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

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended DECEMBER 31, 1995

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

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

Title of each class	Name of each exchange on which registered
Portland General Corporation	
Common Stock, $3.75 par value per share	New York Stock Exchange Pacific Stock Exchange
Portland General Electric Company	
8.25% Quarterly Income Debt Securities	
(Junior Subordinated Deferrable Interest Debentures, Series A)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
Portland General Corporation
None

Portland General Electric Company,
8.10% Series, Cumulative Preferred Stock, $100 par value per share
7.75% Series, Cumulative Preferred Stock, no par value

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. [X]

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

The aggregate market value of Portland General Corporation voting stock held by non-affiliates of the registrant as of January 31, 1996 (based on the last sales price on the New York Stock Exchange as of such date) was $1.5 billion.

The number of shares outstanding of the registrants' common stocks as of January 31, 1996 was:

Portland General Corporation	51,024,810
Portland General Electric Company (owned by Portland General Corporation)	42,758,877

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 27, 1996.

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
COB	California/Oregon Border
Colstrip	Colstrip Units 3 and 4 Coal Plant
Coyote Springs	Coyote Springs Generation Plant
CWL	Columbia Willamette Leasing, Inc.
DEQ	Oregon Department of Environmental Quality
EFSC	Oregon Energy Facility Siting Counsel
EPA	Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Financial Statements	Refers to Financial Statements of Portland General included in Part II, Item 8 of this report.
Holdings	Portland General Holdings, Inc.
Intertie	Pacific Northwest Intertie Transmission Line
IOUs	Investor-Owned Utilities
IRS	Internal Revenue Service
kWh	Kilowatt-Hour
MMBtu	Million British thermal units
MW	Megawatt
MWa	Average megawatts
MWh	Megawatt-hour
NRC	Nuclear Regulatory Commission
NYMEX	New York Mercantile Exchange
OPUC or the Commission	Oregon Public Utility Commission
Portland General or PGC	Portland General Corporation
PGE or the Company	Portland General Electric Company
PUD	Public Utility District
Regional Power Act	Pacific Northwest Electric Power Planning and Conservation Act
SFAS	Statement of Financial Accounting Standards issued by the FASB
WPPSS or Supply System	Washington Public Power Supply System
Trojan	Trojan Nuclear Plant
Tule	Tule Hub Services Company
USDOE	United States Department of Energy
WAPA	Western Area Power Authority
WNP-3	Washington Public Power Supply System Unit 3 Nuclear Project
WSCC	Western Systems Coordinating Council

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Part I

ITEM 1. BUSINESS

PORTLAND GENERAL CORPORATION - HOLDING COMPANY

Portland General Corporation, an electric utility holding company, was organized in December 1985. Portland General Electric 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., which provides organizational separation for Portland General's nonutility businesses (see page 17). 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, 1995, Portland General and its subsidiaries had 2,562 regular employees compared to 2,536 and 2,618 at December 31, 1994 and 1993, 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. PGE also sells energy to wholesale customers throughout the western United States. PGE's 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 at the end of 1995 its service-area population was approximately 1.4 million, constituting approximately 44% of the state's population. At December 31, 1995 PGE served approximately 650,000 customers.

As of December 31, 1995, PGE had 2,533 regular employees. This compares to 2,502 and 2,577 regular PGE employees at December 31, 1994 and 1993, respectively.

OPERATING REVENUES

PGE serves a diverse retail customer base. Residential customers constitute the largest customer class and accounted for 39% of the retail demand and 43% of retail revenues during 1995. Residential demand is highly sensitive to the effects of weather. Commercial customers consumed 37% and industrial 24% of retail energy sales for the year. Since 1993 industrial demand has grown nearly 8%, making this the Company's most rapidly growing customer class followed by the commercial segment with 7% growth. The commercial and industrial classes are not dominated by any single industry. While the 20 largest customers constituted 21% of retail demand, they represented 10 different industrial groups including paper manufacturing, high technology, metal fabrication, transportation equipment, and health services. No single customer represents more than 6% of PGE's retail load.

Wholesale revenues continue to make a significant contribution to Company revenues providing nearly 10% of total operating revenues for 1995. PGE actively markets wholesale power throughout the western United States and has more than doubled its level of sales since 1993. A majority of PGE's wholesale sales were to its traditional customers comprised of IOUs, federal agencies, municipalities and PUDs. However, most of the Company's wholesale growth has come through sales to marketers and brokers, relatively new entrants to the increasingly competitive wholesale electric energy market. These sales are predominantly of a short-term nature.

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:

	1995	1994	1993
Operating Revenues (thousands)			
Residential	$379,485	$360,651	$339,174
Commercial	335,607	315,156	303,783
Industrial	153,347	147,347	147,274
Public Street Lighting	11,311	11,205	11,002
Tariff Revenues	879,750	834,359	801,233
Accrued Revenues	(2,973)	10,644	57,160
Retail	876,777	845,003	858,393
Wholesale	94,967	105,911	79,035
Other	9,884	8,041	7,103
Total Operating Revenues	$981,628	$958,955	$944,531
Kilowatt-Hours Sold (millions)			
Residential	6,622	6,704	6,760
Commercial	6,285	6,142	5,885
Industrial	4,056	3,863	3,764
Public Street Lighting	102	93	98
Retail	17,065	16,802	16,507
Wholesale	3,383	2,701	1,599
Total kWh Sold	20,448	19,503	18,106

For an analysis of the year-to-year revenue trends, see Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

REGULATION

PGE is subject to regulation by the OPUC, which consists of a three-member commission appointed by the Governor. The OPUC approves PGE's retail rates and establishes conditions of utility service. The OPUC ensures that prices are fair and equitable and provides PGE an opportunity to earn a fair return on its investment. In addition, the OPUC 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 FERC with regard to the transmission and sale of wholesale electric energy, licensing of hydroelectric projects and certain other matters. Construction of new generating facilities requires a permit from EFSC.

