109, the

revision of the decommissioning estimate to \$409 million, and financing activities.

Common stock equity of Portland General increased \$46 million reflecting earnings of \$89 million, dividends declared of \$57 million, and common stock issuances. Portland General's return on average shareholders' equity was 11.6% in 1993.

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 \$73 million in dividends from PGE and \$10 million in proceeds from the issuance of shares of common stock under its Dividend Reinvestment and Optional Cash Payment Plan.

In October 1993, Portland General filed a Registration Statement with the Securities and Exchange Commission (SEC) to issue up to 5,000,000 additional shares of its \$3.75 par value common stock. The net proceeds from the sale of common stock will be used to purchase additional shares of PGE common stock. In February 1994, Portland General filed a Prospectus Supplement covering the sale of up to 2,300,000 of these shares.

Portland General Electric Company

Cash Provided by Operations is 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. Cash provided by operations increased slightly in 1993 reflecting lower income tax payments. The 1992 cash flow from current operations declined slightly from the 1991 level.

Increased replacement power costs have affected current cash flows. A significant portion of such costs have been offset by cost savings driven by personnel reductions at Trojan.

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 completed its audit of Portland General's tax returns for the years 1985 to 1987 and has issued a statutory notice of tax deficiency, which PGE is contesting. See Notes 5 and 5A, Income Taxes, in Notes to Financial Statements 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. Should the eventual outcome of these uncertainties result in additional cash requirements, PGE expects internally generated cash flows or external borrowings to be sufficient to fund such obligations. PGE has made an assessment of the other involved PRP's and is satisfied that they can meet their share of the obligation.

Investing activities are primarily for investment in facilities for generation, transmission and distribution of electric energy and for energy efficiency improvements. In 1993, PGE's capital expenditures of \$144 million were 20% new generating resources, 7% existing generation plants, 43% transmission and distribution, 13% energy efficiency, and 17% general plant and other. 1994 expected capital expenditures of \$265 million include \$115 million for new generating resources, \$20 million for existing generating plants, \$75 million for transmission and distribution, \$25 million for energy efficiency and \$30 million of other expenditures. The PUC has authorized a return on PGE's investment in energy efficiency projects, which will help alleviate the need for additional energy resources in the future.

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 December 31, 1993, \$46 million had been funded and invested primarily in investment grade tax-exempt bonds with a current market value of \$49 million.

PGE's future capital expenditure program is expected to include investment of \$400 million to \$450 million to add up to 600 megawatts of gas-fired combustion turbines and cogeneration projects to PGE's resource base over the next five years. In addition, PGE expects to continue investing in energy efficiency programs.

PGE's cash provided by operations, after dividends, is expected to meet approximately 50% of PGE's estimated 1994 investing activities compared to 90% in 1993 and 85% in 1992.

Financing activities to fund the remaining capital requirements are accomplished through intermediate-term and long-term debt and equity issuances. Access to capital markets is necessary to implement the asset growth strategy discussed above. PGE intends to maintain approximately the same capitalization ratios while funding this asset expansion.

The maturities of intermediate and long-term debt are chosen to match expected asset lives and maintain a balanced maturity schedule. Short-term debt, which includes commercial paper and lines of credit, is used for day-to-day operations.

Interest rates continued to decline during 1993. As a result, PGE refunded higher coupon debt. PGE issued \$150 million of 7 3/4% First Mortgage Bonds in April 1993, and \$27 million of 5.65 % Medium

Term Notes in May 1993. Proceeds from these issuances redeemed the 9 5/8% Series First Mortgage Bonds and 10% Debentures. Additionally, in August 1993 PGE issued \$75 million of Medium Term Notes consisting of \$35 million of five year notes at 5.69% and \$40 million of ten year notes at 6.47%. Proceeds from this issuance were used to redeem the 8% and both 8 3/4% Series First Mortgage Bonds.

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 December 31, 1993, PGE could issue \$475 million of preferred stock and \$370 million of additional First Mortgage Bonds.

Appendix

(Electronic Filing Only)

Omitted graphic material:

Page 8 Retail Price v. Inflation graph comparing
PGE retail price (price per KWh) to Portland CPI

	Retail Price	CPI
1984	4.84	102.8
1985	5.12	106.7
1986	5	108.2
1987	4.93	110.9
1988	4.77	114.7
1989	4.69	120.3
1990	4.57	127.4
1991	4.69	134
1992	4.78	140
1993	4.86	143.6

Page 12 Loads v. Firm Resources graph: (average MW)

	Loads	Firm Resources
1989	1862	2079
1990	1973	2078
1991	2018	2071
1992	2138	2225
1993	2195	2022
1994	2268	2051
1995	2316	2055
1996	2368	2049
1997	2432	2223
1998	2479	2223

Page 12 1993 Actual Power Sources pie chart:

PGE Hydro: 12% (2,355,000 MWh)
 Coal: 21% (4,111,000 MWh)
 Secondary Purchases: 28% (5,305,000 MWh)
 Firm Purchases: 30% (5,888,000 MWh)
 Combustion Turbines: 9% (1,714,000 MWh)

Page 12 1994 Forecasted Power Sources pie chart:

PGE Hydro: 12% (2,347,000 MWh)
 Secondary Purchases: 20% (3,980,000 MWh)
 Coal: 21% (4,272,000 MWh)
 Firm Purchases: 37% (7,231,000 MWh)
 Combustion Turbines: 10% (1,874,000 MWh)

Page 28 Residential Customers graph:

(Thousands)	
1983	454950
1984	454732
1985	461076
1986	470136
1987	476481
1988	484293
1989	496165
1990	512913
1991	526699
1992	536111
1993	545410

Page 29 Operating Revenue and Net Income
(Loss) graph:

(\$ Millions)

	Operating Revenue	Net Income
1989	797	-27
1990	852	100
1991	890	-50
1992	884	90
1993	947	89

Page 29 PGE Electricity Sales graph:

(Billions of KWh)

1989	Residential	6.1
	Commercial	5.2
	Industrial	3.5
	Wholesale	3.0
1990	Residential	6.4
	Commercial	5.5
	Industrial	3.6
	Wholesale	4.3

1991	Residential	6.5
	Commercial	5.6
	Industrial	3.6
	Wholesale	3.9
1992	Residential	6.3
	Commercial	5.8
	Industrial	3.6
	Wholesale	2.7
1993	Residential	6.8
	Commercial	6.0
	Industrial	3.8
	Wholesale	1.6

Page 30 Operating Expenses graph:

(\$ Millions)

1989	Operating Expenses	295
	Variable Power	179
	Depreciation	91
1990	Operating Expenses	302
	Variable Power	200
	Depreciation	90
1991	Operating Expenses	361
	Variable Power	226
	Depreciation	112
1992	Operating Expenses	327
	Variable Power	222
	Depreciation	99
1993	Operating Expenses	283
	Variable Power	311
	Depreciation	122

Page 30 Net Variable Power Costs graph:

Net variable power is defined as variable power less wholesale revenues.

(Mills/KWh)

	Net Variable Power	Retail Revenues
1989	5	46
1990	5	46
1991	6	48
1992	7	49
1993	13	52

Page 32 Utility Capital Expenditures graph:

(\$ Millions)

1989	119
1990	109
1991	148
1992	154
1993	144

Page 33 Capitalization

(\$ Millions)

1989	Long-term Debt	817		
	Preferred Stock	153		
1990	Long-term Debt	763		
	Common Equity	771		
	Preferred Stock	152		
1991	Long-term Debt	913		
	Common Equity	679		
	Preferred Stock	150		
1992	Long-term Debt	874		
	Common Equity	724		
	Preferred Stock	152		
1993	Long-term Debt	803		
	Common Equity	744		
	Preferred Stock	140		

Common Equity

762

Management's Statement of Responsibility

Portland General Corporation's management is responsible for the preparation and presentation of the consolidated financial statements in this report. Management is also responsible for the integrity and objectivity of the statements. Generally accepted accounting principles have been used to prepare the statements, and in certain cases informed estimates have been used that are based on the best judgment of management.

Management has established, and maintains, a system of internal accounting controls. The controls provide reasonable assurance that assets are safeguarded, transactions receive appropriate authorization, and financial records are reliable. Accounting controls are supported by written policies and procedures, an operations planning and budget process designed to achieve corporate objectives, and internal audits of operating activities.

Portland General's Board of Directors includes an Audit Committee composed entirely of outside directors. It reviews with management, internal auditors and independent auditors, the adequacy of internal controls, financial reporting, and other audit matters.

Arthur Andersen & Co. is Portland General's independent public accountant. As a part of its annual audit, internal accounting controls are selected for review in order to determine the nature, timing and extent of audit tests to be performed. All of the corporation's financial records and related data are made available to Arthur Andersen & Co. Management has also endeavored to ensure that all representations to Arthur Andersen & Co. were valid and appropriate.

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

Report of Independent Public Accountants

To the Board of Directors and Shareholders of
Portland General Corporation:

We have audited the accompanying consolidated balance sheets and statements of capitalization of Portland General Corporation and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully discussed in Note 6 to the consolidated financial

statements,
the realization of assets related to the abandoned Trojan Nuclear
Plant in the
amount of \$722 million is dependent upon the ratemaking
treatment as
determined by the Public Utility Commission of Oregon.

In our opinion, the financial statements referred to above
present fairly, in
all material respects, the financial position of Portland
General Corporation
and subsidiaries as of December 31, 1993 and 1992, and the
results of their
operations and their cash flows for each of the three years
in the period
ended December 31, 1993 in conformity with generally
accepted accounting
principles.

As more fully discussed in Note 5 to the consolidated
financial statements,
effective January 1, 1993, the Company changed its method of
accounting for
income taxes.

Portland, Oregon,
January 25, 1994 (except with respect to
the matter discussed in Note 16, as to
which the date is February 23, 1994)

ARTHUR ANDERSEN & CO.

Item 8. Financial Statements and Supplementary Data

Portland General Corporation and Subsidiaries
Consolidated Statements of Income

For the Years Ended December 31

1993 1992

1991

(Thousands of Dollars except per share amounts)

Operating Revenues		\$946,829	
\$883,266	\$889,876		
Operating Expenses			
Purchased power and fuel		311,713	
222,127	226,312		
Production and distribution		73,576	
93,677	95,960		
Maintenance and repairs		55,320	
70,496	91,304		
Administrative and other		100,321	
112,010	124,174		
Depreciation, decommissioning and amortization		122,218	
98,706	112,567		
Taxes other than income taxes		55,730	
55,515	59,023		
		718,878	
652,531	709,340		
Operating Income Before Income Taxes		227,951	
230,735	180,536		
Income Taxes		67,520	
67,235	44,005		
Net Operating Income		160,431	
163,500	136,531		
Other Income (Deductions)			
Loss from independent power - net of taxes	\$16,058	-	
- -			
(74,144)			
Interest expense		(70,802)	
(73,895)			
(81,745)			
Allowance for funds used during construction		785	
2,769	2,049		
Preferred dividend requirement - PGE		(12,046)	
(12,636)			
(12,913)			
Other - net of income taxes		10,750	
9,885	9,524		
Income (Loss) From Continuing Operations		89,118	
89,623			
(20,698)			
Discontinued Operations			
Estimated loss on disposal of real estate operations, including provision for operating losses during the phase-out period		-	
- -			
(29,169)			
Net Income (Loss)		\$ 89,118	\$
89,623			
\$(49,867)			
Common Stock			
Average shares outstanding		47,392,185	
46,887,184	46,333,096		
Earnings (loss) per average share			
Continuing operations		\$1.88	
\$1.93*			
\$(0.43)*			
Estimated loss from disposal of real estate operations		-	
- -			
(0.63)			
Earnings (loss) per average share		\$1.88	
\$1.93*			
\$(1.06)*			
Dividends declared per share		\$1.20	
\$1.20	\$1.20		

* Includes \$.02 for tax benefits from ESOP dividends.

Portland General Corporation and Subsidiaries
Consolidated Statements of Retained Earnings

For the Years Ended December 31

1993

1992

1991

Dollars)		(Thousands of	
Balance at Beginning of Year		\$ 50,481	\$
19,635	\$124,112		
Net Income (Loss)		89,118	
89,623			
(49,867)			
ESOP Tax Benefit & Preferred Stock			
Premium @ Redemption		(1,524)	
(2,505)	992		
		138,075	
106,753	75,237		
Dividends Declared on Common Stock		56,916	
56,272	55,602		
Balance at End of Year		\$ 81,159	\$
50,481	\$ 19,635		

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

Portland General Corporation and Subsidiaries
Consolidated Balance Sheets

At December 31

1993

1992

(Thousands of Dollars)

Assets

Electric Utility Plant - Original Cost

Utility plant (includes Construction Work in Progress of \$46,679 and \$12,308)	
\$2,370,460	\$2,260,935
Accumulated depreciation	
(894,284)	(825,365)

1,476,176

1,435,570

Capital leases - less amortization of \$23,626 and \$21,471	
13,693	15,847

1,489,869

1,451,417

Other Property and Investments

Leveraged leases	
155,618	155,697
Net assets of discontinued real estate operations	
31,378	33,978
Trojan decommissioning trust, at market value	
48,861	32,945
Other investments	
102,164	93,126

338,021

315,746

Current Assets

Cash and cash equivalents	
3,202	6,689
Accounts and notes receivable	
91,641	83,065
Unbilled and accrued revenues	
133,476	69,151
Inventories, at average cost	
46,534	61,550
Prepayments and other	
22,128	33,759

296,981

254,214

Deferred Charges

Unamortized regulatory assets	
Trojan abandonment - Plant	
366,712	399,255
Trojan abandonment - Decommissioning	
355,718	339,514
Trojan - other	
66,387	94,759
Income taxes recoverable	
228,233	-
Debt reacquisition costs	
34,941	22,855
Energy efficiency programs	
39,480	23,989
Other	
33,857	37,445
WNP-3 settlement exchange agreement	
178,003	182,492
Miscellaneous	
21,126	18,939

1,324,457

1,119,248

\$3,449,328

\$3,140,625

Capitalization and Liabilities

Capitalization

Common stock	
178,630	\$ 176,624
Other paid-in capital	
519,058	509,802
Unearned compensation	
(19,151)	(23,478)
Retained earnings	
81,159	50,481

759,696

713,429

Cumulative preferred stock of subsidiary

Subject to mandatory redemption	
70,000	81,800
Not subject to mandatory redemption	
69,704	69,704
Long-term debt	

\$

842,994 856,138

1,742,394 1,721,071

Current Liabilities

Long-term debt and preferred stock due within one year

51,614 47,500

Short-term borrowings

159,414 140,678

Accounts payable and other accruals

109,479 116,503

Accrued interest

18,581 25,236

Dividends payable

17,657 17,591

Accrued taxes

25,601 42,378

382,346 389,886

Other

Deferred income taxes

660,248 365,434

Deferred investment tax credits

60,706 64,781

Regulatory reserves

120,410 121,914

Trojan decommissioning reserve and misc. closure costs

407,610 411,404

Miscellaneous

75,614 66,135

1,324,588 1,029,668

\$3,449,328 \$3,140,625

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

Portland General Corporation and Subsidiaries
Consolidated Statements of Capitalization

At December 31 1993
1992

(Thousands of Dollars)

Common Stock Equity

Common stock, \$3.75 par value per share, 100,000,000 shares authorized, 47,634,653 and 47,099,701 shares outstanding	\$	
178,630	\$	176,624
Other paid-in capital - net		
519,058		509,802
Unearned compensation		
(19,151)		(23,478)
Retained earnings		
81,159		50,481

759,696 43.6% 713,429 41.5%

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		
8.875% Series, 0 and 36,000 shares outstanding		

- -	3,600	
	Current sinking fund	

- -	(1,800)	
	8.10% Series, 500,000 shares outstanding	
50,000		50,000
	Current sinking fund	
(10,000)		-

70,000	4.0	81,800	4.8
--------	-----	--------	-----

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	4.0
--------	-----	--------	-----

Long Term Debt

First mortgage bonds		
Maturing 1993 through 1997		
4-5/8% Series due February 1, 1993		
- -	7,851	
	4-3/4% Series due June 1, 1993	
- -	9,720	
	4-3/4% Series due April 1, 1994	
8,119		8,344
	4.70% Series due March 1, 1995	
3,220		3,395
	5-7/8% Series due June 1, 1996	
5,366		5,516
	6.60% Series due October 1, 1997	
15,363		15,663
	Medium-term notes, 6.60%-9.27%	
136,000		148,550
	Maturing 1998 through 2002, 5.65%-8.88%	
140,625		98,615
	Maturing 2003 through 2007, 6.47%-9.07%	
131,658		145,473
	Maturing 2016 through 2023, 7.75%-9-5/8%	
195,000		145,000
	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	
(8,537)		(8,498)
	Port of St. Helens, Oregon, due 2010 and 2014	
	(Average variable 2.2%-2.4% for 1993)	
51,600		51,600
	10% Debentures due March 1, 2018	
- -	50,000	

Medium-term notes maturing 1994 through			
1996, 7.23%-8.09%			
50,000		50,000	
Notes maturing 1993, 8.62%			
- -		13,000	
Capital lease obligations			
13,693		15,847	
Other			
101		(638)	
884,608		901,838	
Long-term debt due within one year			
(41,614)		(45,700)	
842,994	48.4	856,138	49.7
Total capitalization			
\$1,742,394	100.0%	\$1,721,071	100.0%

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

Portland General Corporation and Subsidiaries
Consolidated Statements of Cash Flow