The NRC regulates the licensing and decommissioning of nuclear power plants. In 1993 the NRC issued a possession-only license amendment to PGE's Trojan operating license. Trojan will be subject to NRC regulation until Trojan is fully decommissioned, all nuclear fuel is removed from the site and the license is terminated. The Oregon Department of Energy also monitors Trojan.

OREGON REGULATORY MATTERS

REGULATORY ENVIRONMENT

The OPUC is presently approaching issues of retail competition on an informal, utility-by-utility basis, rather than through generic, broad-based proceedings such as other states are pursuing. The OPUC has long had a policy of allowing special contracts for customers that have competitive options, and many of PGE's largest customers receive power under such contracts. In addition, the OPUC last year approved an innovative rate schedule under which PGE is sharing some of the risks and rewards of a more competitive wholesale market with large industrial and commercial customers not already under special contract. The OPUC is currently exploring performance-based ratemaking in a rate case for another Oregon investor-owned utility and, with regard to PGE, has expressed interest in receiving proposals for accelerated recovery of regulatory assets.

Recent rate orders have significantly reduced the uncertainty associated with PGE's recovery of various regulatory assets, as well as reduced the overall total of such assets. The OPUC approved recovery of most of PGE's remaining investment in Trojan and full recovery of Trojan's decommissioning costs. The OPUC also authorized PGE to simultaneously reduce certain regulatory assets and liabilities (see discussion of recent rate orders below).

1995 GENERAL RATE ORDER

In March 1995 the OPUC issued an order on PGE's 1993 general rate request after an 18-month process. The order, based on a two-year test period, authorized a single average rate increase of 5% representing additional revenues of $51 million in 1995 and $52 million in 1996. The tariff change, which increased residential rates 7.7%, commercial rates 5.6% and industrial rates 2.6%, became effective April 1, 1995. The order established PGE's return on equity at 11.6%, a decrease from the previously authorized 12.5%. The order authorized PGE to recover all of the estimated Trojan decommissioning costs and 87% of its remaining investment in Trojan. These amounts will be collected over Trojan's original license period ending in 2011. The order also adopted a mechanism to decouple short-term profits from retail kilowatt-hour sales during the two-year test period (decoupling).

The disallowed portion of the Trojan investment, on a net of tax basis, is comprised of $17 million of post-1991 capital expenditures, primarily related to steam generator repair activities, and $20 million of general Trojan investment. As a result of this disallowance, PGE recorded a first quarter 1995 after-tax charge to income of $37 million.

The decoupling mechanism adopted by the OPUC set revenue targets associated with retail loads for each month beginning April 1995 through December 1996. If actual weather-adjusted retail revenues exceed or fall short of target revenues, PGE will refund or collect the difference from customers over an 18-month period. The adjustment at any time during the two-year period cannot result in an overall increase or decrease in rates, due solely to decoupling, of more than 3% in total. Adjustments to rates, if necessary, can be made every six months. Large commercial and industrial customers are excluded from the decoupling mechanism.

New rates, effective April 1, included approximately $16 million of variable power cost savings expected from the future commercial operation of Coyote Springs. The order did not include projected capital and fixed costs associated with Coyote Springs nor the collection of PGE's power cost deferrals which were addressed in a subsequent rate proceeding discussed below.

Legal challenges have been filed against the OPUC's rate order (see Item 3, Legal Proceedings, for further discussion).

POWER COST RECOVERY AND COYOTE SPRINGS ORDER

In November 1995 the OPUC issued an order authorizing PGE to increase rates by an average 2.7% to recover the capital and fixed costs associated with Coyote Springs and an October 1995 BPA price increase. The order resulted in a $40 million increase in annual revenues for the Company. New prices became effective in late November 1995 concurrent with the commercial operation of Coyote Springs.

The order addressed recovery of approximately $60 million of incremental power costs incurred after the 1993 closure of Trojan. While the order authorized full recovery of $11 million of power costs deferred in early 1995, it allowed recovery of only $9 million of the $50 million of excess power costs deferred from July 1993 through March 1994. The order also authorized the immediate recovery of approximately $29 million in incentive revenues associated with prior years' achievements of the Company's energy efficiency programs. PGE recorded a $13 million after-tax charge to income in the third quarter of 1995 to reflect the write-off of unrecoverable costs.

The order implemented the Company's proposal to offset certain regulatory assets including the uncollected balance of all power cost deferrals, incentive revenues and a portion of the remaining Trojan investment, against PGE's unamortized gain on the prior sale of a portion of Boardman. The offset allowed for recovery of the deferred power costs and incentive revenues and the elimination of approximately $117 million of regulatory assets and liabilities from the Company's Balance Sheets without increasing customer rates.

A party to the rate proceeding has requested that the OPUC reconsider the order. A decision on the motion is pending from the OPUC.

Under the terms adopted in the order, PGE withdrew its appeal of the Boardman gain issue in PGE V. RONALD EACHUS, MYRON KATZ, NANCY RYLES AND THE OPUC, MARION COUNTY CIRCUIT COURT (see Item 3, Legal Proceedings, for further discussion).

RESIDENTIAL EXCHANGE PROGRAM

The RPA, passed in 1980, attempted to resolve growing power supply and cost inequities between customers of government and publicly owned utilities, who have priority access to the low-cost power from the federal hydroelectric system, and the customers of IOUs. The RPA residential exchange program exists to ensure that all residential and farm customers in the region, the vast majority of which are served by IOUs, receive similar benefits from the publicly funded federal power system. Exchange program benefits are passed directly to residential and farm customers. The exchange benefit for PGE residential and small farm customers totaled $51 million for calendar year 1995. In July 1995, the BPA released its 1996 rate proposal, which included a significant reduction in the benefits to PGE's customers from the residential exchange program under the RPA.

Under recent Congressional legislation, this exchange benefit will decline by $10 to $15 million, annually, on October 1, 1996. The amount of the residential exchange benefit beginning October 1, 1997 is among the subjects of current regional discussions regarding BPA's role in the region.

In 1993 the OPUC allowed PGE to pass through a BPA price increase which reduced exchange benefits $29 million, resulting in a corresponding increase in electricity prices to residential and small farm customers.

ENERGY EFFICIENCY
PGE has promoted the efficient use of electricity for over two decades. Jointly, PGE and the OPUC have worked together to provide appropriate financial incentives for PGE's energy efficiency programs. In 1990, PGE and the OPUC first implemented the Share All Value Equitably (SAVE) program. The program was designed to remove the financial disincentive to the Company of pursuing cost-effective Demand Side Management (DSM) measures. During the four-year program, which ended in 1994, PGE invested $61 million in DSM measures and achieved an annualized 55 MWa of saved energy. PGE invested an additional $25 million during 1995 in DSM programs resulting in an additional 20 MWa in annual energy savings. The Company is allowed a return of and a return on its energy efficiency program expenditures.

Current DSM programs provide a range of services to all classes of PGE customers. These programs seek to capitalize on windows of opportunity in which DSM measures are most cost-effective, such as new residential and commercial construction, and the replacement and renovation markets. PGE continues to provide a weatherization program for eligible low-income families.

PGE recognizes the value of and remains committed to encouraging the efficient use of energy. With the prospect of increased competition and customer choice, PGE is focusing its DSM efforts more toward customer needs and wants. The goal is to allow more customer choice in determining what amount of energy efficiency is appropriate to satisfy business and lifestyle choices. PGE will meet these needs through cost-effective DSM services to its customers in the form of energy expertise and information, project facilitation and financing support.

LEAST COST ENERGY PLANNING
The OPUC 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 OPUC and the public to participate in resource planning. Ratemaking decisions are not made in the planning process. However, participation by the OPUC and the public may reduce the uncertainty regarding the ratemaking treatment of actions consistent with a plan acknowledged by the OPUC.

In November 1995, PGE's 1995-1997 Integrated Resource Plan (IRP) was submitted to the OPUC for review and acknowledgment in fulfillment of its least cost planning obligation. Under the IRP, PGE will rely on the increasingly competitive energy marketplace to meet near-term load growth and reliability needs. PGE will make economical use of existing assets and engage in system efficiency improvements. PGE's "just in time" resource acquisition strategy calls for reducing the lead time required for new generating capacity by completing the siting and permitting process in advance of a need for additional resources. As noted above, PGE will refocus DSM activities to deliver customer value and choice while emphasizing the economic viability of each program. PGE anticipates acknowledgment of its IRP by the OPUC by mid-1996.

COMPETITION AND MARKETING

Progress toward greater customer choice and direct access to customers by all competitors has been dramatic in the last two years. The National Energy Policy Act of 1992 (Energy Act) allows the FERC to order wholesale wheeling between utilities. The Energy Act reserved the right to order true "retail wheeling" to the individual states. Retail wheeling is the movement of electric energy produced and sold by another entity over an electric utility's transmission and distribution system, to a retail customer in the utility's service territory. Retail wheeling would permit retail customers to purchase electric capacity and energy from any electric utility or power supplier. Recently, Michigan ordered utilities in that state to test 150 MW of retail wheeling. California has proposed a comprehensive restructuring of electric utility regulation that would lead to intense competition for customers and free choice for all customers by 2002. Although the OPUC has not yet considered similar measures, in the coming years the Company's growth will increasingly be influenced by competitive factors rather than within the traditional regulatory framework.

The electric industry is in the early stages of an increasingly competitive climate that is already making dramatic differences in the way the Company produces, transmits, distributes and markets electric energy and associated services. During 1995 PGE aligned the Company along its major business lines: energy services encompassing retail sales, marketing and customer service; wholesale marketing; and power supply encompassing hydro and thermal power operations.

TRADING FLOOR OPERATIONS

In 1995 PGE established its trading floor operations which fully integrates the Company's wholesale marketing, energy supply, financial risk management and power operations functions. The trading floor activities seek to enhance PGE's competitive position in retail and wholesale markets by assuring a reliable, low-cost supply of energy to meet retail and wholesale loads and enhance the Company's ability to profitably market to current and emerging wholesale markets.

RETAIL COMPETITION AND MARKETING

PGE operates within a state-approved service area and under current regulation is substantially free from direct retail competition with other electric utilities. PGE's competitors within its Oregon service territory include other fuel suppliers, such as the local natural gas company, which compete with PGE for the residential and commercial space and water heating market. In addition there is the potential of a loss of PGE service territory to the creation of public utility districts by voters. In the near term much of the Company's business is likely to remain regulated with progress toward increased retail competition taking place in stages. For example, basic residential electric service is likely to remain highly regulated with little competition, while industrial service may see rapid development of competition. Deregulation of other industries such as telecommunications has led to a host of new suppliers, products and services. The same is expected for the electric industry as more and more groups of customers will have increasing degrees of choice and alternative suppliers from whom to purchase.

Increased competition presents both a threat and an opportunity. PGE is preparing to meet varying levels of competition from traditional and non-traditional sources in the various retail markets within its service territory as well as throughout the western United States. Much of the Company's growth potential may no longer be limited by service territory boundaries. The Company plans to look beyond traditional boundaries at opportunities to serve customers with energy related products and services allowable in the current regulated markets and to be prepared to further expand as greater access to these markets emerges.