For the Years Ended December 31	1993	1992
1991		
	(Thousands of Dollars)	
Cash Provided by Operations:		
Net income (loss)	\$ 89,118	\$
89,623 \$ (49,867)		
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Non-cash loss from independent power	-	
- 83,493		
Depreciation, decommissioning and amortization	92,367	
109,884 115,285		
Amortization of WNP-3 exchange agreement	4,489	
5,658 6,231		
Amortization of deferred charges - Trojan	31,419	
1,609 573		
Amortization of deferred charges - other	5,087	
7,080 9,225		
Deferred income taxes - net	59,193	
26,480 1,200		
Other noncash revenues	(1,926)	
(2,659) (4,160)		
Increase in receivables	(72,837)	
(12,736) (3,750)		
(Increase) Decrease in inventories	15,017	
(4,181) 751		
Increase (Decrease) in payables	(29,837)	
(6,231) 25,208		
Other working capital items - net	14,366	
7,020 (1,895)		
Loss from discontinued operations	-	
- 29,169		
Deferred charges - other	(3,808)	
(13,175) (6,825)		
Miscellaneous - net	17,475	
21,527 14,214		
	220,123	
229,899 218,852		
Investing Activities:		
Utility construction	(125,787)	
(143,561) (138,905)		
Energy efficiency programs	(18,149)	
(10,365) (8,610)		
Rentals received from leveraged leases	12,005	
12,373 11,099		
Trojan decommissioning trust	(11,220)	
(11,220) (19,272)		
Advances to affiliates	-	
- (42,494)		
Other	(11,924)	
(9,964) (14,143)		
	(155,075)	
(162,737) (212,325)		
Financing Activities:		
Short-term borrowings - net	18,736	
48,273 (22,701)		
Long-term debt issued	252,000	
123,000 178,016		
Long-term debt retired	(279,986)	
(143,902) (119,004)		
Repayment of nonrecourse borrowings for leveraged leases	(10,955)	
(11,215) (10,304)		
Preferred stock issued	-	
30,000 -		
Preferred stock retired	(3,600)	
(31,225) (1,800)		
Common stock issued	9,520	
9,753 6,585		
Dividends paid	(56,850)	
(56,230) (55,564)		
	(71,135)	
(31,546) (24,772)		
Net Cash Provided (Used) by:		
Continuing Operations	(6,087)	
35,616 (18,245)		
Discontinued Operations	2,600	
(30,948) 5,582		

Increase (Decrease) in Cash and Cash Equivalents	(3,487)	
4,668 (12,663)		
Cash and Cash Equivalents at the Beginning of Year	6,689	
2,021 14,684		
Cash and Cash Equivalents at the End of Year	\$ 3,202	\$
6,689 \$ 2,021		

Supplemental disclosures of cash flow information

Cash paid during the year:		
Interest	\$ 74,261	\$
72,535 \$ 76,326		
Income taxes	12,259	
22,241 23,560		

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

Portland General Corporation and Subsidiaries Notes to Financial Statements

Note 1

Summary of Significant Accounting Policies

Consolidation Principles

The consolidated financial statements include the accounts of Portland General Corporation (Portland General or the Company) and all of its majority-owned subsidiaries. Significant intercompany balances and transactions have been eliminated.

Basis of Accounting

Portland General and its subsidiaries conform to generally accepted accounting principles. In addition, Portland General Electric Company's (PGE) policies are in accordance with the accounting requirements and the ratemaking practices of regulatory authorities having jurisdiction.

Revenues

PGE accrues estimated unbilled revenues for services provided to month-end.

Purchased Power

PGE credits purchased power costs for the net amount of benefits received through a power purchase and sale contract with the Bonneville Power Administration (BPA). Reductions in purchased power costs that result from this exchange are passed directly to PGE's residential and small farm customers in the form of lower prices.

Depreciation

PGE's depreciation is computed on the straight-line method based on the estimated average service lives of the various classes of plant in service. Excluding the Trojan Nuclear Plant (Trojan), depreciation expense as a percent of the related average depreciable plant in service was approximately 3.9% in 1993, 3.8% in 1992 and 3.9% in 1991.

The cost of renewal and replacement of property units is charged to plant, and repairs and maintenance are charged to expense as incurred. The cost of utility property units retired, other than land, is charged to accumulated depreciation.

Allowance for Funds Used During Construction (AFDC)

AFDC represents the pretax cost of borrowed funds used for construction purposes and a reasonable rate for equity funds. AFDC is capitalized as part of the cost of plant and is credited to income but does not represent current cash earnings. The average rates used by PGE were 3.52%, 4.72% and 8.05% for the years 1993, 1992 and 1991, respectively.

Income Taxes

Portland General files a consolidated federal income tax return. Portland General's policy is to collect for tax liabilities from subsidiaries that generate taxable income and to reimburse subsidiaries for tax benefits utilized in its tax return.

Income tax provisions are adjusted, when appropriate, for potential tax adjustments. Deferred income taxes are

provided for temporary differences between financial and income tax reporting. See Notes 5 and 5A, Income Taxes, for more details.

Amounts recorded for Investment Tax Credits (ITC) have been deferred and are being amortized to income over the approximate lives of the related properties, not to exceed 25 years.

Nuclear Fuel

Amortization of the cost of nuclear fuel was based on the quantity of heat produced for the generation of electric energy.

Investment in Leases

Columbia Willamette Leasing (CWL), a subsidiary of Portland General Holdings, Inc. (Holdings), acquires and leases capital equipment. Leases that qualify as direct financing leases and are substantially financed with nonrecourse debt at lease inception are accounted for as leveraged leases. Recorded investment in leases is the sum of the net contracts receivable and the estimated residual value, less unearned income and deferred ITC. Unearned income and deferred ITC are amortized to income over the life of the leases to provide a level rate of return on net equity invested.

The components of CWL's net investment in leases as of December 31, 1993 and 1992, are as follows (thousands of dollars):

	1993	1992
Lease contracts receivable	\$ 600,710	\$ 645,746
Nonrecourse debt service	(481,988)	(524,661)
Net contracts receivable	118,722	121,085
Estimated residual value	88,047	88,085
Less - Unearned income	(41,395)	(43,436)
Investment in leveraged leases	165,374	165,734
Less - Deferred ITC	(9,756)	(10,037)
Investment in leases, net	\$ 155,618	\$ 155,697

Cash and Cash Equivalents

Highly liquid investments with original maturities of three months or less are classified as cash equivalents.

WNP-3 Settlement Exchange Agreement

The Washington Public Power Supply System Unit 3 (WNP-3) Settlement Exchange Agreement, which has been excluded from PGE's rate base, is carried at present value and amortized on a constant return basis.

Regulatory Assets

PGE defers, or accrues revenue for, certain costs which otherwise would be charged to expense, if it is probable that future collections will permit recovery of such costs. These costs are reflected as deferred charges or accrued revenues in the financial statements and are amortized over the period in which revenues are collected. Trojan plant and decommissioning costs are currently covered in customer rates. Of the remaining regulatory assets, approximately 78% have been treated by the Oregon Public Utility Commission (PUC) as allowable cost of service items in PGE's most recent rate processes. The remaining amounts are subject to regulatory confirmation in PGE's future ratemaking proceedings.

Reclassifications

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

Note 2

Real Estate - Discontinued Operations

Portland General is divesting its real estate operations, which consist primarily of Columbia Willamette Development Company (CWDC). In early 1993, CWDC withdrew from the Cornerstone Columbia Development Company (Cornerstone), a partnership with Weyerhaeuser Real Estate Company. As a distribution and complete liquidation of CWDC's interest in Cornerstone, CWDC received all of Cornerstone's interest in a joint venture.

In 1991, Portland General reviewed the adequacy of its real estate loss reserve and determined that an additional reserve was warranted. A loss of \$29 million (net of related income tax benefits of \$17 million) was recorded in the fourth quarter of 1991 to recognize lower market values and additional holding costs.

At December 31, 1993 and 1992, the net assets of real estate operations were composed of the following (thousands of dollars):

	1993	1992
Assets		
Real estate development	\$18,900	\$22,132
Other assets	21,234	27,248
Total assets	40,134	49,380
Liabilities	1,632	2,181
Reserve for discontinuance - net	7,124	13,221
Net assets	\$31,378	\$33,978

Management believes that it has adequately provided for accounting losses to be incurred during the disposal of real estate assets. Prior estimates will be continually monitored during the liquidation period.

Note 3

Loss from Independent Power

In late 1991 Holdings, a wholly owned subsidiary of Portland General, recorded losses totaling \$74 million, net of tax benefits of \$16 million, related to the write-off of Holdings' equity investment in Bonneville Pacific Corporation (Bonneville Pacific) and a provision for uncollectible loans, project development and other costs.

Holdings owns 9.8 million shares, or 46%, of Bonneville Pacific's common stock. The write-off followed a review of the Bonneville Pacific investment, which raised various concerns including the carrying values of certain of its assets, the lack of progress by Bonneville Pacific to complete agreed-upon project sell-downs and

Bonneville Pacific's poor financial performance. In December 1991, Bonneville Pacific voluntarily filed for protection under Chapter 11 of the Bankruptcy Code. Holdings also has \$28 million of secured and unsecured loans outstanding to Bonneville Pacific and its subsidiaries. Holdings recorded a reserve in December 1991 against the outstanding loans. Holdings intends to pursue recovery of these loans but cannot predict what amount, if any, may be recovered. See Note 14, Legal Matters, for litigation related to Bonneville Pacific.

Note 4

Employee Benefits

Pension Plan

Portland General has a non-contributory pension plan (the Plan) covering substantially all of its employees. Benefits under the Plan are based on years of service, final average pay and covered compensation. Portland General's policy is to contribute annually to the Plan at least the minimum required under the Employee Retirement Income Security Act of 1974 but not more than the maximum amount deductible for income tax purposes. The Plan's assets are held in a trust and consist primarily of investments in common and preferred stocks, corporate bonds and US government and agency issues.

Portland General determines net periodic pension expense according to the principles of SFAS No. 87, Employers' Accounting for Pensions.

The following table sets forth the Plan's funded status and amounts recognized in Portland General's financial statements (thousands of dollars):

	1993	1992
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including vested benefits of \$151,334 and \$133,870	\$166,301	
\$145,670		
Effect of projected future compensation levels	32,608	
34,531		
Projected benefit obligation (PBO)	198,909	
180,201		
Plan assets at fair value	262,412	
226,413		
Plan assets in excess of PBO	63,503	
46,212		
Unrecognized net experience gain	(60,445)	
(42,324)		
Unrecognized prior service costs	14,147	
16,677		

Unrecognized net transition asset being recognized over 18 years	(21,533)
(23,490)	
Pension - prepaid cost (liability)	\$ (4,328)
\$ (2,925)	

	1992	1991	1993
Assumptions:			
Discount rate used to calculate PBO			7.25% 8.00%
8.00%			
Rate of increase in future compensation levels	5.25	6.00	
6.25			
Long-term rate of return on assets	8.50	8.50	
8.50			

Net pension expense for 1993, 1992 and 1991 included the following components (thousands of dollars):

	1993	1992
1991		
Service cost	\$ 6,151	\$
6,082 \$ 5,627		
Interest cost on PBO	14,241	
13,792 13,641		
Actual return on plan assets	(48,231)	
(18,272) (45,693)		
Net amortization and deferral	29,839	
1,496 30,029		
Net periodic pension expense	\$ 2,000	\$
3,098 \$ 3,604		

Other Post-Retirement Benefit Plans

Portland General accrues for health, medical and life insurance costs during the employees' service years, per SFAS No. 106. PGE receives recovery for the annual provision in customer rates. Employees are covered under a Defined Dollar Medical Benefit Plan which limits Portland General's obligation by establishing a maximum contribution per employee. The accumulated benefit obligation for postretirement health and life insurance benefits at December 31, 1993 was \$31 million, for which there were \$31 million of assets held in trust. The projected benefit obligation for postretirement health and life insurance benefits at December 31, 1992 was \$29 million.

Portland General also provides senior officers with additional benefits under an unfunded Supplemental Executive Retirement Plan (SERP). Projected benefit obligations for the SERP are \$16 million and \$12 million at December 31, 1993 and 1992, respectively.

Deferred Compensation

Portland General provides certain management employees with benefits under an unfunded Management Deferred Compensation Plan (MDCP). Obligations for the MDCP are \$18 million and \$14 million at December 31, 1993 and 1992, respectively.

Trojan Retention Plan

In October 1992, Portland General implemented a defined contribution plan to retain Trojan employees during a phaseout of plant operations. Trojan ceased commercial operation in early 1993; participation in the retention plan was terminated on May 31, 1993 and all benefits under the plan were paid.

Employee Stock Ownership Plan

Portland General has an Employee Stock Ownership Plan (ESOP) which is a part of its 401(k) retirement savings plan. Employee contributions up to 6% of base pay are matched by employer contributions in the form of ESOP common

stock. Shares of common stock to be used to match contributions of PGE employees were purchased from a \$36 million loan from PGE to the ESOP trust in late 1990. This loan is presented in the common equity section as unearned compensation. Cash contributions from PGE and dividends on shares held in the trust are used to pay the debt service on PGE's loan. As the loan is retired, an equivalent amount of stock is allocated to employee accounts. In 1993, total contributions to the ESOP of \$5 million combined with dividends on unallocated shares of \$2 million were used to pay debt service and interest on PGE's loan. Shares of common stock used to match contributions by employees of Portland General and its subsidiaries are purchased on the open market.

Income Taxes

The following table shows the detail of taxes on income and the items used in computing the differences between the statutory federal income tax rate and Portland General's effective tax rate. Note: The table does not include income taxes related to 1991 losses from independent power or discontinued real estate operations (thousands of dollars):

	1993	1992
1991		
Income Tax Expense:		
Currently payable	\$ 2,989	\$ 44,057
\$ 22,520		
Deferred income taxes		
Accelerated depreciation	15,477	20,049
26,258		
WNP-3 amortization	(1,099)	
(2,190) (2,570)		
AMAX coal contract	(1,238)	
(1,227) (1,050)		
Trojan operating costs	17,332	7,402
4,080		
Energy efficiency programs	7,327	3,246
2,859		
Replacement power costs	26,543	
(246) 5,084		
Repurchase debt	4,847	1,019
(850)		
USDOE nuclear fuel assessment	6,108	-
-		
Excess deferred taxes	(3,494)	
(1,888) (1,557)		
Interim rate relief	-	6,573
1,036		
Lease income	(18,151)	
(15,453) (14,892)		
Nonrecourse debt interest	12,578	11,621
12,156		
Other	6,659	
(1,258) (3,469)		
Investment tax credit adjustments	(4,356)	
(6,981) (4,589)		
	\$ 71,522	\$ 64,724
\$ 45,016		
Provision Allocated to:		
Operations	\$ 67,520	\$ 67,235
\$ 44,005		
Other income and deductions	4,002	
(2,511) 1,011		
	\$ 71,522	\$ 64,724
\$ 45,016		
Effective Tax Rate Computation:		
Computed tax based on statutory	\$ 56,224	\$ 52,478
\$ 33,477		
federal income tax rates applied to income before income taxes		
Increases (Decreases) resulting from:		
Accelerated depreciation	10,748	9,462
7,763		
State and local taxes - net	3,288	10,117
5,766		
Investment tax credits	(4,356)	
(6,981) (4,589)		
Adjustments to income tax reserves	-	
(3,284) (393)		

Excess deferred taxes		(3,419)	
(1,816)	(1,483)		
USDOE nuclear fuel assessment		5,075	
-	-		
Preferred dividend requirement		3,935	
4,296	4,390		
Other		27	
452	85		
		\$ 71,522	\$
64,724	\$ 45,016		
Effective tax rate		44.5%	41.9%
45.7%			

Effective January 1, 1993, Portland General adopted SFAS No. 109, "Accounting for Income Taxes". Prior to SFAS No. 109, Portland General accounted for income taxes in accordance with Accounting Principles Board Opinion No. 11. Prior period financial statements have not been restated. As of December 31, 1993 and 1992, the significant components of the Company's deferred income tax assets and liabilities were as follows (thousands of dollars):

	1993	1992
Deferred Tax Assets		
Plant-in-service	\$ 83,602	\$ 18,608
Regulatory reserve	47,718	46,804
Other	75,404	40,796
	206,724	106,208
Deferred Tax Liabilities		
Plant-in-service	(497,476)	(201,596)
WNP-3 exchange contract	(70,542)	(71,099)
Replacement power costs	(29,574)	(4,838)
Leasing	(147,101)	(140,980)
Other	(94,924)	(53,129)
	(839,617)	(471,642)
Less current deferred taxes	842	-
Less valuation allowance	(28,197)	-
Total	\$ (660,248)	\$ (365,434)

As a result of implementing SFAS No. 109, Portland General has recorded deferred tax assets and liabilities for all temporary differences between the financial statement bases and tax bases of assets and liabilities.

Portland General has certain state pollution control tax credit carryforwards and the benefits of capital loss carryforwards that presently cannot be offset with future taxable income or capital gains and accordingly has recorded a valuation allowance totalling \$28.2 million at December 31, 1993 to fully reserve against these assets.

Federal alternative minimum tax credit carryforwards, which have no expiration date, are \$15.7 million at December 31, 1993.

The Omnibus Budget Reconciliation Act of 1993 resulted in a federal tax rate increase from 34% to 35% effective January 1, 1993. The tax rate increase resulted in additional income tax expense for the Company of \$4.9 million.

The IRS completed its examination of Portland General's tax returns for the years 1985 to 1987 and has issued a statutory notice of tax deficiency, which Portland General is contesting. As part of this audit, the IRS has proposed to disallow PGE's 1985 WNP-3 abandonment loss deduction on the premise that it is a taxable exchange. PGE 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.

Note 6

Trojan Nuclear Plant

Shutdown - PGE is the 67.5% owner of Trojan. In early 1993, PGE ceased commercial operation of Trojan. PGE made the decision to shut down Trojan as part of its least cost planning process, a biennial process whereby PGE evaluates a mix of energy options that yield an adequate and reliable supply of electricity at the least cost to the utility and to its customers. On June 3, 1993 the PUC acknowledged PGE's Least Cost Plan (LCP).