Within the core markets that make up PGE's current service territory, the Company will continue to deliver quality electric service by focusing on traditional values like reliability, cost management, resource acquisition, effective energy efficiency services, safe operations and responsive customer-oriented service. In addition, the Company plans to provide an array of new products and services to its existing and prospective customers. For instance, PGE launched its Power Smart marketing campaign to encourage the wise use of beneficial electro-technologies. Other services currently being offered or under development include distribution services, such as power quality-related services and lighting maintenance; power services, such as load following and system control; utility services, such as automated billing services and outage management; and retail services, such as power quality and time-of-day rates.

WHOLESALE COMPETITION AND MARKETING

During the last few years, the western United States has become a vibrant marketplace for the trading of electricity in which PGE has become an active participant. Wholesale sales continue to make a significant contribution to Company revenues. During 1995 PGE's wholesale sales increased 25% over 1994 levels and accounted for 10% of total revenues and 17% of total sales. However, a surplus of energy, in conjunction with the entrance of numerous marketers/brokers, independent power producers and affiliates of electric utilities, has increased the competition for market share and is resulting in lower prices and profit margins. During 1995, the average price of PGE's wholesale sales decreased 28%.

PGE plans to utilize its wholesale marketing experience to expand its presence in the western United States. Wholesale activities are focused on both bulk energy markets and large end-user customers that can purchase energy directly from the market. As part of this effort, PGE recently established wholesale power marketing offices in other Western states.

In 1996 FERC is expected to issue new rules creating open access to the nation's electric transmission grid. The new rules could create even higher levels of competition in the bulk power markets as all wholesale buyers and sellers have equal access to transmission resources. Utilities such as PGE will be required to make their transmission systems available to anyone on the same terms and costs that they offer to themselves. In November 1995, PGE filed an open access transmission tariff with FERC in response to the FERC notice of proposed rulemaking. The Company's transmission system connects winter-peaking utilities in the Northwest and Canada, which have access to low-cost hydroelectric generation, with summer-peaking wholesale customers in California and the Southwest, which have higher-cost fossil fuel generation. PGE has used this system to purchase and sell in both markets depending upon the relative price and availability of power, water conditions, and seasonal demand from each market. Under its open access tariff the Company will lose any competitive advantage it may have had through the use of its transmission assets for wholesale transactions. Open access may provide new opportunities as the Company has equal access to the transmission capabilities of other utilities.

The Company has actively participated in the development of a NYMEX electric futures contract and promoted COB as the preferred physical delivery point for pricing purposes. A NYMEX contract has been approved to facilitate electric futures trading by April 1996. PGE is prepared to be an active participant in the market.

POWER SUPPLY

Growth within PGE's service territory as well as its aggressive wholesale marketing plans have underscored the Company's need for sources of reliable, low-cost energy supplies such as the abundant hydro resources of the Pacific Northwest. The demand for energy within PGE's service territory has experienced an average annual growth rate of approximately 2.5% over the past 10 years. During 1996 PGE expects an even greater level of load growth due to a vibrant economy and the expansion plans of the high-tech industry in the region. The emerging wholesale energy marketplace has caused PGE to postpone the acquisition of significant additional new generating resources and capacity for the foreseeable future. Rather PGE will rely on the purchase of power in the wholesale market to supplement its existing base of hydro and thermal generating resources.

GENERATING CAPABILITY

PGE's existing hydroelectric, coal-fired and gas-fired plants are key resources for the Company, providing 2,117 MW of generating capability (see Item 2, Properties, for a full listing of PGE's generating facilities). PGE's lowest-cost producers are its eight hydroelectric projects on the Clackamas, Sandy, Deschutes, and Willamette rivers in Oregon. In 1995 generation from PGE's hydroelectric facilities met 11% of the Company's total load.

In 1995 PGE completed construction of Coyote Springs, a 241-MW, gas-fired facility. Coyote Spring is the Company's first plant addition since Boardman in 1980 and adds a state-of-the-art combined cycle combustion turbine plant to its thermal generating resources. Its initial operation during the fourth quarter of 1995 provided over 186,000 MWh of generation at a cost below the average cost of Company spot market purchases.

PURCHASED POWER

PGE has long-term power contracts with four hydro projects on the mid-Columbia River which provide PGE with 590 MW of firm capacity. PGE also has firm contracts, ranging in term from one to 21 years, to purchase energy, primarily hydro-generated, from other Pacific Northwest utilities for 821 MW. In addition, PGE has long-term exchange contracts with summer-peaking Southwest utilities to help meet its winter-peaking requirements. In total, the above contracts provide PGE 1,766 MW of firm capacity to serve PGE's peak loads.

PGE has increasingly utilized short-term purchases to meet its energy needs. Short-term contracts include all spot, or secondary, purchases as well as firm purchases for periods less than one year in duration. During 1995, 60% of PGE's power purchases were under short-term agreements compared to 43% in 1994. Short-term energy prices have remained at levels which make long-term power and capacity contracts unattractive. PGE's 1995 short-term purchases averaged 50% less than the cost of energy bought under long- and intermediate-term firm power contracts. A continued surplus of energy within the region, the emergence of a NYMEX electric futures contract and open transmission anticipated during 1996 are expected to continue to place competitive pressures on the market price of short-term power. PGE is susceptible to wholesale price increases due to its reliance on purchased power.

SYSTEM RELIABILITY AND THE WSCC

PGE relies on wholesale market purchases within the WSCC in conjunction with its base of generating resources to supply its resource needs and maintain system reliability. The WSCC is geographically the largest of the nine regional electric reliability councils. The WSCC performs an essential role in developing and monitoring established reliability criteria guides and procedures to ensure continued reliability of the region's electric system. During the last few years, the area covered by WSCC has become a dynamic marketplace for the trading of electricity. This region, which includes the 11 Western states, is very diverse in climates. Peak loads occur at different times of the year in the different regions. Energy loads in the Southwest peak in summer due to air conditioning; northern loads peak during winter heating months. Further, according to WSCC forecasts, the 80 electric organizations participating in the WSCC, which include utilities, independent power producers and transmission utilities, have sufficient generating capacity to cover loads 25 to 30% greater than anticipated peak loads for each month of the year beyond the year 2000 assuming adverse water conditions. Favorable water conditions have the ability to even further increase energy supplies with inexpensive hydro-generated power.

During 1995 PGE's peak load was 3,315 MW of which over 16% was met through economical short-term purchases. The remaining load was met through a combination of Company-owned generation and firm power purchase contracts discussed above. PGE's firm resource capacity totaled 3,872 MW as of December 31, 1995. PGE reached a new system record in February 1996 of 3,888 MW.

The availability of wholesale power has made the traditional utility reserve margin less relevant. The need for an individual utility to maintain a reserve margin of 20% or higher in order to assure that it has the capacity to meet, without interruption, customer peak energy needs is no longer necessary.

YEAR IN REVIEW

PGE generated 36% of its load requirements in 1995 compared with 47% in 1994. Firm and secondary purchases met the remaining load. Regional water conditions were about 95% of normal. Average precipitation in the Columbia River basin increased the availability of inexpensive hydropower on the secondary market in 1995. Mild weather, lower gas prices and increased competition also contributed to the availability of inexpensive power.

1996 OUTLOOK

The early predictions of water conditions indicate they will be about normal in 1996. While this should result in similar levels of hydro generation as in 1995, efforts to restore salmon runs on the Columbia and Snake rivers may affect the supply and price of purchased power.

RESTORATION OF SALMON RUNS

Several species of Snake River salmon are protected as threatened under the Endangered Species Act (ESA). In an attempt to save the endangered fish, the federal government has taken actions that have reduced the amount of electricity generated at the Columbia and Snake River dams. In early 1996, the National Marine Fisheries Service (NMFS) will release its recovery plan, which is expected to be similar to the draft plan released in 1995. NMFS is empowered by the ESA to require salmon protection measures by the Bureau of Reclamation and the Army Corps of Engineers, the agencies that operate the federal dams on these rivers. Certain measures contained in the draft plan were implemented during 1995. River flows were boosted and water was released over spillways while young salmon were migrating during the spring and summer in an attempt to protect the fish from entering the turbines. If this practice is continued it could mean less water available in the fall and winter when demand for electricity in the Pacific Northwest is highest. Although PGE does not have any hydro-electric facilities on rivers affected by the plan, it does buy large amounts of energy from the agencies which do.

PGE's fish biologists are working with state and federal agencies to ensure that PGE's hydro operations located on several Columbia River tributaries are compatible with the survival of wild salmon and other wildlife. PGE does not expect the ESA process to significantly impact its own hydro generation. However, PGE is working cooperatively with federal and state agencies, tribes, and the public to return salmon and steelhead to their historic habitat above dams built on the Deschutes River.

NEW RESOURCES

The Company does not plan to build new generating resources in the forseeable future but will rely on the current surplus of wholesale energy to meet its growing power needs. Accordingly, the Company has developed a resource strategy which combines flexibility and a just-in-time acquisition philosophy to provide a response to potential persistent increases in wholesale prices. Specifically, PGE plans to complete the siting and permitting process for the construction of additional new combined cycle combustion turbine projects. This two-step process separates siting and engineering from the decision to construct a new resource and significantly reduces the lead time for a new plant by as much as two years. This process also moves decisions involving large capital commitments as close as possible to the anticipated time the power will be needed. PGE is also evaluating efficiency improvements at its existing facilities including the repowering of Beaver and upgrades at the Company's hydro facilities.

FUEL SUPPLY

PGE manages its fuel supply contracts as part of its trading floor operations. Fuel supply contracts are negotiated to support annual planned plant operations. Flexibility in contract terms is sought to allow for the most economic dispatch of PGE's thermal resources in conjunction with the current market price of wholesale power.

COAL

BOARDMAN

PGE has an agreement to supply coal to Boardman through the year 2000 which does not require a minimum amount of coal to be purchased, allowing PGE to obtain coal from other sources. During 1995 PGE did not take deliveries under this contract but purchased coal under favorable short-term agreements. Coal purchases in 1995 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 when burned. The coal, from surface mining operations in the Powder River Basin, was subject to federal, state, and local regulations. Coal is delivered to Boardman by rail under a contract which expires in 2002.

COLSTRIP

Coal for Units 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 Colstrip plant has sulfur dioxide removal equipment to allow operation in compliance with EPA's source-performance emission standards.

CENTRALIA

Coal for Units 1 and 2, located in Southwestern Washington, is provided under contract with PacifiCorp doing business as PacifiCorp Electric Operations. Most of Centralia's coal requirements are expected to be provided under this contract for the foreseeable future.

PLANT	SULFUR CONTENT	TYPE OF POLLUTION CONTROL EQUIPMENT
Boardman, OR	0.3%	Electrostatic precipitators
Centralia, WA	0.7%	Electrostatic precipitators
Colstrip, MT	0.7%	Scrubbers and precipitators

NATURAL GAS

In addition to the agreements discussed below, the Company utilizes short-term agreements and spot market purchases to secure transportation capacity and gas supplies sufficient to fuel plant operations.

BEAVER

PGE owns 90% of a pipeline which directly connects Beaver to Northwest Pipeline, an interstate gas pipeline operating between British Columbia and New Mexico. During 1995, PGE had access to 76,000 MMBtu per day of firm transportation capacity, or enough to operate Beaver at approximately 70% capacity.