Decommissioning Estimate - The 1993 nuclear decommissioning estimate of \$409 million represents a site-specific decommissioning cost estimate performed for Trojan by an experienced decommissioning engineering firm. This cost estimate assumes that the majority of decommissioning activities will occur between 1998 and 2002, after construction of a temporary dry spent fuel storage facility. The final decommissioning activities will occur in 2018 after PGE completes shipment of spent fuel to a United States Department of Energy (USDOE) facility.

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 fuel management costs including licensing, surveillance and \$75 million of transition costs. Transition costs are the operating costs associated with closing Trojan, operating and maintaining the spent fuel pool and securing the plant until dismantlement can begin. Except for transition costs, which will continue to be amortized as incurred PGE will fund the decommissioning costs through contributions to the Trojan decommissioning trust.

The 1992 decommissioning cost estimate of \$411 million was based upon a study performed on a nuclear plant similar to Trojan and included the cost of dismantlement activities performed during the years 1996 through 2002, monitoring of stored spent fuel through 2018 and \$130 million of miscellaneous closure and transition costs (\$43 million was amortized to nuclear operating expenses during 1993).

The 1992 estimate and the 1993 site-specific estimate are reflected in the financial statements in nominal dollars (actual dollars expected to be spent in each year). The difference between the 1992 and the 1993 cost estimates, reflected in nominal dollars, is due to the application of a higher inflation factor, the timing of decommissioning activities and certain changes in assumptions, such as decommissioning the temporary dry spent fuel storage facility and shipping highly activated reactor components to the USDOE repository in 2018, which are included in the 1993 estimate. Both the 1992 cost estimate and the 1993 site-specific cost estimate reflected in 1993 (current) dollars are \$289 million.

Assumptions used to develop the site-specific cost estimate represent the best information PGE has currently. However, the Company is continuing its analysis of various options which could change the timing and scope of dismantling activities. Presently, PGE

is planning to accelerate the timing of large component removal which could reduce overall decommissioning costs. PGE plans to submit a detailed decommissioning work plan to the NRC in mid-1994. PGE expects any future changes in estimated decommissioning costs to be incorporated in future revenues to be collected from customers.

PGE is recording an annual operating provision of \$11 million for decommissioning. This provision is being collected from customers and deposited in an external trust fund. Earnings on the trust fund assets reduce the amount of decommissioning costs to be collected from customers. Trojan abandonment - decommissioning of \$356 million (reflected in the deferred charges section of the Company's balance sheet) represents remaining decommissioning costs expected to be collected from customers.

Trojan decommissioning trust assets are invested primarily in investment grade tax-exempt bonds. At December 31, 1993 the trust reflects the following activity (thousands of dollars):

Beginning Balance 1/01/93	\$32,945
1993 Activity	
Contributions	11,220
Earnings	4,696
Ending Balance 12/31/93	\$48,861

Investment Recovery - PGE filed a general rate case on November 8, 1993 which addresses recovery of Trojan plant costs, including decommissioning. In late February 1993, the PUC granted PGE accounting authorization to continue using previously approved depreciation and decommissioning rates and lives for its Trojan investment.

As stated earlier, PGE made the decision to permanently cease commercial operation of Trojan as part of its least cost planning process. Management determined that continued operation of Trojan was not cost effective. Least cost analysis assumed that 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.

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 its 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 Trojan plant investment and future decommissioning costs 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.

Portland General's independent accountants are satisfied that management's assessment regarding the ultimate outcome of the regulatory process is reasonable. Due to the inherent uncertainties in the regulatory

process discussed above, the magnitude of the amounts involved and the possible impact on the results of operations for a future reporting period, the independent accountants have added a paragraph to their audit report to give emphasis to this matter.

Nuclear Fuel Disposal and Clean up of Federal Plants - PGE has a contract with the USDOE for permanent disposal of spent nuclear fuel in USDOE facilities. These disposal services are now estimated to commence no earlier than 2010. PGE paid the USDOE .1 cent per net kilowatt-hour sold at Trojan for these future disposal services. On-site storage capacity is able to accommodate fuel until the federal facilities are available.

The Energy Policy Act of 1992 provided for the creation of a Decontamination and Decommissioning Fund (DDF) to provide for the clean up of the USDOE gas diffusion plants. The DDF is to be funded by domestic nuclear utilities and the Federal Government. The legislation provided that each utility pays based on the ratio of the amount of enrichment services the utility purchased and the total amount of enrichment services purchased by all domestic utilities prior to the enactment of the legislation. Trojan's estimated usage was 1.03%. Based on this estimate, PGE's portion of the funding requirement is approximately \$15.6 million. Amounts are funded over 15 years beginning with the USDOE's fiscal year 1993. PGE made its first of the 15 annual payments on September 30, 1993 for \$1.04 million.

Nuclear Insurance - The Price-Anderson Amendment of 1988 limits public liability claims that could arise from a nuclear incident to a maximum of \$9.4 billion per incident. PGE has purchased the maximum primary insurance coverage currently available of \$200 million. The

remaining \$9.2 billion is covered by secondary financial protection required by the NRC. This secondary coverage provides for loss sharing among all owners of nuclear reactor licenses.

In the event of an incident at any nuclear plant in which the amount of the loss exceeds \$200 million, PGE could be assessed retrospective premiums of up to \$53.5 million per incident, limited to a maximum of \$7 million per incident in any one year under the secondary financial protection coverage.

PGE's share of property damage and decontamination coverage is provided for losses at Trojan up to \$337 million primary and \$378 million excess. The \$378 million excess coverage is provided subject to a potential maximum retrospective premium adjustment of \$0.8 million per policy year. The NRC requires that, in case of an incident, insurance proceeds must first be dedicated to stabilizing and decontaminating the reactor. This could reduce the amount of proceeds available to repair, replace or restore the property or otherwise available to the trustee for application under PGE's First Mortgage Bond Indenture. Insurance coverage is provided primarily through insurance companies owned by utilities with nuclear facilities.

Note 7

Common and Preferred Stock

		Common Stock		Cumulative Preferred of Subsidiary	
		Other			
Par	\$25 Par	No-Par	Number Paid-in of Shares Capital	\$3.75 Par Unearned Value of Shares Compensation*	Number of Shares \$100
Value	Value	Value			
(Thousands of Dollars except share amount)					
December 31, 1990			46,145,208	\$173,045	2,287,040
\$128,704	\$25,000	-		\$495,212	\$(35,789)
Sales of stock			381,342	1,430	-
-	-	-	5,161	-	-
Redemption of stock			(1,387)	(6)	(18,000)
(1,800)	-	-	2,119	-	-
Repayment of ESOP loan			-	-	-
and other			-	-	-
-	-	-	67	5,719	-
December 31, 1991			46,525,163	174,469	2,269,040
126,904	25,000	-		502,559	(30,070)
Sales of stock			574,538	2,155	300,000
-	-	\$30,000	7,293	-	-
Redemption of stock			-	-	(1,036,000)
(3,600)	(25,000)	-	871	-	-
Repayment of ESOP loan			-	-	-
and other			-	-	-
-	-	-	(921)	6,592	-
December 31, 1992			47,099,701	176,624	1,533,040
123,304	-	30,000		\$509,802	(23,478)
Sales of stock			534,952	2,006	-
-	-	-	8,802	-	-
Redemption of stock			-	-	(36,000)
(3,600)	-	-	2,130	-	-
Repayment of ESOP loan			-	-	-
and other			-	-	-
-	-	-	(1,676)	4,327	-
December 31, 1993			47,634,653	\$178,630	1,497,040
\$119,704	\$	\$30,000		\$519,058	\$(19,151)

*See the discussion of stock compensation plans below and Note 4, Employee Benefits for a discussion of the ESOP.

Common Stock

As of December 31, 1993, Portland General had reserved 367,000 authorized but unissued common shares for issuance under its dividend reinvestment plan. In addition, new shares of common stock are issued under an employee stock purchase plan.

Cumulative Preferred Stock of Subsidiary
No dividends may be paid on common stock or any class of stock over which the preferred stock has priority unless all amounts required to be paid for dividends and sinking fund payments have been paid or set aside, respectively.

The 7.75% Series preferred stock has an annual sinking fund requirement which requires the redemption of 15,000 shares at \$100 per share beginning in 2002. At its option, PGE may redeem, through the sinking fund, an additional 15,000 shares each year. All remaining shares shall be mandatorily redeemed by sinking fund in 2007. This Series is only redeemable by operation of the sinking fund.

The 8.10% Series preferred stock has an annual sinking fund requirement which requires the redemption of 100,000 shares at \$100 per share beginning in 1994. At its option, PGE may redeem, through the sinking fund, an additional

100,000 shares each year. This Series is redeemable at the option of PGE at \$103 per share to April 14, 1994 and at reduced amounts thereafter.

Common Dividend Restriction of Subsidiary PGE is restricted from paying dividends or making other distributions to Portland General, without prior PUC approval, to the extent such payment or distribution would reduce PGE's common stock equity capital below 36% of its total capitalization. At December 31, 1993, PGE's common stock equity capital was 44% of its total capitalization.

Stock Compensation Plans

Portland General has a plan under which 2.3 million shares of Portland General common stock are available for stock-based incentives. Upon termination, expiration or lapse of certain types of awards, any shares remaining subject to the award are again available for grant under the plan. As of December 31, 1993, 856,800 stock options were outstanding. Of the outstanding options, 20,000 are exercisable: 10,000 at a price of \$15.75 per share; 2,500 at \$17.375 per share; and 7,500 at \$14.75 per share. The remaining 836,800 options are exercisable beginning in 1994 through 1998 at prices ranging from \$14 to \$22.25 per share. In addition, 25,000 options granted under a separate award were exercised in 1993.

On December 6, 1993 Portland General issued 64,000 restricted common shares for officers of Portland General and PGE.

Note 8

Short-Term Borrowings

Portland General meets its liquidity needs through the issuance of commercial paper and borrowings from commercial banks. At December 31, 1993, Portland General had total committed lines of credit of \$240 million. Portland General has a \$40 million committed facility expiring in July 1994. PGE has committed facilities of \$120 million expiring in July 1996 and \$80 million expiring in July 1994. These lines of credit have annual fees ranging from 0.15% to 0.25% and do not require compensating cash balances. The facilities are used primarily as backup for both commercial paper and borrowings from commercial banks under uncommitted lines of credit. At December 31, 1993, there were no outstanding borrowings under the committed facilities.

Portland General has a commercial paper facility of \$40 million in addition to PGE's \$200 million facility. The amount of commercial paper outstanding cannot exceed each company's unused committed lines of credit.

Commercial paper and lines of credit borrowings are at rates reflecting current market conditions and, generally, are substantially below the prime commercial rate.

Short-term borrowings and related interest rates were as follows (thousands of dollars):

	1993	1992	1991
As of year end:			
Aggregate short-term debt outstanding			
Bank loans	-	\$ 10,002	\$
16,000			
Commercial paper	\$159,414	130,676	
76,473			
Weighted average interest rate			
Bank loans	-	4.4%	
6.8%			
Commercial paper	3.5%	4.1	
5.5			
Unused committed lines of credit	\$240,000	\$180,000	
\$175,000			

For the year ended:

Average daily amounts of short-term debt outstanding			
Bank loans	\$ 10,949	\$ 7,671	\$
56,579			
Commercial paper	123,032	89,077	
30,539			
Weighted daily average interest rate			
Bank loans	3.6%	5.0%	
7.2%			
Commercial paper	3.5	4.2	
6.5			
Maximum amount outstanding during the year	\$171,208	\$144,056	
\$108,231			

Interest rates exclude the effect of commitment fees, facility fees and other financing fees.

Note 9

Long-Term Debt

The Indenture securing PGE's First Mortgage Bonds constitutes a direct first mortgage lien on substantially all utility property and franchises, other than expressly excepted property.

The following principal amounts of long-term debt become due for redemption through sinking funds and maturities (thousands of dollars):

	1994	1995	1996	1997
1998				
Sinking Funds	\$ 1,313	\$ 1,138	\$ 988	\$ 688
\$ 688				
Maturities	41,289	71,356	57,528	56,085

64,745

The sinking funds include \$988,000 a year for 1994 through 1996 and \$688,000 for 1997 and 1998, which, in accordance with the terms of the Indenture, PGE may satisfy by pledging available property additions equal to 166-2/3% of the sinking fund requirements.

Note 10

Commitments

New Generating Resources

During 1993 PGE entered into a \$133 million agreement with a contractor for construction of the Coyote Springs cogeneration facility. Under the terms of the agreement, PGE is committed to making progress payments of approximately \$91 million in 1994, and \$16 million in 1995. At December 31, 1993, progress payments of approximately \$26 million have been made.

Natural Gas Transmission Agreements

In January 1993, PGE signed two long-term agreements for transmission of natural gas from domestic and Canadian sources to PGE's existing and proposed natural gas-fired generating facilities. One agreement provides PGE firm pipeline capacity beginning June, 1993 and increased pipeline capacity in November 1995. Beginning in late 1995, the second agreement will give PGE capacity on a second interstate gas pipeline. Under the terms of these two agreements, PGE is committed to paying capacity charges of approximately \$3 million during 1994, \$4 million in 1995, \$11 million annually through 2010 and \$3 million annually until 2015. Under these agreements PGE has the right to assign unused capacity to other parties. In addition, PGE will make a capital contribution for pipeline construction of between \$3 million and \$7 million in 1995.

Railroad Service Agreement

In October 1993, PGE entered into a railroad service agreement and will make capital contributions toward upgrading a line used to deliver coal from Wyoming to the Boardman Coal Plant (Boardman). PGE is required to contribute \$8 million over the 6-year contract life.

Purchase Commitments

Other purchase commitments outstanding (principally construction at PGE) totaled approximately \$14 million at December 31, 1993. Cancellation of these purchase agreements could result in cancellation charges.

Purchased Power

PGE has long-term power purchase contracts with certain public utility districts in the state of Washington and with the City of Portland, Oregon. PGE is required to pay its proportionate share of the operating and debt service costs of the hydro projects whether or not they are operable. Selected information is summarized as follows (thousands of dollars):

		Rocky	Priest	
Portland				
Wells	Hydro	Reach	Rapids	Wanapum
Revenue bonds outstanding				
at December 31, 1993		\$189,752	\$141,245	\$189,395
\$199,920		\$ 40,230		
PGE's current share of output, capacity, and cost				
Percentage of output		12.0%	13.9%	18.7%
21.9%	100%			
Net capability in megawatts			154	125
170	184	36		
Annual cost, including debt service				
1993		\$4,000	\$3,800	\$5,400
\$5,500	\$4,800			
1992		3,900	3,100	4,400
4,800	4,400			
1991		3,800	3,400	4,000
4,300	3,800			
Contract expiration date				
2018		2011	2005	2009
2017				

PGE's share of debt service costs, excluding interest, will be approximately \$6 million for each of the years 1994 through 1996, \$7 million for 1997 and \$5 million for 1998. The minimum payments through the remainder of the contracts are estimated to total \$104 million.

PGE has entered into long-term contracts to purchase power from three other utilities in the region. These contracts will require fixed payments of up to \$25 million in 1994 and \$32 million in 1995 and 1996. After that date, capacity charges will be up to \$25 million annually until the second contract terminates in 2001. The third contract will continue until 2016 with capacity charges of \$19 million annually.

Leases

PGE has operating and capital leasing arrangements for its headquarters complex, combustion turbines and the coal-handling facilities and certain railroad cars for Boardman. PGE's aggregate rental payments charged to expense amounted to \$22 million in 1993, \$20 million in 1992 and \$21 million in 1991. PGE has capitalized its combustion turbine leases. However, these leases are considered operating leases for ratemaking purposes.

As of December 31, 1993, the future minimum lease payments under non-cancelable leases are as follows (thousands of dollars):

Year Ending	Operating Leases		
December 31	Capital Leases	(Net of Sublease Rentals)	
Total			
1994	\$ 3,016	\$ 18,568	\$
21,584			
1995	3,016	19,711	
22,727			
1996	3,016	20,261	
23,277			
1997	3,016	19,794	
22,810			
1998	3,016	18,992	
22,008			
Remainder	1,388	186,575	
187,963			
Total	16,468	\$283,901	
\$300,369			
Imputed	(2,775)		
Interest			
Present Value of			
Minimum Future			
Net Lease Payments	\$13,693		

Included in the future minimum operating lease payments schedule above is approximately \$140 million for PGE's headquarters complex.

Note 11

WNP-3 Settlement Exchange Agreement

PGE is selling energy received under a WNP-3 Settlement Exchange Agreement (WSA) to the Western Area Power Administration (WAPA) for 25 years, which began October 1990. Revenues from the WAPA sales contract are expected to be sufficient to support the carrying value of PGE's investment.

The energy received by PGE under WSA is the result of a settlement related to litigation surrounding the abandonment of WNP-3. PGE receives about 65 average annual megawatts for approximately 30 years from BPA under the WSA. In exchange PGE will make available to BPA energy from its combustion turbines or from other available resources at an agreed-to price.

Note 12

Jointly-Owned Plant

At December 31, 1993, PGE had the following investments in jointly-owned generating plants (thousands of dollars):

Facility	Location	Fuel	Capacity	MW	PGE % Interest	Plant In
Boardman	Boardman, OR	Coal	508		65.0	
\$359,555	\$152,981					
Colstrip 3&4	Colstrip, MT	Coal	1,440		20.0	
444,817	157,576					
Centralia	Centralia, WA	Coal	1,310		2.5	
9,301	5,143					

The dollar amounts in the table above represent PGE's share of each jointly-owned plant. Each participant in the above generating plants has provided its own financing. PGE's share of the direct expenses of these plants is included in the corresponding operating expenses on Portland General's and PGE's consolidated income statements.

Note 13

Regulatory Matters

Public Utility Commission of Oregon

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 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 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 has filed an appeal in Multnomah County Circuit Court to overturn the PUC's order implementing settlement.