COYOTE SPRINGS

In November of 1995, PGE began service to its Coyote Springs project utilizing firm transportation capacity of 41,000 MMBtu/day on the interconnected systems of various shippers. Two-year contracts expiring in 1997 supply natural gas to Coyote Springs at a 75% load factor. PGE also obtained the required licenses and certificates necessary for the Company to independently bring natural gas from Canada which will provide PGE with the opportunity to contract directly with Canadian suppliers of natural gas to support Coyote Springs operations.

ENVIRONMENTAL MATTERS

PGE operates in a state recognized for environmental leadership. PGE's environmental stewardship policy emphasizes minimizing waste in its operations, minimizing environmental risk and 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 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 DEQ, the Oregon Department of Energy and EFSC. Environmental matters regulated by these agencies include the siting and operation of generating facilities and the accumulation, cleanup and disposal of toxic and hazardous wastes.

AIR/WATER QUALITY

Congress passed amendments to the Clean Air Act (Act) that will renew and intensify national efforts to reduce air pollution. Significant reductions in emissions of sulfur dioxide, nitrogen oxide and other 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.

In 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. PGE has purchased additional allowances and anticipates being able to operate the plant at a normal 85% capacity factor. 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. However, future legislation, if adopted, could affect plant operations and increase operating costs or reduce coal-fired capacity.

Boardman's air contaminant discharge permit, issued by the DEQ, has no limitations on power production. This permit expires in the year 2000. 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.

DEQ air contaminant discharge permits for the combustion turbine generators at Bethel expired in 1995 and were replaced by new federal permits. Bethel was one of the first plants in the nation to successfully pass the more rigorous federal permitting process. DEQ still limits night operations to one unit due to noise considerations. Maximum plant operations are allowed during the day. The combustion turbines are allowed to operate on either natural gas or oil.

PGE is no longer accepting oil shipments by river for its Beaver plant in order to eliminate the risk of an oil spill into the Columbia River. Instead, the rail off-loading facility has been upgraded. This plant is normally fired by natural gas, and only small amounts of oil are used.

ENVIRONMENTAL CLEANUP

PGE is involved with others in the environmental clean-up of PCB contaminants at various sites as a potentially responsible party (PRP). The clean-up effort is considered complete at several sites which are awaiting consent orders from the appropriate regulatory agencies. Future clean-up costs associated with these sites are not expected to be material.

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 administrative services for electric futures trading. 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 primarily its investments in its subsidiaries.

LEASING

COLUMBIA WILLAMETTE LEASING
CWL acquires and leases capital equipment on a leveraged basis. During 1995, 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 $153 million of net investment. No new investments are expected or planned for the foreseeable future.

ELECTRICITY TRADING ADMINISTRATIVE SERVICES

TULE HUB SERVICES COMPANY (TULE)
Tule, incorporated in Oregon during 1994, was created to provide administrative services to facilitate the trading of electric energy at COB. Tule is modeled after similar companies in the crude oil and natural gas industries that evolved as a result of deregulation and the trading of related futures contracts. Tule has been working with the operators of the interconnected transmission lines to develop and test a transfer service which will verify and reconcile the title transfers occurring among the various buyers and sellers at COB. This will facilitate the trading of electricity for power marketers by providing record-keeping while protecting competitive information.

INDEPENDENT POWER

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. Numerous lawsuits have been filed in this matter by Bonneville Pacific and other parties since late 1991. See Note 14, Legal Matters, in the Notes to Financial Statements and Item 3, Legal Proceedings, for more information.

ITEM 2. PROPERTIES

PORTLAND GENERAL CORPORATION

Discussion regarding nonutility properties is included in the previous section.

PORTLAND GENERAL ELECTRIC COMPANY

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. The map below shows PGE's Oregon service territory and location of generating facilities:

OREGON

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

FACILITY	Location	Fuel	PGE Net MW Capability	PGE INTEREST
WHOLLY OWNED:				
Faraday	Clackamas River	Hydro	44	
North Fork	Clackamas River	Hydro	52	
Oak Grove	Clackamas River	Hydro	44	
River Mill	Clackamas River	Hydro	23	
Pelton	Deschutes River	Hydro	108	
Round Butte	Deschutes River	Hydro	300	
Bull Run	Sandy River	Hydro	22	
Sullivan	Willamette River	Hydro	16	
Beaver	Clatskanie, OR	Gas/Oil	500	
Bethel	Salem, OR	Gas/Oil	116	
Coyote Springs	Boardman, OR	Gas/Oil	241	
JOINTLY OWNED:				
Boardman	Boardman, OR	Coal	330 @	65.0%
Centralia	Centralia, WA	Coal	33 @	2.5%
Colstrip 3 & 4	Colstrip, MT	Coal	288 @	20.0%
Trojan	Rainier, OR	Nuclear	- @	67.5%
		TOTAL	2,117	

PGE holds five licenses under the Federal Power Act which expire during the years 2001 to 2006 for its hydroelectric generating plants. FERC requires that a notice of intent to relicense these projects be filed approximately five years prior to expiration of the license. PGE is actively pursuing the renewal of these licenses. The State of Oregon also has licensed all or portions of five hydro plants. For further information see the Hydro Relicensing discussion in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Following the 1993 closure, PGE was granted a possession-only license amendment for Trojan by the NRC. In early 1995 PGE filed its Trojan decommissioning plan with the NRC. See Note 11, Trojan Nuclear Plant, in the Notes to the Financial Statements for further information.

LEASED PROPERTIES

Combustion turbine generators at Bethel and Beaver are leased by PGE. These leases expire in 1999. PGE leases its headquarters complex in downtown Portland and the coal-handling facilities and certain railroad cars for Boardman.

ITEM 3. LEGAL PROCEEDINGS

NONUTILITY

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

This action was originally filed on April 24, 1992 by Bonneville Pacific against Portland General, Holdings, and certain individuals affiliated with Portland General or Holdings alleging breach of fiduciary duty, tortious interference, breach of contract, and other actionable wrongs related to Holdings' investment in Bonneville Pacific.

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 or Holdings and over 50 other defendants unrelated to Portland General or Holdings. This complaint and another subsequent amended version were dismissed by the Court in whole or in part. The Trustee has currently on file his Fifth Amended Complaint. The complaint includes allegations of RICO violations and RICO conspiracy, collusive tort, civil conspiracy, common law fraud, negligent misrepresentation, breach of fiduciary duty, liability as a partner for the debts of a partnership, and other actionable wrongs. The Court has rejected the Trustee's previously filed damage study which is expected to be revised and refiled. The Portland General parties have again filed motions to dismiss. Arguments were heard in December 1994, and the motions are awaiting decision by the Court. No discovery cutoff or trial date has been set.

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. 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.

This case has been consolidated for all purposes with PORTLAND GENERAL HOLDINGS, INC. V. BONNEVILLE GROUP AND RAYMOND L. HIXSON noted below. Some of the defendants in the consolidated case have asserted counterclaims against Holdings. Certain counterclaims do not presently specify an amount of damages. The remaining counterclaims, taken together, seek approximately $80 million in specified and punitive damages. The Company believes the counterclaims have little merit.

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.

UTILITY

PGE V. RONALD EACHUS, MYRON KATZ, NANCY RYLES (OREGON PUBLIC UTILITY COMMISSIONERS) AND THE OPUC, MARION COUNTY CIRCUIT COURT

In July 1990 PGE reached an out-of-court settlement with the OPUC on two of three matters arising from its 1987 rate case. The settlement resolved the dispute regarding the treatment of certain investment tax credits and the 1986-1987 interim relief. The settlement did not resolve the issue related to the gain on PGE's sale of a portion of Boardman and the Intertie. On January 23, 1995, the judge affirmed the OPUC decision allocating 77% of the gain to customers over a 27-year period which PGE subsequently appealed. PGE withdrew its appeal in December 1995, pursuant to an agreement adopted in an OPUC rate order. Certain cross claims filed by the Utility Reform Project are still active in this case which PGE will vigorously defend against. See Note 13, Regulatory Matters, in the Notes to Financial Statements for more details.

UTILITY REFORM PROJECT V. OPUC, MULTNOMAH COUNTY CIRCUIT COURT

On February 18, 1992 the Utility Reform Project (URP) filed a complaint in Multnomah County Oregon Circuit Court asking the OPUC to set aside and rescind OPUC Order No. 91-1781 which authorized PGE a temporary rate increase to recover a portion of the excess power costs incurred during the 1991 Trojan outage. URP and the OPUC agreed to stay the case pending OPUC hearings on the OPUC order. On February 22, 1992 the OPUC issued an order approving the rate increase. The case is currently under a stay. PGE has not intervened in this case.

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

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

On July 3, 1991 the Court ruled that the Agreement did not allocate customers for the provision of exclusive services and that the 1972 order of the OPUC approving the Agreement did not order the allocation of territories and customers. Subsequently, on August 19, 1993 the Court ruled that Columbia Steel was entitled to receive from PGE approximately $1.3 million in damages which represented the additional costs incurred by Columbia Steel for electric service from July 1990 to July 1991, trebled, plus costs and attorney's fees.

PGE appealed to the U.S. Court of Appeals for the Ninth Circuit which on July 20, 1995, issued an opinion in favor of PGE, reversing the judgment and ordering judgment to be entered in favor of PGE. Columbia Steel filed a petition for reconsideration which the court has not yet ruled on.

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 dismissed PGE's claims of negligence and negligent misrepresentation. A trial date has not been set.

SOUTHERN CALIFORNIA EDISON COMPANY V. PGE, U.S. DISTRICT COURT FOR THE DISTRICT OF OREGON

On August 3, 1994, Southern California Edison (SCE) filed a complaint in Multnomah County Circuit Court in Portland, Oregon claiming PGE's decision to close Trojan violated the terms of a long-term firm power sales and exchange agreement entered into in 1986. The 25-year contract is for 75 MW of firm energy and capacity plus a 225-MW seasonal exchange. Under the agreement SCE is obligated to pay to PGE a reservation fee for system capacity, seasonal exchange and other services equal to $16.9 million annually. SCE is seeking termination of the agreement and damages including a return of payments made to PGE from the date of PGE's alleged default (approximately $51 million).

PGE successfully moved for summary judgment on all of plaintiff's claims. Judgment dismissing all of those claims with prejudice was entered on September 12, 1995. Plaintiff has filed a notice of appeal.

UTILITY REFORM PROJECT AND DON'T WASTE OREGON COUNCIL V. ENERGY FACILITY SITING COUNCIL, PORTLAND GENERAL ELECTRIC COMPANY AND OREGON DEPARTMENT OF FISH AND WILDLIFE, SUPREME COURT OF THE STATE OF OREGON

On November 16, 1994 and November 17, 1994, URP and Don't Waste Oregon Council (DWOC), respectively, filed Petitions for Judicial Review of the order of the EFSC granting a site certificate for the Coyote Springs Generation Plant. The Petitions have been consolidated. URP and DWOC seek to have the order remanded to EFSC for reconsideration. They allege that EFSC did not adequately address standards related to the need for power and financial assurances, and erred in its treatment of certain confidential information. In November 1995, the Court upheld the EFSC decision granting the Coyote Springs Site Certificate and subsequently denied a petition for reconsideration.