In addition, 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 the decision. In December 1993 the Oregon Court of Appeals affirmed without opinion the Circuit Court decision upholding the PUC order.

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 December 31, 1993, is shown as

"Regulatory reserves" on the balance sheet.

In PGE's general rate filing, PGE proposes to accelerate the amortization of the Boardman gain to customers from 27 years to three years, starting in January 1995, as part of a comprehensive settlement of the outstanding litigation on this issue.

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, these matters will not have a material adverse effect on the financial condition of Portland General.

Note 14

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 October 1990, the U.S. District Court ruled that the methodology for the allocation of shared costs required the application of principles akin to those espoused by Chemical Bank. In February 1992, the Court of Appeals reversed the U.S. District Court's decision and 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 other 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 purportedly on behalf of purchasers of common shares and convertible subordinated debentures of Bonneville Pacific Corporation 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., certain Portland General individuals, Deloitte & Touche and three underwriters of a Bonneville Pacific offering of subordinated debentures. The amount of damages alleged is not specified.

In addition, the bankruptcy trustee for Bonneville Pacific has filed an amended complaint against Portland General, Holdings, and certain affiliated individuals in U.S. 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 (in 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 15

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of those instruments.

Other investments

Other investments approximate market value.

Redeemable preferred stock

The fair value of redeemable preferred stock is based on quoted market prices.

Long-term debt

The fair value of long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to Portland General for debt of similar remaining maturities.

The estimated fair values of financial instruments are as follows (thousands of dollars):

	1993		1992	
Fair Value	Carrying Amount	Fair Value	Carrying Amount	
Preferred stock subject to mandatory redemption	\$ 80,000	\$ 84,815	\$ 83,600	\$
Long-term debt	870,814	902,059	886,629	
	915,292			

Note 16

Subsequent Event

In February 1994, Portland General issued 2.3 million shares of common stock. Proceeds to Portland General were \$41 million. These proceeds were used to purchase 2.3 million additional shares of PGE common stock. PGE, in turn, will use the funds to repay all or a portion of its short-term borrowings or for its construction program.

QUARTERLY COMPARISON FOR 1993 AND 1992 (Unaudited)

Portland General Corporation

	June 30	September 30	December 31	March 31
(Thousands of Dollars except per share amounts)				
1993				
Operating revenues				\$277,697
\$192,236	\$209,160	\$267,736		
Net operating income				56,052
31,264	23,726	49,389		
Net income				36,556
13,328	6,349	32,885		
Common stock				
Average shares outstanding			47,243,743	47,354,072
47,458,575	47,564,862			
Earnings per average share ¹				\$.77
\$.28	\$.13	\$.69		
1992				
Operating revenues				\$237,664
\$196,935	\$195,336	\$253,331		
Net operating income				47,006
31,094	31,834	53,566		
Net income				26,408
11,522	12,436	39,2573		
Common stock				
Average shares outstanding			46,672,173	46,818,420
46,965,574	47,092,570			
Earnings per average share ¹				\$.57
\$.25	\$.272	\$.842		

¹As a result of dilutive effects of shares issued during the period, quarterly earnings per share cannot be added to arrive at annual earnings per share.

²Includes \$.01 for tax benefits from ESOP dividends.

³Includes \$11 million related to capitalization of Trojan steam generator repair costs.

Portland General Electric Company

	December 31	March 31	June 30	September 30
(Thousands of Dollars)				
1993				
Operating revenues		\$277,169	\$191,722	\$208,444
\$267,196				
Operating income		52,234	30,475	27,566
46,175				
Net income		37,382	16,704	14,302
31,356				
Income available for common stock		34,314	13,703	11,314
28,367				
1992				
Operating revenues		\$236,963	\$196,144	\$194,587
\$252,404				
Operating income		46,505	31,078	30,750
51,704				
Net income		31,293	16,383	16,216
41,6703				
Income available for common stock		28,076	13,100	13,148
38,602				

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Part III

Item 10-13.
Information Regarding Directors and Executive Officers of the Registrant

Portland General Corporation

Information for items 10-13 are incorporated by reference to Portland General's definitive proxy statement to be filed on or about March 29, 1994. Executive officers of Portland General are listed on page 23 of this report.

Portland General Electric Company

Information regarding item 10 (Executive Compensation) is incorporated by reference to Portland General's definitive proxy statement to be filed on or about March 29, 1994 with the exception of Mr. Cross' compensation for the year 1991 when he was an executive officer at Portland General Electric. The information for Mr. Cross is as follows:

Year	Annual Compensation		Long-Term Compensation Awards/Options
	Salary (\$)	Bonus (\$)	(#)
1991	\$150,000	\$ 5,0251	15,000

1Mr. Cross received a bonus in 1991 due to his mid-year starting date the prior year; this bonus was attributable to both 1990 and 1991.

Information for items 11-13 are incorporated by reference to Portland General's definitive proxy statement to be filed on or about March 29, 1994. Executive officers of Portland General Electric are listed on page 23 of this report.

Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports
on
Form 8-K

Portland General Corporation and Portland General Electric
Company

(a) Index to Financial Statements and Financial Statement
Schedules

Page No.

PGC PGE

Financial Statements

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Consolidated Statements of Income for each of the three years
in the period ended December 31, 1993

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Consolidated Statements of Retained Earnings for each of the
the three years in the period ended December 31, 1993

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Consolidated Balance Sheets at December 31, 1993 and 1992

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Consolidated Statements of Capitalization at December 31, 1993
and 1992

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Consolidated Statements of Cash Flow for each of the three
years in the period ended December 31, 1993

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Notes to Financial Statements

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Financial Statement Schedules

Schedule V - Property, Plant and Equipment

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Schedule VI - Accumulated Depreciation and
Amortization of Property, Plant and Equipment

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Schedule X - Supplementary Income Statement Information

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Report of Independent Public Accountants

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Other schedules are omitted because of the absence of conditions
under which they are
required or because the required information is given in the
financial statements or notes
thereto.

Exhibits

See Exhibit Index on Page 69 of this report.

(b) Report on Form 8-K

PGC PGE

November 8, 1993 - Item 5. Other Events:

X X

A request was filed by PGE to increase electric prices.

February 15, 1994 - Item 5. Other Events:

X X

Portland General and PGE 1993 financial information.

Schedule V - Property, Plant and Equipment (Thousands of Dollars)

Portland General Corporation

Substantially the same as PGE's Schedule V below.

Portland General Electric Company

Transfers and Other Changes	Balance at End of Classification Period	Balance at Beginning of Period	Additions at Cost	Retirements or Sales at Cost
-----------------------------	---	--------------------------------	-------------------	------------------------------

For the Year Ended December 31, 1993

PROPERTY, PLANT AND EQUIPMENT

Electric utility plant:

Production		\$1,061,509	\$ 10,383	\$ 1,073
\$ (383)	\$1,070,436			
Transmission		245,809	3,986	921
401	249,275			
Distribution		759,689	61,368	7,393
(32)	813,632			
General		181,620	15,404	6,700
114	190,438			
Construction work in progress		12,308	34,371	-
-	46,679			
Capital leases		37,318	-	-
-	37,318			

2,298,253 125,512 16,087

100 2,407,778

Nonutility property - PGE		16,080	799	126
(100)	16,653			

\$2,314,333 \$126,311 \$16,213

\$ 0 \$2,424,431

For the Year Ended December 31, 1992

PROPERTY, PLANT AND EQUIPMENT

Electric utility plant:

Production		\$1,562,158	\$ 67,321	\$
567,752(a)	\$ (218)	\$1,061,509		
Nuclear decommissioning		488,000	-	
488,000(b)	-	-		
Transmission		235,459	15,962	
5,517(a)	(95)	245,809		
Distribution		708,378	56,438	5,131
4	759,689			
General		176,908	20,151	
15,862(a)	423	181,620		
Construction work in progress		43,865	(16,876)	
14,681(b)	-	12,308		
Nuclear fuel		254,113	849	
254,962(b)	-	-		
Capital leases		37,318	-	-
-	37,318			

3,506,199 143,845

1,351,905 114 2,298,253

Nonutility property - PGE		16,703	284
793	(114)	16,080	

3,522,902 \$144,129

\$1,352,698 \$ - \$2,314,333

For the Year Ended December 31, 1991

PROPERTY, PLANT AND EQUIPMENT

Electric utility plant:

Production		\$1,543,755	\$ 19,448	\$ 1,353
\$ 308	\$1,562,158			
Nuclear decommissioning		-	-	-
488,000 (c)	488,000			
Transmission		230,270	6,852	1,714
51	235,459			
Distribution		657,066	56,571	5,199
(60)	708,378			
General		167,059	14,385	4,239
(297)	176,908			
Construction work in				
progress		21,469	22,396	-
-	43,865			
Nuclear fuel		234,234	19,879	-
-	254,113			
Capital leases		37,318	-	-
-	37,318			
		2,891,171	139,531	12,505
488,002	3,506,199			
Nonutility property - PGE		15,794	1,060	149
(2)	16,703			
		\$2,906,965	\$140,591	\$ 12,654
\$488,000	\$3,522,902			

(a) Includes Trojan plant costs of \$581,674 transferred to Deferred Charges. See Note 6, Trojan Nuclear Plant.

(b) Transferred to Deferred Charges. See Note 6, Trojan Nuclear Plant.

(c) Nuclear decommissioning estimate was reclassified for 1991 in order to provide comparable balance sheets.

Schedule VI - Accumulated Depreciation and Amortization of
Property, Plant and Equipment (Thousands of
Dollars)

Portland General Corporation

Substantially the same as PGE's Schedule VI below.

Portland General Electric Company

Deductions	Additions		
	Balance at	Charged	Charged
Balance	Beginning	to	to Other
Retirements at End of	of Period	Income	Accounts
Description			
(Net) (a) Period			
For the Year Ended December 31, 1993			
ACCUMULATED DEPRECIATION			
Electric utility plant:			
Production	\$ 407,210	\$35,349	\$ 265
898 \$441,926			\$
Transmission	76,971	6,870	-
1,783 82,058			
Distribution	261,199	34,265	2
11,998 283,468			
General	79,985	9,308	3,512 (d)
5,973 86,832			
	825,365	85,792	3,779
20,652 894,284			
Nonutility property - PGE	5,704	674 (e)	-
109 6,269			
	\$ 831,069	\$86,466	\$ 3,779
\$20,761 \$900,553			
ACCUMULATED AMORTIZATION			
Capital leases	\$ 21,471	\$ -	\$ 2,155
- \$ 23,626			\$

For the Year Ended December 31, 1992

ACCUMULATED DEPRECIATION			
Electric utility plant:			
Production	\$ 577,650	\$ 56,148	\$ -
\$226,588 (b) \$ 407,210			
Nuclear decommissioning	24,760	11,220	1,621 (c)
37,601 (b) -			
Transmission	73,890	6,726	-
3,645 (b) 76,971			
Distribution	238,170	32,198	1
9,170 261,199			
General	75,154	9,456	3,940 (d)
8,565 (b) 79,985			
	989,624	115,748	5,562
285,569 825,365			
Nonutility property - PGE	5,202	648 (e)	-
146 5,704			
	\$ 994,826	\$116,396	\$ 5,562
\$285,715 \$ 831,069			
ACCUMULATED AMORTIZATION			
Nuclear fuel	\$ 208,399	\$ 11,662	\$ -
\$220,061 (b) \$ -			
Capital leases	19,675	-	1,796
- 21,471			
	\$ 228,074	\$ 11,662	\$ 1,796
\$220,061 \$ 21,471			

For the Year Ended December 31, 1991

ACCUMULATED DEPRECIATION			
Electric utility plant:			
Production	\$ 513,951	\$ 65,090	\$ -
\$ 1,391 \$ 577,650			
Nuclear decommissioning	23,928	-	832 (c)
- 24,760			
Transmission	69,758	6,403	-
2,271 73,890			
Distribution	215,129	30,053	6
7,018 238,170			
General	67,066	8,414	3,764 (d)
4,090 75,154			
	889,832	109,960	4,602
14,770 989,624			
Nonutility property - PGE	4,613	615 (e)	-
26 5,202			

		\$ 894,445	\$ 110,575	\$ 4,602
\$ 14,796	\$ 994,826			
ACCUMULATED AMORTIZATION				
Nuclear fuel		\$ 204,736	\$ 3,663	\$ -
\$ -	\$ 208,399			
Capital leases		17,880	-	1,795
-	19,675			
		\$ 222,616	\$ 3,663	\$ 1,795
\$ -	\$ 228,074			

(a) Retirements have been reduced by net salvage on depreciable property.

(b) Includes Trojan amounts transferred to Deferred Charges. See Note 6, Trojan Nuclear Plant.

(c) Earnings on external Decommissioning Trust.

(d) Additions charged to other accounts consist of provisions for depreciation of transportation and computer equipment.

(e) Nonutility provisions for depreciation are charged to Other Income and Deductions in the Consolidated Statements of Income.

Portland General Corporation

Substantially the same as PGE's Schedule X below.

Portland General Electric Company

Item	Charged to Expense for the Year Ended December 31		
	1993	1992	1991
Taxes other than income taxes			
Property	\$28,929	\$30,142	\$33,359
Payroll	7,584	7,962	8,536
City taxes and license fees	17,769	15,804	15,383
Other	1,393	1,037	1,059
Total	\$55,675	\$54,945	\$58,337

Nuclear fuel expenses			
Amortization	\$ -	\$11,662	\$ 3,663
Nuclear fuel storage	-	593	1,019
Total	\$ -	\$12,255	\$ 4,682

Maintenance expenses are set out separately in the 1993 Consolidated Financial Statements. Amounts related to the amortization of intangible assets and advertising costs are not material.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To Portland General Corporation:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of Portland General Corporation and subsidiaries included in this Form 10-K and have issued our report thereon dated January 25, 1994, except for the matter discussed in Note 16, as to which the date is February 23, 1994. Our report on the consolidated financial statements includes an emphasis paragraph regarding the realization of assets related to the abandoned Trojan Nuclear Plant in the amount of \$722 million, discussed in Note 6, and an explanatory paragraph with respect to the change in method of accounting for income taxes discussed in Note 5 to the consolidated financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Financial Statement Schedules are the responsibility of the Company's management and are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Portland, Oregon,
January 25, 1994 (except for the matter
discussed in Note 16, as to which the date
is February 23, 1994) ARTHUR ANDERSEN & CO.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To Portland General Electric Company:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of Portland General Electric Company and subsidiaries included in this Form 10-K and have issued our report thereon dated January 25, 1994, except for the matter discussed in Note 16, as to which the date is February 23, 1994. Our report on the consolidated financial statements includes an emphasis paragraph regarding the realization of assets related to the abandoned Trojan Nuclear Plant in the amount of \$722 million, discussed in Note 6, and an explanatory paragraph with respect to the change in method of accounting for income taxes discussed in Note 5A to the consolidated financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Financial Statement Schedules are the responsibility of the Company's management and are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Portland, Oregon,
January 25, 1994 (except for the matter
discussed in Note 16, as to which the date
is February 23, 1994) ARTHUR ANDERSEN & CO.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Portland General Corporation

February 28, 1994
Harrison

By /s/ Ken L.
Ken L. Harrison
Chairman of the Board
and
Chief Executive
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Ken L. Harrison
1994
Ken L. Harrison

Chairman of the Board and
Chief Executive Officer

February 28,

/s/ Joseph M. Hirko
1994
Joseph M. Hirko

Vice President Finance,
Chief Financial Officer,
Chief Accounting Officer
and Treasurer

February 28,

*Gwyneth Gamble Booth
*Peter J. Brix
*Carolyn S. Chambers
Edward L. Clark, Jr.
*John W. Creighton, Jr.
*Ken L. Harrison
*Jerry E. Hudson

Directors

February 28,
1994

Calvert Knudsen
*Warren E. McCain
*Jerome J. Meyer
*Randolph L. Miller
*Richard G. Reiten
*Robert W. Roth
*Bruce G. Willison

*By /s/ Joseph E. Feltz
(Joseph E. Feltz, Attorney-in-Fact)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Portland General Electric
Company

February 28, 1994
Harrison

By /s/ Ken L.
Ken L. Harrison
Chairman of the Board
and
Chief Executive
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Ken L. Harrison
1994
Ken L. Harrison

Chairman of the Board and
Chief Executive Officer February 28,

/s/ Joseph M. Hirko
1994
Joseph M. Hirko

Vice President Finance
Chief Financial Officer,
Chief Accounting Officer
and Treasurer February 28,

*Gwyneth Gamble Booth
*Peter J. Brix
*Carolyn S. Chambers
Edward L. Clark, Jr.
*John W. Creighton, Jr.
*Ken L. Harrison
*Jerry E. Hudson Directors
February , 1994
Calvert Knudsen
*Warren E. McCain
*Jerome J. Meyer
*Randolph L. Miller
*Robert W. Roth
*Bruce G. Willison

*By /s/ Joseph E. Feltz
(Joseph E. Feltz, Attorney-in-Fact)

Note: Although the Exhibits furnished to the Securities and Exchange Commission with the Form 10-K have been omitted herein, they will be supplied upon written request and payment of a reasonable fee for reproduction costs. Requests should be sent to:

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

Portland General Corporation
121 SW Salmon Street
Portland, OR 97204

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

Number	Exhibit	PGC
PGE		
(3)	* Restated Articles of Incorporation of Portland General Corporation [Pre-effective Amendment No. 1 to Form S-4, Registration No. 33-1987, dated December 31, 1985, Exhibit (B)].	X
	* Certificate of Amendment, dated July 2, 1987, to the Articles of Incorporation limiting the personal liability of directors of Portland General Corporation [Form 10-K for the fiscal year ended December 31, 1987, Exhibit (3)].	X
	* Copy of Articles of Incorporation of Portland General Electric Company [Registration No. 2-85001, Exhibit (4)].	X
	* Certificate of Amendment, dated July 2, 1987, to the Articles of Incorporation limiting the personal liability of directors of Portland General Electric Company [Form 10-K for the fiscal year ended December 31, 1987, Exhibit (3)].	X
	*Form of Articles of Amendment of the New Preferred Stock of Portland General Electric Company [Registration No. 33-21257, Exhibit (4)].	X
	* Bylaws of Portland General Corporation as amended on February 5, 1991 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (10)].	X
	* Bylaws of Portland General Electric Company as amended on October 1, 1991 [Form 10-K for the fiscal year ended December 31, 1991, Exhibit (3)].	X
(4)	*Portland General Electric Company Indenture of Mortgage and Deed of Trust dated July 1, 1945; Ninth Supplemental Indenture dated June 1, 1960; Tenth Supplemental Indenture dated November 1, 1961; Eleventh Supplemental Indenture dated February 1, 1963; Twelfth Supplemental Indenture dated June 1, 1963; Thirteenth Supplemental Indenture dated April 1, 1964; Fourteenth Supplemental Indenture dated March 1, 1965 (Form 8, Amendment No. 1, dated June 14, 1965).	X
	* Fifteenth Supplemental Indenture, dated June 1, 1966; Sixteenth Supplemental Indenture, dated October 1, 1967; Eighteenth Supplemental Indenture, dated November 1, 1970; Nineteenth Supplemental Indenture, dated November 1, 1971; Twentieth Supplemental Indenture, dated November 1, 1972; Twenty-First Supplemental Indenture, dated April 1, 1973; Twenty-Second Supplemental Indenture, dated October 1, 1973; Twenty-Seventh Supplemental Indenture, dated April 1, 1976;	

EXHIBIT INDEX

Number PGE	Exhibit	PGC
Twenty-Ninth Supplemental Indenture, dated June 1, 1977 (Registration No. 2-61199, Exhibit 2.d-1).		X
X		
* Thirtieth Supplemental Indenture, dated October 1, 1978; Thirty-First Supplemental Indenture, dated November 1, 1978 (Registration No. 2-63516, Exhibit 2.d-3).		X
X		
* Thirty-Eighth Supplemental Indenture dated June 1, 1985 [Form 10-Q for the quarter ended June 30, 1985, Exhibit (4)].		X
X		
* Thirty-Ninth Supplemental Indenture, dated March 1, 1986 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (4)].		X
X		
* Fortieth Supplemental Indenture, dated October 1, 1990 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (4)].		X
X		
* Forty-First Supplemental Indenture dated December 31, 1991 [Form 10-K for the fiscal year ended December 31, 1991, Exhibit (4)].		X
X		
*Forty-Second Supplemental Indenture dated April 1, 1993 [Form 10-Q for the quarter ended March 31,1993, Exhibit (4)].		X
X		
* Forty-Third Supplemental Indenture dated July 1, 1993 [Form 10-Q for the quarter ended September 30, 1993, Exhibit (4)].		X
X		
Other instruments which define the rights of holders of long-term debt not required to be filed herein will be furnished upon written request.		
(10) *Residential Purchase and Sale Agreement with the Bonneville Power Administration [Form 10-K for the fiscal year ended December 31, 1981, Exhibit (10)].		X
X		
*Power Sales Contract and Amendatory Agreement Nos. 1 and 2 with Bonneville Power Administration [Form 10-K for the fiscal year ended December 31, 1982, Exhibit (10)].		X
X		
The following exhibits were filed in conjunction with the 1985 Boardman/Intertie Sale:		
*Long-term Power Sale Agreement, dated November 5, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].		X
X		
*Long-term Transmission Service Agreement, dated November 5, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].		X
X		

EXHIBIT INDEX

Number PGE	Exhibit	PGC
	* Participation Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Lease Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* PGE-Lessee Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Asset Sales Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Bargain and Sale Deed, Bill of Sale and Grant of Easements and Licenses, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Supplemental Bill of Sale, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Trust Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)]	X
X		
	* Tax Indemnification Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Trust Indenture, Mortgage and Security Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		
	* Restated and Amended Trust Indenture, Mortgage and Security Agreement, dated February 27, 1986 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X
X		

EXHIBIT INDEX

Number PGE	Exhibit	PGC
	*Portland General Corporation Outside Directors' Deferred Compensation Plan, 1990 Restatement dated November 1, 1990 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (10)]. X	X
	* Portland General Corporation Retirement Plan for Outside Directors, 1990 Restatement dated July 10, 1990 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (10)]. X	X
	* Portland General Electric Company Outside Directors' Life Insurance Benefit Plan 1988 Restatement [Form 10-K for the fiscal year ended December 31, 1988, Exhibit (10)]. X	X
	* Portland General Electric Company Outside Directors Life Insurance Benefit Plan, Amendment No. 1 dated October 3, 1989 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)]. X	X
	* Portland General Corporation Outside Directors Life Insurance Benefit Plan, Amendment No. 2 dated December 3, 1989 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)]. X	X
	* Portland General Corporation Outside Directors' Stock Compensation Plan, Amended and Restated December 6, 1989 [Form 10-K for the fiscal year ended December 31, 1991, Exhibit (10)]. X	
	* Special Board Assignment for Robert W. Roth, dated May 1, 1992. [Form 10-K for the fiscal year ended December 31, 1992, Exhibit (10)] X	X
(24)	Portland General Corporation Consent of Independent Public Accountants (filed herewith).	X
	Portland General Electric Company Consent of Independent Public Accountants (filed herewith). X	
(25)	Portland General Corporation Power of Attorney (filed herewith).	X
	Portland General Electric Company Power of Attorney (filed herewith). X	
(28)	Form 11-K relating to Employee Stock Purchase Plan of Portland General Corporation (filed herewith).	X

EXHIBIT INDEX

Number PGE	Exhibit	PGC
Executive Compensation Plans and Arrangements		
(10) *	Portland General Corporation Management Deferred Compensation Plan, 1990 Restatement dated November 1, 1990 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (10)].	X
X		
*	Portland General Corporation Management Deferred Compensation Plan, Amendment No. 1 dated December 16, 1991 [Form 10-K for the fiscal year ended December 31, 1991, Exhibit (10)].	X
X		
*	Portland General Electric Company Senior Officers' Life Insurance Benefit Plan 1988 Restatement [Form 10-K for the fiscal year ended December 31, 1988, Exhibit (10)].	X
X		
*	Portland General Electric Company Senior Officers' Life Insurance Benefit Plan, Amendment No. 1 dated October 3, 1989 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)].	X
X		
*	Portland General Corporation Senior Officers Life Insurance Benefit Plan, Amendment No. 2 dated December 3, 1989 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)].	X
X		
*	Portland General Corporation Annual Incentive Master Plan [Form 10-K for the fiscal year ended December 31, 1987, Exhibit (10)].	X
*	Portland General Corporation Annual Incentive Master Plan, Amendments No. 1 and No. 2 dated March 5, 1990 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)].	X
*	Portland General Electric Company Annual Incentive Master Plan [Form 10-K for the fiscal year ended December 31, 1987, Exhibit (10)].	
X		
*	Portland General Electric Company Annual Incentive Master Plan, Amendments No. 1 and No. 2 dated March 5, 1990 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)].	
X		
*	Portland General Corporation 1990 Long-term Incentive Master Plan [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (10)].	X
X		
*	Portland General Corporation Supplemental Executive Retirement Plan, 1990 Restatement dated July 10, 1990 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (10)].	X
X		

EXHIBIT INDEX

Number	Exhibit	
PGC	PGE	
(10)	* Portland General Corporation Supplemental Executive Cont. Retirement Plan, Amendment No. 1 dated January 1, 1991, [Form 10-K for the fiscal year ended December 31, 1991,	X
	X Exhibit (10)].	
	* Change in Control Severance Agreement, dated October 11, 1989 [Form 10-K for the fiscal year ended December 31, 1989, Exhibit (10)].	X
	X	
	* Employment Contract for James E. Cross, dated April 17, 1990. [Form 10-K for the fiscal year ended December 31, 1992, Exhibit (10)].	
	X	
	* Salary Continuation Agreement for James E. Cross, dated December 21, 1992. [Form 10-K for the fiscal year ended December 31, 1992, Exhibit (10)].	
	X	
	* Enhanced Benefit Under Supplemental Executive Retirement Plan for James E. Cross, dated August 4, 1992. [Form 10-K for the fiscal year ended December 31, 1992, Exhibit (10)].	
	X	
	Portland General Corporation Amended and Restated 1990 Long-Term Incentive Master Plan, amended July 1993 (filed herewith).	
	X	
	Portland General Corporation 1990 Long-Term Incentive Master Plan, Amendment No. 1 dated February 8, 1994 (filed herewith).	
	X	

* Incorporated by reference as indicated.

APPENDIX

PORTLAND GENERAL ELECTRIC COMPANY

TABLE OF CONTENTS

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Item 8. Financial Statements and Notes	77

Management's Statement of Responsibility

PGE's management is responsible for the preparation and presentation of the consolidated financial statements in this report. Management is also responsible for the integrity and objectivity of the statements. Generally accepted accounting principles have been used to prepare the statements, and in certain cases informed estimates have been used that are based on the best judgment of management.

Management has established, and maintains, a system of internal accounting controls. The controls provide reasonable assurance that assets are safeguarded, transactions receive appropriate authorization, and financial records are reliable. Accounting controls are supported by written policies and procedures, an operations planning and budget process designed to achieve corporate objectives, and internal audits of operating activities.

PGE's Board of Directors includes an Audit Committee composed entirely of outside directors. It reviews with management, internal auditors and independent auditors, the adequacy of internal controls, financial reporting, and other audit matters.

Arthur Andersen & Co. is PGE's independent public accountant. As a part of its annual audit, internal accounting controls are selected for review in order to determine the nature, timing and extent of audit tests to be performed. All of the corporation's financial records and related data are made available to Arthur Andersen & Co. Management has also endeavored to ensure that all representations to Arthur Andersen & Co. were valid and appropriate.

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

Report of Independent Public Accountants

To the Board of Directors and Shareholder of
Portland General Electric Company:

We have audited the accompanying consolidated balance sheets and statements of capitalization of Portland General Electric Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1993.

These financial statements are the responsibility of the Company's management.

Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements

are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and

disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management,

as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully discussed in Note 6 to the consolidated financial statements, the realization of assets related to the abandoned Trojan Nuclear Plant in the amount of \$722 million is dependent upon the ratemaking treatment as determined by the Public Utility Commission of Oregon.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Portland General Electric Company and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of

the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As more fully discussed in Note 5A to the consolidated financial statements, effective January 1, 1993, the Company changed its method of accounting for income taxes.

Portland, Oregon,
January 25, 1994 (except with respect to
the matter discussed in Note 16, as to
which the date is February 23, 1994)

ARTHUR ANDERSEN & CO.

Item 8. Financial Statements and Supplementary Data

Portland General Electric Company and Subsidiaries
Consolidated Statements of Income

For the Years Ended December 31 1993

1992 1991

(Thousands of Dollars)

Operating Revenues			
\$944,531	\$880,098	\$885,578	

Operating Expenses			
Purchased power and fuel			
311,713	222,127	226,312	
Production and distribution			
73,576	93,677	96,174	
Maintenance and repairs			
55,320	70,476	91,272	
Administrative and other			
98,408	107,657	115,443	
Depreciation, decommissioning and amortization			
121,898	98,039	111,539	
Taxes other than income taxes			
55,676	54,945	58,337	
Income taxes			
71,490	73,140	47,244	
788,081	720,061	746,321	

Net Operating Income			
156,450	160,037	139,257	

Other Income (Deductions)			
Allowance for equity funds used during construction			
- -	311	617	
Other			
11,771	7,717	9,099	
Income taxes			
(4,002)	2,511	(991)	
7,769	10,539	8,725	

Interest Charges			
Interest on long-term debt and other			
61,817	64,718	73,359	
Interest on short-term borrowings			
3,443	2,754	1,979	
Allowance for borrowed funds used during construction			
(785)	(2,458)	(1,431)	
64,475	65,014	73,907	

Net Income			
99,744	105,562	74,075	

Preferred Dividend Requirement			
12,046	12,636	12,913	
Income Available for Common Stock			\$
87,698	\$ 92,926	\$ 61,162	

Portland General Electric Company and Subsidiaries
Consolidated Statements of Retained Earnings

For the Years Ended December 31 1993

1992 1991

(Thousands of Dollars)

Balance at Beginning of Year			
\$165,949	\$146,198	\$146,610	
Net Income			
99,744	105,562	74,075	

ESOP Tax Benefit & Preferred Stock		
Premium @ Redemption		
(1,524)	(2,505)	992
264,169	249,255	221,677
Dividends Declared		
Common stock		
72,826	70,670	62,566
Preferred stock		
12,046	12,636	12,913
84,872	83,306	75,479
Balance at End of Year		
\$179,297	\$165,949	\$146,198

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

Subsidiaries

Consolidated Balance Sheets

At December 31

1993

1992

(Thousands of Dollars)

Assets

Electric Utility Plant - Original Cost		
Utility plant (includes Construction Work		
in Progress of \$46,679 and \$12,308)		
\$2,370,460	\$2,260,935	
Accumulated depreciation		
(894,284)	(825,365)	
1,476,176	1,435,570	
Capital leases - less amortization of \$23,626 and \$21,471		
13,693	15,847	
1,489,869	1,451,417	
Other Property and Investments		
Conservation loans		
12,018	14,061	
Trojan decommissioning trust, at market value		
48,861	32,945	
Other investments		
65,696	57,673	
126,575	104,679	
Current Assets		
Cash and cash equivalents		
2,099	3,414	
Accounts and notes receivable		
85,169	81,999	
Unbilled and accrued revenues		
133,476	69,151	
Inventories, at average cost		
46,534	61,550	
Prepayments and other		
20,646	32,997	
287,924	249,111	
Deferred Charges		
Unamortized regulatory assets		
Trojan abandonment - Plant		
366,712	399,255	
Trojan abandonment - Decommissioning		
355,718	339,514	
Trojan - other		
66,387	94,759	
Income taxes recoverable		
228,233	-	
Debt reacquisition costs		
34,941	22,634	
Energy efficiency programs		
39,480	23,989	
Other		
33,857	37,445	
WNP-3 settlement exchange agreement		
178,003	182,492	
Miscellaneous		
18,975	15,685	
1,322,306	1,115,773	
\$3,226,674	\$2,920,980	

Capitalization and Liabilities

Capitalization		
Common stock equity		\$
747,197	\$ 726,076	
Cumulative preferred stock		
Subject to mandatory redemption		
70,000	81,800	
Not subject to mandatory redemption		
69,704	69,704	
Long-term debt		
802,994	806,138	
1,689,895	1,683,718	
Current Liabilities		
Long-term debt and preferred stock due within one year		
41,614	34,500	
Short-term borrowings		
129,920	100,065	

Accounts payable and other accruals		
111,647	117,850	
Accrued interest		
17,139	23,416	
Dividends payable		
21,486	21,566	
Accrued taxes		
27,395	41,503	
349,201	338,900	
Other		
Deferred income taxes		
534,194	242,619	
Deferred investment tax credits		
60,706	64,781	
Regulatory reserves		
120,410	121,914	
Trojan decommissioning reserve and misc. closure costs		
407,610	411,404	
Miscellaneous		
64,658	57,644	
1,187,578	898,362	
\$3,226,674	\$2,920,980	

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

At December 31 1993
 1992

(Thousands of Dollars)

Common Stock Equity

Common stock, \$3.75 par value per
 share, 100,000,000 shares authorized,
 40,458,877 shares outstanding \$
 151,721 151,721
 Other paid-in capital - net
 433,978 431,673
 Unearned compensation
 (17,799) (23,267)
 Retained earnings
 179,297 165,949
 747,197 44.2% 726,076 43.1%

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
 8.875% Series, 0 and 36,000 shares outstanding
 - 3,600
 Current sinking fund
 - (1,800)
 8.10% Series, 500,000 shares outstanding
 50,000 50,000
 Current sinking fund
 (10,000) -
 70,000 4.2 81,800 4.9

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 4.1 69,704 4.1

Long-Term Debt

First mortgage bonds
 Maturing 1993 through 1997
 4-5/8% Series due February 1, 1993
 - 7,851
 4-3/4% Series due June 1, 1993
 - 9,720
 4-3/4% Series due April 1, 1994
 8,119 8,344
 4.70% Series due March 1, 1995
 3,220 3,395
 5-7/8% Series due June 1, 1996
 5,366 5,516
 6.60% Series due October 1, 1997
 15,363 15,663
 Medium-term notes, 6.60%-9.27%
 136,000 148,550
 Maturing 1998 through 2002, 5.65%-8.88%
 140,625 98,615
 Maturing 2003 through 2007, 6.47%-9.07%
 131,658 145,473
 Maturing 2016 through 2023, 7.75%-9-5/8%
 195,000 145,000
 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
 (8,537) (8,498)
 Port of St. Helens, Oregon, due 2010 and 2014
 (Average variable 2.2%-2.4% for 1993)

51,600 51,600
10% Debentures due March 1, 2018

- 50,000
Capital lease obligations
13,693 15,847
Other

101 (638)

834,608 838,838
Long-term debt due within one year
(31,614) (32,700)

802,994 47.5 806,138 47.9

Total capitalization
\$1,689,895 100.0% \$1,683,718 100.0%

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

Portland General Electric Company and

Subsidiaries

Consolidated Statements of Cash Flow

For the Years Ended December 31		1993
1992	1991	
		(Thousands
of Dollars)		
Cash Provided by Operations:		
Net income		\$ 99,744
\$ 105,562	\$ 74,075	
Noncash items included in net income:		
Depreciation, decommissioning and amortization		92,336
109,749	114,103	
Amortization of WNP-3 exchange agreement		4,489
5,658	6,231	
Amortization of deferred charges - Trojan		31,419
1,609	577	
Amortization of deferred charges - other		5,087
7,080	9,208	
Deferred income taxes - net		60,721
4,252	7,628	
Other noncash revenues		-
(311)	(617)	
Changes in working capital:		
Increase in receivables		
(67,431)	(9,588)	(4,826)
(Increase) Decrease in inventories		
(4,181)	751	15,017
Increase (Decrease) in payables		
(26,588)	(2,084)	22,314
Other working capital items - net		
7,328	(2,399)	10,600
Deferred charges - other		
(3,808)	(13,198)	(6,319)
Miscellaneous - net		
20,435	13,388	14,231
		235,817
232,311	234,114	
Investing Activities:		
Utility construction		
(125,787)	(143,561)	(138,905)
Energy efficiency programs		
(18,149)	(10,365)	(8,610)
Trojan decommissioning trust		
(11,220)	(11,220)	(19,272)
Other investments		
(8,294)	(8,602)	(7,915)
(163,450)	(173,748)	(174,702)
Financing Activities:		
Short-term debt - net		
		29,855
27,939	17,451	
Long-term debt issued		
		252,000
123,000	104,000	
Long-term debt retired		
(266,986)	(123,902)	(111,004)
Preferred stock issued		
		-
30,000	-	
Preferred stock retired		
(3,600)	(31,225)	(1,800)
Dividends paid		
(84,951)	(82,293)	(71,233)
(73,682)	(56,481)	(62,586)
Increase (Decrease) in Cash and		
Cash Equivalents		
(1,315)	2,082	(3,174)
Cash and Cash Equivalents at the Beginning		
of Year		
		3,414
1,332	4,506	

Cash and Cash Equivalents at the End of Year		\$ 2,099
\$ 3,414	\$ 1,332	
Supplemental disclosures of cash flow information		
Cash paid during the year:		
Interest		\$ 68,232
\$ 64,452	\$ 68,931	
Income taxes		17,242
61,915	47,652	

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

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Portland General Electric Company and
Subsidiaries
Notes to Financial Statements

Certain information, necessary for a sufficient understanding of PGE's financial condition and results of operations, is substantially the same as that disclosed by Portland General in this report. Therefore, the following PGE information is incorporated by reference to Portland General's financial information on the following page numbers.

Page

Notes to Financial Statements	
	Note 1A. Summary of Significant Accounting Policies
15	Note 4A. Employee Benefits
18	Note 6A. Trojan Nuclear Plant
22	Note 7A. Preferred Stock
25	Note 10A. Commitments
27	Note 11A. WNP-3 Settlement Exchange Agreement
29	Note 12A. Jointly-Owned Plant
30	Note 13A. Regulatory Matters
30	Note 14A. Legal Matters
31	

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

Note 5A

Income Taxes

The following table shows the detail of taxes on income and the items used in computing the differences between the statutory federal income tax rate and Portland General Electric Company's (PGE) effective tax rate. (thousands of dollars)

	1993	1992
1991		
Income Tax Expense		
Currently payable	\$ 14,086	\$ 59,804
\$ 39,345		
Deferred income taxes		
Accelerated depreciation	5,039	5,987
9,167		
WNP-3 amortization	(560)	(2,190)
(2,570)		
Energy efficiency programs	7,449	3,246
2,859		
USDOE nuclear fuel assessment	6,155	-
-		
AMAX coal contract	(1,170)	(1,227)
(1,050)		
Replacement power costs	26,785	(246)
5,084		
Trojan operating costs	17,565	7,402
4,080		
Repurchase debt	4,952	1,019
(850)		
Excess deferred taxes	(3,494)	(1,888)
(1,557)		
Interim rate relief refund	-	6,573
1,036		
Other	2,760	(1,092)
(3,160)		
Investment tax credit adjustments	(4,075)	(6,759)
(4,149)		
	\$ 75,492	\$ 70,629
\$ 48,235		
Provision Allocated to:		
Operations	\$ 71,490	\$ 73,140
\$ 47,244		
Other income and deductions	4,002	(2,511)
991		
	\$ 75,492	\$ 70,629
\$ 48,235		
Effective Tax Rate Computation		
Computed tax based on statutory federal income tax rates applied to income before income taxes	\$ 61,333	\$ 59,905
\$ 41,430		
Increases (Decreases) resulting from:		
Accelerated depreciation	9,207	9,462
7,763		
State and local taxes - net	9,783	10,568
4,984		
Investment tax credits	(4,075)	(6,759)
(4,149)		
USDOE nuclear fuel assessment	5,050	-
-		
Excess deferred tax	(3,419)	(1,816)

(1,483)		
Adjustments to income tax reserves	-	(3,284)
(507)		
Other	(2,387)	2,553
197		
	\$ 75,492	\$ 70,629
\$ 48,235		
Effective tax rate	43.1%	40.1%
39.6%		

Effective January 1, 1993, PGE adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes". Prior to SFAS No. 109, PGE accounted for income taxes in accordance with Accounting Principles Board Opinion No. 11. Prior period financial statements have not been restated. As of December 31, 1993 and 1992, the significant components of PGE's deferred income tax assets and liabilities were as follows:

	1993	1992
Deferred Tax Assets		
Plant-in-service	\$ 83,602	\$ 18,608
Regulatory reserve	47,718	46,804
Other	24,038	22,626
	155,358	88,038
Deferred Tax Liabilities		
Plant-in-service	(497,476)	(201,596)
Replacement power costs	(29,574)	(4,838)
WNP-3 exchange contract	(70,542)	(71,099)
Other	(93,711)	(53,124)
	(691,303)	(330,657)
Less current deferred taxes	1,751	-
Total	\$ (534,194)	\$ (242,619)

As a result of implementing SFAS No. 109, PGE has recorded deferred tax assets and liabilities for all temporary differences between the financial statement bases and tax bases of assets and liabilities.

The Omnibus Budget Reconciliation Act of 1993 resulted in a federal tax rate increase from 34% to 35% effective January 1, 1993. The tax rate increase resulted in additional income tax expense for PGE of \$3.6 million.

The IRS completed its examination of Portland General Corporation's (Portland General) tax returns for the years 1985 to 1987 and has issued a statutory notice of tax deficiency which Portland General is contesting. As part of this audit, the IRS has proposed to disallow PGE's 1985 Washington Public Power Supply System Unit 3 (WNP-3) abandonment loss deduction on the premise that it is a taxable exchange. PGE 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 PGE.

Note 7A

Common Stock

	Common Stock Number	Common Stock \$3.75 Par	Other Paid-In
Unearned	of Shares	Value	Capital
Compensation			
(Thousands of Dollars)			
December 31, 1990	40,458,877	\$151,721	\$429,398
\$ (35,338)			
Sales of stock	-	-	-
-			
Redemption of preferred	-	-	2,119
-			
stock			
Repayment of ESOP loan			
and other	-	-	-
5,579			
December 31, 1991	40,458,877	151,721	431,517
(29,759)			
Sales of stock	-	-	-
-			
Sale and redemption of			
preferred stock	-	-	565
-			
Repayment of ESOP loan			
and other	-	-	(409)
6,492			
December 31, 1992	40,458,877	151,721	431,673
(23,267)			
Sales of stock	-	-	-
-			
Redemption of stock	-	-	-
-			
Sale and redemption of			
preferred stock	-	-	2,130
-			
Repayment of ESOP loan			
and other	-	-	175
5,468			
December 31, 1993	40,458,877	\$151,721	\$433,978
\$ (17,799)			

Common Stock

Portland General is the sole shareholder of PGE common stock. PGE is restricted, without prior Oregon Public Utility Commission (PUC) approval, from paying dividends or making other distributions to Portland General to the extent such payment or distribution would reduce PGE's common stock equity capital below 36% of total capitalization. At December 31, 1993, PGE's common stock equity capital was 44% of its total capitalization.

Short-Term Borrowings

PGE meets liquidity needs through the issuance of commercial paper and borrowings from commercial banks. At December 31, 1993, PGE had a committed facilities of \$120 million expiring in July 1996 and an \$80 million expiring in July 1994. These lines of credit have commitment fees and/or facility fees ranging from 0.15 to 0.20 of one percent and do not require compensating cash balances. The facilities are used primarily as back-up for both commercial paper and borrowings from commercial banks under uncommitted lines of credit. At December 31, 1993, there were no outstanding borrowings under the committed facilities.

PGE has a \$200 million commercial paper facility. Unused committed lines of credit must be at least equal to the amount of commercial paper outstanding. Most of PGE's short-term borrowings are through commercial paper.

Commercial paper and lines of credit borrowing are at rates reflecting current market conditions and generally are substantially below the prime commercial rate.

Short-term borrowings and related interest rates were as follows (thousands of dollars):

	1993	1992
1991		
As of year end:		
Aggregate short-term debt outstanding		
Bank loans	-	\$4,001
\$15,000		
Commercial paper	\$129,920	96,064
57,126		
Weighted average interest rate		
Bank loans	-	4.1%
6.2%		
Commercial paper	3.5%	3.9
5.5		
Unused committed lines of credit	\$200,000	\$125,000
\$125,000		
For the year ended:		
Average daily amounts of short-term debt outstanding		
Bank loans	\$5,025	\$ 2,803
\$ 2,087		
Commercial paper	94,983	62,036
28,892		
Weighted daily average interest rate		
Bank loans	3.6%	5.5%
6.0%		
Commercial paper	3.5	4.2
6.5		
Maximum amount outstanding	\$144,774	\$101,028
\$ 72,126		
during year		

Interest rates exclude the effect of commitment fees, facility fees, and other financing fees.

Long-Term Debt

The Indenture securing PGE's first mortgage bonds constitutes a direct first mortgage lien on substantially all utility property and franchises, other than expressly excepted property.

The following principal amounts of long-term debt become due for redemption through sinking funds and maturities (thousands of dollars):

	1994	1995	1996	1997	1998
Sinking Funds	\$ 1,313	\$ 1,138	\$ 988	\$ 688	\$ 688
Maturities	31,289	71,356	17,528	56,085	64,745

The sinking funds include \$988,000 a year for 1994 through 1996 and \$688,000 for 1997 and 1998, which, in accordance with the terms of the Indenture, PGE may satisfy by pledging available property additions equal to 166-2/3% of the sinking fund requirements.

Note 15A

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of those instruments.

Other investments

Other investments approximate market value.

Redeemable preferred stock

The fair value of redeemable preferred stock is based on quoted market prices.

Long-term debt

The fair value of long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to PGE for debt of similar remaining maturities.

The estimated fair values of financial instruments are as follows (thousands of dollars):

		1993		
1992		Carrying	Fair	
Carrying	Fair	Amount	Value	Amount
Value				
Preferred stock subject to mandatory redemption		\$ 80,000	\$84,815	
\$83,600	\$ 82,686			
Long-term debt		820,814	848,696	
823,629	849,876			

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into Portland General Corporation's previously filed Registration Statement No. 33-25466 on Form S-3, Registration Statement No.33-27462 on Form S-8, Registration Statement No. 33-31441 on Form S-8, Registration Statement No. 33-40943 on Form S-8, Registration Statement No. 33-62514 on Form S-3, Registration Statement No. 33-49811 on Form S-8 and Registration Statement No.33-50637 on Form S-3.

Portland, Oregon,
February 28, 1994

ARTHUR ANDERSEN & CO.

Exhibit (24)

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into Portland General Electric Company's previously filed Registration Statement No. 33-44114 on Form S-3 and Registration Statement No. 33-46358 on Form S-3.

Portland, Oregon,
February 28, 1994

ARTHUR ANDERSEN & CO.

POWER OF ATTORNEY

The undersigned directors of Portland General Electric Company hereby appoint Leonard A. Girard, Joseph M. Hirko and Joseph E. Feltz, and each of them severally, 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 Section 13 or 15(d) of the Securities Exchange Act of 1934, the Portland General Electric Company Form 10-K Annual Report for the fiscal year ended December 31, 1993, and any amendments thereto.

Dated: February 8, 1994
Portland, Oregon

/s/ Gwyneth Gamble Booth
Gwyneth Gamble Booth

C. Calvert Knudsen

/s/ Peter J. Brix
Peter J. Brix

/s/ Warren E. McCain
Warren E. McCain

/s/ Carolyn S. Chambers
Carolyn S. Chambers

/s/ Jerome J. Meyer
Jerome T. Meyer

Edward L. Clark, Jr.

/s/ Randolph L. Miller
Randolph L. Miller

/s/ John W. Creighton, Jr.
John W. Creighton, Jr.

/s/ Richard G. Reiten
Richard G. Reiten

/s/ Ken L. Harrison
Ken L. Harrison

/s/ Robert W. Roth
Robert W. Roth

/s/ Jerry E. Hudson
Jerry E. Hudson

/s/ Bruce G. Willison
Bruce G. Willison

POWER OF ATTORNEY

The undersigned directors of Portland General Corporation hereby appoint Leonard A. Girard, Joseph M. Hirko and Joseph E. Feltz, and each of them severally, 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 Section 13 or 15(d) of the Securities Exchange Act of 1934, the Portland General Corporation Form 10-K Annual Report for the fiscal year ended December 31, 1993, and any amendments thereto.

Dated: February 8, 1994
Portland, Oregon

/s/ Gwyneth Gamble Booth
Gwyneth Gamble Booth

C. Calvert Knudsen

/s/ Peter J. Brix
Peter J. Brix

/s/ Warren E. McCain
Warren E. McCain

/s/ Carolyn S. Chambers
Carolyn S. Chambers

/s/ Jerome J. Meyer
Jerome T. Meyer

Edward L. Clark, Jr.

/s/ Randolph L. Miller
Randolph L. Miller

/s/ John W. Creighton, Jr.
John W. Creighton, Jr.

/s/ Richard G. Reiten
Richard G. Reiten

/s/ Ken L. Harrison
Ken L. Harrison

/s/ Robert W. Roth
Robert W. Roth

/s/ Jerry E. Hudson
Jerry E. Hudson

/s/ Bruce G. Willison
Bruce G. Willison

J:\L\FINANCE\12743\10K93PWR.ATY

AMENDMENT NO. 1
PORTLAND GENERAL CORPORATION
AMENDED AND RESTATED
1990 LONG-TERM INCENTIVE MASTER PLAN

WHEREAS, pursuant to Article 14 of the Portland General Corporation Amended and Restated 1990 Long-Term Incentive Master Plan (the "Plan"), the Committee, as defined in the Plan, may, with the approval of the Board of Directors of Portland General Corporation (the "Corporation"), amend or modify the Plan as provided in Article 14, and

WHEREAS, the Board of Directors of the Corporation has approved the amendment of the Plan,

NOW THEREFORE, effective as of February 8, 1994, the Plan is hereby amended as follows:

1. Section 8.9 is deleted and the following new Section 8.9 is inserted as follows:

"8.9 Termination of Employment Due to Death, Disability or Retirement.

"(a) Termination by Death. Upon the death of a Participant, all restrictions on the Participant's Restricted Stock shall lapse, provided, however, such restrictions shall not lapse until the expiration of the six (6) month vesting period provided in Section 8.3.

"(b) Termination by Disability. In the event that a Participant's employment with the Company is terminated by reason of Disability, the restrictions on the Participant's Restricted Stock shall lapse on the date the Participant's disability is determined by the Committee to be total and permanent, provided, however, such restrictions shall not lapse until the expiration of the six (6) month vesting period provided in Section 8.3.

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"(c) Termination by Retirement. In the event that a Participant's employment with the Company is terminated by reasons of 'normal retirement' (as defined under the then established rules of the Company's tax qualified pension retirement plan), the restrictions shall lapse on the number of shares of Restricted Stock in each restricted stock grant which bears the same ratio to the total number of shares of Restricted Stock in such grant still subject to restrictions, as the period of employment during the Period of Restriction for such grant bears to the full Period of Restriction for such grant, rounded up to a full share, unless otherwise determined by the Committee to vest the previously granted Restricted Stock in some greater amount, provided, however, such restrictions shall not lapse until the expiration of the six (6) month vesting period provided in Section 8.3."

IN WITNESS WHEREOF, the Board of Directors of the Corporation has adopted this amendment on the 8th day of February 1994.

COMMITTEE UNDER THE LONG-TERM
INCENTIVE MASTER PLAN

By: /s/ Warren E. McCain
Warren E. McCain
Chairman

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THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT
HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

AMENDED AND RESTATED
1990 LONG-TERM
INCENTIVE MASTER PLAN

Portland General Corporation

July 1993

Portland General Corporation
AMENDED AND RESTATED
1990 Long-Term Incentive Master Plan

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PORTLAND GENERAL CORPORATION
AMENDED AND RESTATED
1990 LONG-TERM INCENTIVE MASTER PLAN

ARTICLE 1. ESTABLISHMENT, PURPOSE, AND DURATION

1.1 Establishment of the Plan. Portland General Corporation ("Portland General") established the Portland General Corporation 1990 Long-Term Incentive Master Plan (hereinafter referred to as the "Plan") to be effective October 1, 1990, subject to the approval of the Board of Directors and the shareholders of Portland General, which approval was given by the Board of Directors on October 1, 1990 and by the Shareholders at the Annual Meeting of Shareholders held April 30, 1991. The Plan shall remain in effect as provided in Section 1.3 herein. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Performance Shares, Performance Units, and other Stock-Based Awards.

1.2 Purpose of the Plan. The purpose of the Plan is to promote the success, and enhance the value of the Company by linking the personal interests of Employees to those of Company shareholders, and by providing Employees with an incentive for outstanding performance.

The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees upon whose judgment, interest, and special effort the successful conduct of its operation largely is dependent.

1.3 Duration of the Plan. The Plan shall commence on October 1, 1990 (the "Effective Date") and shall remain in effect, subject to the right of the Board of Directors to terminate the Plan at any time pursuant to Article 14 herein, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions. However, in no event may an Award be granted under the Plan on or after the tenth (10th) anniversary of the Plan's Effective Date.

ARTICLE 2. DEFINITIONS AND CONSTRUCTION

2.1 Definitions. Whenever used in the Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

- (a) "Award" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Performance Shares, Performance Units, or other Stock-Based Awards.
- (b) "Beneficial Owner" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.
- (c) "Board" or "Board of Directors" means the Board of Directors of Portland General Corporation or any successor thereto as provided in Article 17 herein.
- (d) "Cause" means (i) willful and gross misconduct on the part of a Participant that is materially and demonstrably detrimental to the Company; or (ii) the commission by a Participant of one or more acts which constitute an indictable crime under United States Federal, state, or local law. "Cause" under either (i) or (ii) shall be determined in good faith by a written resolution duly adopted by the affirmative vote of not less than two-thirds (rds) of all the Directors at a meeting duly called and held for that purpose after reasonable notice to the Participant and opportunity for the Participant and his or her legal counsel to be heard.
- (e) "Change in Control" of the Company shall be defined by the Committee at the time of making each and every Award hereunder.
- (f) "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- (g) "Committee" means the committee, as specified in Article 3, appointed by the Board to administer the Plan with respect to grants of Awards.
- (h) "Company" means Portland General Corporation, an Oregon corporation (including any and all Subsidiaries), or any successor thereto as provided in Article 17 herein.

- (i) "Demotion" shall mean the reduction of a Participant's salary grade, job classification, or title (the Participant's job classification or title shall govern in all cases where said job classification or title are not defined by means of a salary grade) with the Company to a level at which Awards under this Plan or any other plan providing long-term incentives to Employees have not been granted within the three (3) years preceding such demotion.
- (j) "Director" means any individual who is a member of the Board of Directors.
- (k) "Disability" means a permanent and total disability, within the meaning of Code Section 22(e)(3), as determined by the Committee in good faith, upon receipt of sufficient competent medical advice from one or more individuals, selected by the Committee, who are qualified to give professional medical advice.
- (l) "Dividend Equivalent" means an accrual for payment of cash or Shares equal in value to dividends paid on Shares subject to Options.
- (m) "Employee" means any employee of the Company. Directors who are also employed by the Company shall be considered Employees under this Plan.
- (n) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor Act thereto.
- (o) "Fair Market Value" means the closing price of Shares on the relevant date, as reported in the Wall Street Journal or a similar publication selected by the Committee.
- (p) "Grant Price" means the value of a SAR on the date of grant, as determined by the Committee.
- (q) "Incentive Stock Option" or "ISO" means an option to purchase Shares, granted under Article 6 herein, which is designated as an Incentive Stock Option and is intended to meet the requirements of Section 422 of the Code, or any successor Section thereto.
- (r) "Insider" shall mean an Employee of the Company who is, at the time an Award is made under this Plan, designated as subject to Section 16 of the Exchange Act and the Rules promulgated thereunder or a Director.

- (s) "Noninsider" shall mean an individual who is not an Insider.
- (t) "Noninsider Committee" means the committee, as specified in Section 3.4, that may be appointed by the Board to grant Options to Noninsiders.
- (u) "Nonqualified Stock Option" or "NQSO" means an option to purchase Shares, granted under Article 6 herein, which is not intended to be an Incentive Stock Option.
- (v) "Option" means an Incentive Stock Option or a Nonqualified Stock Option.
- (w) "Option Price" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.
- (x) "Outside Director" means a Director who is not an Employee.
- (y) "Participant" means an Employee of the Company who has outstanding an Award granted under the Plan.
- (z) "Performance Unit" or "Performance Share" means an Award granted to an Employee pursuant to Article 9 herein.
- (aa) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is limited in some way (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee, at its discretion), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 8 herein.
- (ab) "Restricted Stock" means an Award granted to an Employee pursuant to Article 8 herein.
- (ac) "Stock Appreciation Right" or "SAR" means an Award, granted alone or in tandem with an Option, designated as a SAR, granted to an Employee pursuant to Article 7 herein.
- (ad) "Stock-Based Award" means an Award granted to an Employee pursuant to Article 10 herein.
- (ae) "Shares" means the \$3.75 par value Common Stock of Portland General Corporation.

(af) "Subsidiary" means any corporation in which the Company owns directly, or indirectly through subsidiaries, at least 50% of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which the Company owns at least 50% of the combined equity thereof. In the event that applicable law permits the ownership of less than 50% of the total combined voting power of all classes of stock of a corporation to cause such corporation to constitute a "Subsidiary," then the requirement of 50% ownership in this definition shall be lowered to the lowest level permitted under applicable law.

2.2 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

2.3 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

ARTICLE 3. ADMINISTRATION

3.1 The Committee. The Plan shall be administered by a committee consisting solely of two or more Outside Directors, who shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors, and who shall meet the requirements for a "disinterested person" as defined in Section 16 of the Exchange Act and the Rules promulgated thereunder. Provided, however, that if for any reason the Committee does not qualify to administer the Plan, as contemplated by the Article 16 of the Exchange Act and the Rules promulgated thereunder, the Board of Directors may appoint a new Committee so as to comply therewith.

3.2 Authority of the Committee. The Committee shall have full power except as limited by law or by the Articles of Incorporation or Bylaws of Portland General or any successor thereto as provided in Article 17 herein, subject to the provisions herein, to determine the size and types of Awards; to determine the terms and conditions of such Awards in a manner consistent with the Plan; to construe and interpret the Plan and any agreement or instrument entered into under the Plan; to establish, amend, or waive rules and regulations for the Plan's administration; and (subject to the provisions of Article 14 herein) to amend the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion of the Committee as provided in the Plan. Further, the Committee shall make all other

determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authorities as identified hereunder.

3.3 Decisions Binding. All determinations and decisions made by the Committee pursuant to the provisions of the Plan and all related orders or resolutions of the Board of Directors shall be final, conclusive, and binding on all persons, including the Company, its stockholders, Employees, Participants, and their estates and beneficiaries.

3.4 Grants of Options by Chief Executive Officer or Insider Committee. The Board of Directors may grant to the Chief Executive Officer (the "CEO") of Portland General or any successor thereto as provided in Article 17 herein, or a Committee appointed by it consisting of at least two Directors one of whom shall be the CEO if the CEO is a Director ("Noninsider Committee") the authority to grant Options to Noninsiders. Options granted pursuant to this Section 3.4 shall be subject to the provisions of this Section 3.4, the limits specifically prescribed by the Board of Directors and the requirements of Oregon law. Prior to the grant of such Options, the CEO or the Noninsider Committee, as the case may be, shall obtain the opinion of legal counsel for the Company that each person chosen to receive an Option under this Section is properly classified as a Noninsider.

The Options granted by the CEO to Noninsiders pursuant to this Section between October 1, 1990 and October 2, 1991 may be granted upon such terms and provisions as deemed appropriate by the CEO; provided, however, that the aggregate number of Shares available for grant is one hundred thousand (100,000), that any such Option granted not exceed 5,000 shares per employee per year, that the exercise price for any such Options granted shall equal the fair market value of Shares on the date of grant, and that all Options granted must be exercised within ten (10) years after the date of the grant.

At any time after October 2, 1991, the Board of Directors may authorize the CEO or the Noninsider Committee to grant Options for an additional number of Shares and upon such terms and provisions as the Board shall determine subject to the terms of this Section 3.4. The initial one hundred thousand (100,000) Shares authorized pursuant to the immediately preceding paragraph and any such additional Shares granted under Options pursuant to this Section shall be counted toward the maximum number of Shares subject to this Plan, as set forth in Section 4.1.

In addition to the authority granted to the CEO or the Noninsider Committee to grant Options to Noninsiders pursuant to this Section 3.4, the CEO may, at any time, recommend to the Committee Insiders to receive grants of Options, and may

recommend the number of Shares and the terms and provisions applicable to such Options; provided, however, that notwithstanding such recommendation, the grant of any Option to Insiders and the terms and conditions applicable thereto shall be at the sole discretion of the Committee. In the event that the Committee shall choose to grant an Option to an Insider upon the recommendation of the CEO, the Committee may choose to apply the number of Shares subject to such Option against the number of Shares available for grant by the CEO or the Noninsider Committee pursuant to this Section 3.4, such that the number of Shares available to the CEO or the Noninsider Committee is reduced by the number of Shares covered by such Option.

ARTICLE 4. SHARES SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to adjustment as provided in Section 4.3 herein, the total number of Shares available for grant under the Plan may not exceed 2,300,000; of which no more than 1,150,000 may be issued as Restricted Stock. These 2,300,000 Shares may be either authorized but unissued or reacquired Shares.

The following rules will apply for purposes of the determination of the number of Shares available for grant under the Plan:

- (a) The grant of an Option or Restricted Stock Award shall reduce the Shares available for grant under the Plan by the number of Shares subject to such Award.
- (b) The grant of a Stock Appreciation Right related to an Option ("Tandem SAR") shall reduce the number of Shares available for grant by the number of Shares subject to the related Option if the Tandem SAR is granted "in lieu of" the Option. If the number of "in lieu of" SARs granted in Tandem with Options exceeds the number of Shares subject to the related Option, then the number of Shares available for grant shall additionally be reduced by the amount of such excess; provided, however, that to the extent such grants are paid in cash, such Shares shall again be available for the grant of Awards under the Plan in accordance with Section 16 of the Exchange Act and the Rules promulgated thereunder.
- (c) The grant of a Tandem SAR "in addition to" the related Option shall reduce the number of Shares available for grant by the number of Shares subject to the SAR, in addition to the number of Shares subject to the related Option.

- (d) The grant of Stock Appreciation Rights not related to an Option ("Freestanding SAR") shall reduce the number of Shares available for grant by the number of Freestanding SARs granted.
- (e) The grant of Performance Units and/or Performance Shares shall reduce the number of Shares available for grant while outstanding; provided, however, that to the extent such grants are paid in cash, such Shares shall again be available for the grant of Awards under the Plan in accordance with Section 16 of the Exchange Act and the Rules promulgated thereunder.
- (f) The grant of other Stock-Based Awards shall reduce the number of Shares available for grant hereunder to the extent Shares are utilized, as determined by the Committee in accordance with the provisions of Section 16 of the Exchange Act and the Rules promulgated thereunder.

4.2 Lapsed Awards. If any Award granted under this Plan terminates, expires, or lapses for any reason (with the exception of the termination of a Tandem SAR granted "in lieu of" the related Option or a related Option upon exercise of the corresponding "in lieu of" SAR), any Shares subject to such Award again shall be available for the grant of an Award under the Plan to the extent allowed pursuant to Section 16 of the Exchange Act and the Rules promulgated thereunder.

4.3 Adjustments in Authorized Shares. In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, split-up, Share combination, or other change in the corporate structure of the Company affecting the Shares, such adjustment shall be made in the number and class of Shares which may be delivered under the Plan, and in the number and class of and/or price of Awards granted under the Plan, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights; and provided that the number of Shares subject to any Award shall always be a whole number.

ARTICLE 5. ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Persons eligible to participate in this Plan include all Employees of the Company, including Employees who are members of the Board, but excluding Directors who are not Employees.

5.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Employees, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No Employee shall have any right to be granted an Award under this Plan.

ARTICLE 6. STOCK OPTIONS

6.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees at any time and from time to time as shall be determined by the Committee. The Committee shall have discretion in determining the number of Shares subject to Options granted to each Employee. The Committee may grant ISOs, NQSOs, or a combination thereof. Nothing in this Article 6 shall be deemed to prevent the grant of NQSOs in excess of the maximum established by Section 422 of the Code, or any successor Section thereto.

6.2 Option Agreement. Each Option grant shall be evidenced by an Option Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine. The Option Agreement also shall specify whether the Option is intended to be an ISO within the meaning of Section 422 of the Code, or any successor Section thereto, or a NQSO whose grant is intended not to fall under the Code provisions of Section 422, or any successor Section thereto.

6.3 Option Price. The Option Price for each grant of an Option to an Employee shall be determined by the Committee; provided that, in the case of an ISO, the Option Price shall not be less than 100% of the Fair Market Value of such Share on the date the Option is granted; and, provided further, that in the case of a NQSO, the Option Price shall not be less than the minimum price permissible under Oregon law.

6.4 Duration of Options. Each Option granted to an Employee shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no ISO shall be exercisable later than the tenth (10th) anniversary date of its grant.

6.5 Exercise of Options. Options granted to Employees under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Employee. However, in no event may any Option granted under this Plan to an Insider become exercisable prior to six (6) months following the date of its grant.

6.6 Payment. Options shall be exercised by the delivery of a written notice of exercise to the Secretary of the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

The Option Price upon exercise of any Option shall be payable to the Company in full either (a) in cash or its equivalent, or (b) by tendering previously acquired Shares having a Fair Market Value at the time of exercise equal to the total Option Price; provided that any such Shares tendered by an Insider shall have been held by such Insider for at least six months prior to such tender, or (c) by a combination of (a) and (b). The Committee also may allow cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law. The proceeds from such a payment shall be added to the general funds of the Company and shall be used for general corporate purposes.

The Committee also shall have the authority to extend loans to Participants in order to aid Participants in the exercise of their Options, upon such terms and requiring such security as the Committee, in its sole discretion, shall deem appropriate.

As soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver to the Participant, in the Participant's name, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

6.7 Restrictions on Share Transferability. The Committee shall impose such restrictions, including restrictions on transferability, on Options granted, and on any Shares acquired pursuant to the exercise of an Option, under the Plan, as it may deem advisable, including, without limitation, restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

6.8 Dividend Equivalents on Stock Options. Employees owning Options may be granted, at no additional cost, Dividend Equivalents based on the dividends declared on Shares on record dates during the period between the grant date of an Option and the date the Option is exercised, or an equivalent period, as determined by the Committee. Such Dividend Equivalents may be converted to additional Shares subject to the Option ("Dividend Equivalent Shares"), or cash, or both, by such formula as may be determined by the Committee, provided, however, that such formula shall conform to any

holding period, notice provision or other requirement under Section 16 of the Exchange Act and the Rules promulgated thereunder.

Dividend equivalents shall be computed as of each record date, with respect to: (i) the number of Shares subject to the Option; and (ii) the number of Dividend Equivalent Shares previously earned by the Employee which were not issued during the period immediately prior to the dividend record date.

6.9 Termination of Employment Due to Death, Disability, or Retirement.

(a) Termination by Death. In the event the employment of an Employee is terminated by reason of death, any outstanding Options granted to that Employee shall immediately vest 100% and shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date that employment was terminated, whichever period is shorter, by such person or persons as shall have been named as the Employee's beneficiary, or by such persons that have acquired the Employee's rights under the Option by will or by the laws of descent and distribution.

(b) Termination by Disability. In the event the employment of an Employee is terminated by reason of Disability, any outstanding Options granted to that Employee shall immediately vest 100%, and shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date that the Employee's Disability is determined by the Committee to be total and permanent, whichever period is shorter.

(c) Termination by Retirement. In the event the employment of an Employee is terminated by reason of "normal retirement" (as defined under the then established rules of the Company's tax-qualified pension retirement plan), any outstanding Options granted to that Employee shall immediately vest 100%, and shall remain exercisable at any time prior to their expiration date, or for three (3) years after the date that employment was terminated, whichever period is shorter.

In the event the employment of an Employee is terminated by reason of "early retirement" (as defined under the then established rules of the Company's tax-qualified pension retirement plan), any outstanding Options granted to that

Employee that are not then vested shall be forfeited. However, the Committee, at its discretion, may vest these Options up to 100%. Vested Options shall remain exercisable at any time prior to their expiration date, or for three (3) years after the date that employment was terminated, whichever period is shorter.

- (d) Exercise Limitations on ISOs. In the case of ISOs, the tax treatment prescribed under Section 422 of the Internal Revenue Code of 1986, as amended, or any successor Section thereto, may not be available if the Options are not exercised within the time periods after each of the various types of employment termination prescribed by said Section.

6.10 Termination of Employment for Other Reasons. If the employment of an Employee shall terminate for any reason (other than the reasons set forth in Section 6.9 or for Cause), all nonvested Options held by the Employee immediately shall be forfeited to the Company. However, the Committee, in its sole discretion, shall have the right to immediately vest all or any portion of such Options. Thereafter, all vested Options shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date that employment was terminated, whichever period is shorter.

If the employment of the Employee shall terminate for Cause, all outstanding Options immediately shall be forfeited to the Company and no additional exercise period shall be allowed, regardless of the vested status of the Options.

Any Options forfeited under this Section shall again be available for grant under the Plan in accordance with Section 16 of the Exchange Act and the Rules promulgated thereunder.

6.11 Nontransferability of Options. No Option granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

ARTICLE 7. STOCK APPRECIATION RIGHTS

7.1 Grant of SARs. Subject to the terms and conditions of the Plan, an SAR may be granted to an Employee at any time and from time to time as shall be determined by the Committee. An SAR may be granted in any of the following forms:

- (a) "In lieu of" Options (as described in Section 4.1(b) herein);

- (b) "In addition to" Options (as described in Section 4.1(c) herein);
- (c) Independent of Options (a "Freestanding SAR");
or
- (d) In any combination of (a), (b), or (c) above.

The Committee shall have complete discretion in determining the number of SARs granted to each Participant (subject to Section 4.1 herein) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such SARs. However, the Grant Price of a Freestanding SAR shall be at least equal to the Fair Market Value of Shares on the date of grant of the SAR. The Grant Price of "in lieu of" or "in addition to" SARs (as described in Section 4.1 herein) shall equal the Option Price of the related Option. Further, in no event shall any SAR granted hereunder become exercisable within the first six (6) months of its grant.

7.2 Exercise of SARs in Lieu of Options. SARs granted "in lieu of" Options (as described in Section 4.1 herein) may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise an equivalent number of Options. The SAR may be exercised only with respect to the Shares for which its related Option is then exercisable. Option Stock with respect to which the SAR shall have been exercised may not be subject again to an Award under this Plan.

Notwithstanding any other provision of this Plan to the contrary, with respect to an SAR granted "in lieu of" an "Incentive Stock Option" within the meaning of Section 422 of the Code, or any successor Section thereto: (i) the SAR will expire no later than the expiration of the underlying Incentive Stock Option; (ii) the SAR amount may be for no more than one hundred percent (100%) of the difference between the Option Price of the underlying Incentive Stock Option and the market price of the Shares subject to the underlying Incentive Stock Option at the time the SAR is exercised; and (iii) the SAR may be exercised only when the market price of the Shares subject to the Incentive Stock Option exceeds the Option Price of the Incentive Stock Option.

7.3 Exercise of SARs in Addition to Options. SARs granted "in addition to" Options (as described in Section 4.1 herein) shall be deemed to be exercised upon the exercise of the related Options. The deemed exercise of SARs granted "in addition to" Options shall not necessitate a reduction in the number of related Options.

7.4 Exercise of SARs Independent of Options. SARs granted independently of Options may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes upon the SARs.

7.5 SAR Agreement. Each SAR grant shall be evidenced by an SAR Agreement that shall specify the Grant Price, the term of the SAR, and such other provisions as the Committee shall determine.

7.6 Term of SARs. The term of an SAR granted under the Plan shall be determined by the Committee, in its sole discretion, however, such term shall not exceed ten (10) years.

7.7 Payment of SAR Amount. Upon exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

- (a) The difference between the Fair Market Value of a Share on the date of exercise over the Grant Price; by
- (b) The number of Shares with respect to which the SAR is exercised.

At the sole discretion of the Committee, the payment upon SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

7.8 Section 16 Requirements. Notwithstanding any other provision of the Plan, the Committee may impose such conditions on exercise of an SAR (including, without limitation, the right of the Committee to limit the time of exercise to specified periods or the ability to exercise in cash or Shares) as may be required to satisfy the requirements of Section 16 of the Exchange Act and the Rules promulgated thereunder.

7.9 Termination of Employment Due to Death, Disability, or Retirement.

- (a) Termination by Death. In the event the employment of a Participant is terminated by reason of death, any outstanding SARs granted to that Participant shall immediately vest 100%, and shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date that employment is terminated, whichever period is shorter, by such person or persons as shall have been named as the Participant's beneficiary, or by such persons that have acquired the Participant's rights under the SARs by will or by the laws of descent and distribution.

- (b) Termination by Disability. In the event the employment of a Participant is terminated by reason of Disability, any outstanding SARs granted to that Participant shall immediately vest 100%, and shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date the Participant's Disability is determined by the Committee to be total and permanent, whichever period is shorter.
- (c) Termination by Retirement. In the event the employment of a Participant is terminated by reason of "normal retirement" (as defined under the then established rules of the Company's tax qualified pension retirement plan), all outstanding SARs granted to that Participant shall immediately vest 100%, and shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date that employment was terminated, whichever period is shorter.

In the event the employment of a Participant is terminated by reason of "early retirement" (as defined under the then established rules of the Company's tax qualified pension retirement plan), any outstanding SARs granted to that Participant that are not then vested shall be forfeited. However, the Committee, at its discretion, may vest these SARs up to 100%. Vested SARs shall remain exercisable at any time prior to their expiration date, or for the one (1) year after the date that employment was terminated, whichever period is shorter.

7.10 Termination of Employment for Other Reasons. If the employment of a Participant shall terminate for any reason other than the reasons described in Section 7.9, or for Cause, all nonvested SARs held by the Participant at that time immediately shall be forfeited to the Company. However, the Committee, in its sole discretion, shall have the right to immediately vest all or any portion of such SARs. Thereafter, all vested SARs shall remain exercisable at any time prior to their expiration date, or for one (1) year after the date that employment was terminated, whichever period is shorter.

If the employment of the Participant shall terminate for Cause, all outstanding SARs immediately shall be forfeited to the Company and no additional exercise period shall be allowed, regardless of the vested status of the SARs.

Any SAR forfeited to the Company shall again be available for grant under the Plan pursuant to Section 16 of the Exchange Act and the Rules promulgated thereunder.

7.11 Nontransferability of SARs. No SAR granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, otherwise than by will or by the laws of descent and distribution. Further, all SARs granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

ARTICLE 8. RESTRICTED STOCK

8.1 Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Employees in such amounts as the Committee shall determine.

8.2 Restricted Stock Agreement. Each Restricted Stock grant shall be evidenced by a Restricted Stock Agreement that shall specify the Period of Restriction, or Periods, the number of Restricted Stock Shares granted, and such other provisions as the Committee shall determine.

8.3 Transferability. Except as provided in this Section 8.3, the Shares of Restricted Stock granted herein may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Agreement, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Restricted Stock Agreement. However, in no event may any Restricted Stock granted under the Plan become vested in a Participant prior to six (6) months following the date of its grant. Prior to vesting, all rights with respect to the Restricted Stock granted to a Participant under the Plan shall be available during his or her lifetime only by such Participant.

8.4 Other Restrictions. The Committee shall impose such other restrictions on any Shares of Restricted Stock granted pursuant to the Plan as it may deem advisable including, without limitation, restrictions based upon the achievement of specific performance goals (Company-wide, divisional, and/or individual), and/or restrictions under applicable Federal or state securities laws; and may legend the certificates representing Restricted Stock to give appropriate notice of such restrictions.

8.5 Certificate Legend. In addition to any legends placed on certificates pursuant to Section 8.4 herein, each certificate representing Shares of Restricted Stock granted pursuant to the Plan shall bear the following legend:

"The sale or other transfer of the Shares of Stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer as set forth in

the Portland General Corporation 1990 Long-Term Incentive Master Plan, and in a Restricted Stock Agreement dated . A copy of the Plan and such Restricted Stock Agreement may be obtained from the Secretary of Portland General Corporation."

8.6 Removal of Restrictions. Except as otherwise provided in this Section, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan shall become freely transferable by the Participant after the last day of the Period of Restriction. Once the Shares are released from the restrictions, the Participant shall be entitled to have the legend required by Section 8.5 removed from his or her Share certificate.

8.7 Voting Rights. During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares.

8.8 Dividends and Other Distributions. During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder shall be entitled to receive all dividends and other distributions paid with respect to those Shares while they are so held. If any such dividends or distributions are paid in Shares, the Shares shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid, and shall reduce the number of Shares available for grant under the Plan.

8.9 Termination of Employment Due to Death, Disability, or Retirement. In the event that a Participant's employment with the Company is terminated by reason of death, Disability, or "normal retirement" (as defined under the then established rules of the Company's tax qualified pension retirement plan), the restrictions on the Participant's Restricted Stock shall lapse as of the date of termination (in the case of Disability, the restrictions shall lapse on the date the Participant's Disability is determined by the Committee to be total and permanent).

8.10 Termination of Employment for Other Reasons. If the employment of the Participant shall terminate for any reason other than those reasons described in Section 8.9, including a termination for Cause, all nonvested Shares of Restricted Stock held by the Participant at that time immediately shall be forfeited and returned to the Company. However, with the exception of a termination of employment for Cause, the Committee, in its sole discretion, shall have the right to provide for lapsing of the restrictions on Restricted Stock following employment termination, upon such terms and

provisions as it deems proper; provided that, no such lapsing of restrictions shall occur after the expiration date of the Restricted Stock.

Shares of Restricted Stock forfeited and returned to the Company shall not again be available for grant under the Plan if the Participant received any "benefits of ownership" as defined in Section 16 of the Exchange Act and the Rules promulgated thereunder.

ARTICLE 9. PERFORMANCE UNITS AND PERFORMANCE SHARES

9.1 Grant of Performance Units/Shares. Subject to the terms of the Plan, Performance Units or Performance Shares may be granted to Employees at any time and from time to time, as shall be determined by the Committee. The Committee shall have complete discretion in determining the number of Performance Units or Performance Shares granted to each Employee.

9.2 Value of Performance Units/Shares. Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. Each Performance Share shall have an initial value that is in direct relation to the Fair Market Value of a Share at the time of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the number and/or value of Performance Units or Performance Shares that will be paid out to the Participants. The time period during which the performance goals must be met shall be called a "Performance Period." The Performance Period pertaining to each Performance Unit or Performance Share Award shall be between two (2) and six (6) years in length, and shall be established by the Committee at the time of grant.

9.3 Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive payout on the number of Performance Units or Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance goals have been achieved.

9.4 Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Performance Shares shall be made in a single lump sum, within forty-five (45) calendar days, or such longer period as may be required under Section 16 of the Exchange Act and the Rules promulgated thereunder, following the close of the applicable Performance Period. The Committee, in its sole discretion, may pay earned Performance Units or Performance Shares in the form of cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned

Performance Units or Performance Shares at the close of the applicable Performance Period; provided, however, that the Committee may place transfer restrictions on such Shares to meet the requirements of Section 16 of the Exchange Act and the Rules promulgated thereunder.

9.5 Termination of Employment Due to Death, Disability, or Retirement. In the event the employment of a Participant is terminated by reason of death, Disability, or "normal retirement" (as defined under the then established rules of the Company's tax qualified pension retirement plan) during the applicable Performance Period, the Participant shall receive a prorated payout on the Performance Units or Performance Shares based on the Participant's full number of months of service during the Performance Period as compared to the entire length of the Performance Period, further adjusted based on the achievement of the preestablished performance goals. Payment of earned Performance Units or Performance Shares shall be made at the same time payments are made to Participants who did not terminate service during the applicable Performance Period, or such other time as is required to comply with Section 16 of the Exchange Act and the Rules promulgated thereunder.

9.6 Termination of Employment for Other Reasons. In the event that a Participant terminates employment with the Company for any reason other than those reasons set forth in Section 9.5, all Performance Units or Performance Shares shall be forfeited by the Participant to the Company; provided, however, that in the event of early retirement or an involuntary termination of the employment of the Participant by the Company other than for Cause, the Committee, in its sole discretion, may waive the automatic forfeiture provisions and pay out on a pro rata basis, as provided in Section 9.5.

9.7 Nontransferability. Performance Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative.

ARTICLE 10. OTHER STOCK-BASED AWARDS

10.1 Other Stock-Based Awards. The Committee shall have the right to grant other Stock-Based Awards which may include, without limitation, the grant of Shares based on certain conditions, the payment of cash based on the performance of the Common Stock, and the payment of Shares in lieu of cash under other Company incentive bonus programs. Payment under or settlement of any such Awards shall be made in such manner and at such times as the Committee may determine.

10.2 Nontransferability. No Stock-Based Awards granted under this Section of the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, otherwise than by will or by the laws of descent and distribution. Further, all such Awards granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

ARTICLE 11. BENEFICIARY DESIGNATION

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Human Resource Department of the Company, or such other department as the Company may specify in writing to the Participant, during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 12. RIGHTS OF EMPLOYEES

12.1 Employment. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Subsidiaries (or between Subsidiaries) shall not be deemed a termination of employment.

12.2 Participation. No Employee shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

ARTICLE 13. CHANGE IN CONTROL

In order to maintain all of the Employees' rights in the event of a Change in Control of the Company, the Committee, as constituted prior to such Change in Control, in its sole discretion, may, as to any outstanding Award to an Employee, either at the time the Award to the Employee is made or at any time thereafter, take any one or more of the following actions:

- (i) Provide for the acceleration of any time periods relating to the exercise or realization of any such Award so that such Award may be

exercised or realized in full on or before a date fixed by the Committee;

- (ii) Provide for the purchase of any such Award by the Company for an amount of cash equal to the amount which could have been attained upon the exercise of such Award or in realization of such Employee's rights had such Award been currently exercisable or payable;
- (iii) Make such adjustment to any such Award then outstanding as the Committee deems appropriate to reflect such Change in Control providing, however, that such change does not detriment the value of any Award to the Employee;
- (iv) Cause any such Award then outstanding to be assumed, or new rights substituted therefore, by the acquiring or surviving corporation in such Change in Control.

The Committee may, at its discretion, include such further provisions and limitations in any Employee's Award Agreement, documenting such Awards, as the Committee may deem equitable and in the best interests of the Company.

ARTICLE 14. AMENDMENT, MODIFICATION, AND TERMINATION

14.1 Amendment, Modification, and Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend, or modify the Plan. However, without the approval of the stockholders of the Company (as may be required by the Code, by Section 16 of the Exchange Act and the Rules promulgated thereunder, by any national securities exchange or system on which the Shares are then listed or reported, or by a regulatory body having jurisdiction with respect hereto) no such termination, amendment, or modification may:

- (a) Increase the total amount of Shares which may be issued under this Plan, except as provided in Section 4.3 herein; or
- (b) Change the class of Employees eligible to participate in the Plan; or
- (c) Materially increase the cost of the Plan or materially increase the benefits to Participants; or
- (d) Extend the maximum period after the date of grant during which Options or SARs may be exercised; or
- (e) Change the provisions of the Plan regarding Option Price.

14.2 Awards Previously Granted. No termination, amendment, or modification of the Plan shall in any manner adversely affect any Award previously granted under the Plan, without the written consent of the Participant.

ARTICLE 15. WITHHOLDING

15.1 Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any grant, exercise, or payment made under or as a result of this Plan.

15.2 Share Withholding. With respect to withholding required upon the exercise of NQSOs, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value, on the date the tax is to be determined, equal to the amount required to be withheld. All elections shall be irrevocable, and be made in writing, signed by the Participant in advance of the day that the transaction becomes taxable.

Share withholding elections made by Insiders must comply with any additional restrictions required by Section 16 of the Exchange Act and the Rules promulgated thereunder.

ARTICLE 16. INDEMNIFICATION

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE 17. SUCCESSORS

All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

ARTICLE 18. REQUIREMENTS OF LAW

18.1 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

18.2 Governing Law. To the extent not preempted by Federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Oregon.

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended December 31, 1993

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____

Commission file number _____

EMPLOYEE STOCK PURCHASE PLAN
(Title of the Plan)

PORTLAND GENERAL CORPORATION

(Name of the Issuer of the Securities and Employer Sponsoring the Plan)

121 SW Salmon Street
Portland OR 97204

(Address of its Principal Executive Office)

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EMPLOYEE STOCK PURCHASE PLAN OF
PORTLAND GENERAL CORPORATION

Statements of Financial Condition

At December 31	1993	1992
Receivable from Portland General	\$10,446	\$ 7,508
Participants' Equity	\$10,446	\$ 7,508

Statements of Income and Changes in Participants' Equity

For the Years Ended December 31	1993	1992	1991
Dividend Income	\$ 5,243	\$ 8,465	\$ 8,640
Contributions from (Note 2):			
Participants	229,940	273,142	321,501
Portland General and Affiliates	25,659	31,796	36,703

Distributions to Participants:

Cost of 12,628, 18,558, and 21,390 shares of common stock of Portland General issued to participants under the terms of the Plan (including

\$2,326, \$1,592, and \$3,711 in cash)	(257,904)	(318,561)	(370,605)
Change in Participants' Equity for the Year	2,938	(5,158)	(3,761)
Participants' Equity, at beginning of year	7,508	12,666	16,427
Participants' Equity, at end of year	\$ 10,446	\$ 7,508	\$ 12,666

The accompanying notes are an integral part of these statements.

EMPLOYEE STOCK PURCHASE PLAN OF
PORTLAND GENERAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1.

Portland General Corporation (Portland General) Employee Stock Purchase Plan (the Plan) was established to enable employees of Portland General and its affiliates to acquire an ownership interest in Portland General through purchase of its common stock. Portland General acts as custodian for each participant and pays all Plan expenses. Portland General affiliates in turn reimburse Portland General for costs incurred on behalf of their employees. The Plan is not subject to income taxes. The Plan may be altered, amended, or discontinued at any time by Portland General; however, each participant has the rights of an owner of record in shares held by Portland General for the participant's account.

Participants' contributions are made through payroll deductions within certain limitations. The price of the common stock to a participant is 90% of a five-day average market price which is determined by dividing the sum of the closing prices of Portland General stock on the New York Stock Exchange on the last five business days ending on or before the 15th day of the month of the allocation, by five. Shares of common stock are purchased directly from Portland General. The amount of Portland General contributions and dividends received by the Plan are reported to participants on a current basis for income tax purposes.

NOTE 2.

	PGE	PGC	PGH	PGX	PLC	CWL	Total
1993 Contributions							
Employer	\$ 25,587	\$ 44	-	-	-	\$ 28	\$ 25,659
Participant	229,295	405	-	-	-	240	229,940
Total	\$254,882	\$ 449	-	-	-	\$ 268	\$255,599
1992 Contributions							
Employer	\$ 31,109	\$ 619	\$ 32	-	\$ 27	\$ 9	\$ 31,796
Participant	267,532	5,065	215	-	220	110	273,142
Total	\$298,641	\$ 5,684	\$ 247	-	\$ 247	\$ 119	\$304,938
1991 Contributions							
Employer	\$ 34,856	\$ 1,725	\$ 67	-	\$ 55	-	\$ 36,703
Participant	305,169	15,202	650	-	480	-	321,501
Total	\$340,025	\$ 16,927	\$ 717	-	\$ 535	-	\$358,204

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Portland General Corporation:

We have audited the accompanying statements of financial condition of the Employee Stock Purchase Plan (the Plan) of Portland General Corporation as of December 31, 1993 and 1992, and the related statements of income and changes in participants' equity for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Employee Stock Purchase Plan of Portland General Corporation as of December 31, 1993 and 1992, and the income and changes in participants' equity for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

Portland, Oregon,
February 2, 1994

ARTHUR ANDERSEN & CO.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 11-K, into Portland General Corporation's previously filed Registration Statement No. 33-25466 on Form S-3, Registration Statement No. 33-27462 on Form S-8, Registration Statement No. 33-31441 on Form S-8, Registration Statement No. 33-40943 on Form S-8, and Registration Statement No. 33-52320 on Form S-8.

Portland, Oregon,
February 2, 1994

ARTHUR ANDERSEN & CO.