CITIZEN'S UTILITY BOARD OF OREGON V. PUBLIC UTILITY COMMISSION OF OREGON, COURT OF APPEALS FOR THE STATE OF OREGON, JANUARY 1995

The Citizen's Utility Board (CUB) appealed a 1994 ruling from the Marion County Circuit Court which upheld the order of the OPUC in its Declaratory Ruling proceeding (DR-10). In the DR-10 proceeding, PGE filed an Application with the OPUC requesting a Declaratory Ruling regarding recovery of the Trojan investment and decommissioning costs. On August 9, 1993 the OPUC issued the declaratory ruling. In its ruling, the OPUC agreed with an opinion issued by the Oregon Department of Justice (Attorney General) stating that under current law, the OPUC has authority to allow recovery of and a return on Trojan investment and future decommissioning costs.

UTILITY REFORM PROJECT AND COLLEEN O'NEIL V. OPUC, MULTNOMAH COUNTY OREGON CIRCUIT COURT, MARCH 1995

The URP filed an appeal of the OPUC's order in PGE's general rate case. Among other things, the OPUC order granted PGE full recovery of Trojan Decommissioning costs and 87% of its remaining investment in the plant. URP alleges that the OPUC lacks authority to allow PGE to recover Trojan costs through its rates. The complaint seeks to remand the case back to the OPUC and have all costs related to Trojan immediately removed from PGE's rates.

CITIZENS UTILITY BOARD OF OREGON V. PUBLIC UTILITY COMMISSION OF OREGON, MARION COUNTY OREGON CIRCUIT COURT, APRIL 1995

The CUB filed an appeal challenging the portion of the OPUC's order in PGE's general rate case authorizing PGE to recover a return on its remaining investment in Trojan. CUB alleges that the OPUC's decision is not based upon evidence received in the rate case, is not supported by substantial evidence in the record of the case, is based on an erroneous interpretation of law and is outside the scope of the OPUC's discretion, and otherwise violates constitutional or statutory provisions. CUB seeks to have the order modified, vacated, set aside or reversed.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EXECUTIVE OFFICERS OF PORTLAND GENERAL CORPORATION AND PORTLAND GENERAL ELECTRIC (*)

NAME	AGE	BUSINESS EXPERIENCE
PGC/PGE		
Ken L. Harrison Chairman of the Board, Chief Executive Officer President	53	Appointed to current position of Chairman of the Board and Chief Executive Officer on December 1, 1988 and President of Portland General since August 4, 1992. Served as President of Portland General Electric from June 1987 until September 1989. Reappointed President of PGE on January 1, 1996.
Alvin Alexanderson Senior Vice President General Counsel and Secretary	48	Appointed to current position on December 12, 1995. Served as Vice President, Rates and Regulatory Affairs from February 1991 until appointed to current position. Previously served as President of Portland General Exchange from May 1988 until February 1991.
Joseph M. Hirko Senior Vice President Chief Financial Officer	39	Appointed to Senior Vice President on September 12, 1995. Has served as Vice President-Finance, Chief Financial Officer and Chief Accounting Officer since December 1991. Served as Treasurer beginning in June 1989. Served as Vice President, Portland General Financial Services, Inc. from November 1985 until June 1989.
Donald F. Kielblock Vice President - PGC/PGE Human Resources	54	Appointed to current position on October 4, 1989. Previously served as General Manager, Information Services of PGE until appointed to current position.
PGE		
David K. Carboneau Vice President Information Technology	49	Appointed to current position on January 1, 1996. Served as Vice President, Thermal and Power Operations from September 12, 1995 until appointed to current position. Previously served as Vice President, Administration from October 1992 to September 1995. Served as Vice President, Information Resources from October 1989 to October 1992. For four years prior to October 1989, served as an executive officer of PGE.
Richard E. Dyer Senior Vice President Power Supply	53	Appointed to current position on September 12, 1995. Previously served as Vice President and General Manager of Power Resources and Marketing from August 1994 until appointed to current position. Served as Vice President, PGE Marketing and Supply from July 1991 to August 1994. Served as PGC Vice President and Assistant to the Chairman of the Board from October 1990 until July 1991.
Peggy Y. Fowler Senior Vice President Energy Services	44	Appointed to current position on September 12, 1995. Served as Vice President, Distribution and Power Production from January 1990 until appointed to current position. Served as General Manager, Hydro Production and Transmission from September 1989 to January 1990.
Frederick D. Miller Vice President Public Affairs and Corporate Services	54	Appointed to current position on October 15, 1992. Served as Director of Executive Department, State of Oregon, from 1987 until appointed to current position.

(*) Officers are listed as of January 31, 1996. The officers are elected to serve for a term of one year or until their successors are elected and qualified.

ITEM 5. MARKET FOR 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 1995 and 1994.

	1995				1994			
QUARTER	1ST	2ND	3RD	4TH	1ST	2ND	3RD	4TH
High	20-7/8	23-1/4	25-3/4	29-1/4	20-1/2	18-7/8	18-1/4	19-3/4
Low	18-7/8	20-1/4	21-5/8	25-1/4	17-1/4	16-3/8	16-1/2	16-1/2
Closing price	20-7/8	22-3/8	25-5/8	29-1/8	17-1/2	17	16-7/8	19-1/4
Cash dividends declared (cents)	30	30	30	30	30	30	30	30

The approximate number of shareholders of record as of December 31, l995 was 42,051.

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	1995	1994
First	$11,545	$15,393
Second	11,545	15,393
Third	13,682	12,828
Fourth	13,684	12,828

PGE is restricted, without prior OPUC 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

	1995	1994	1993	1992	1991
	FOR THE YEARS ENDED DECEMBER 31 (thousands of dollars except per share amounts)				
Operating Revenues	$983,582	$959,409	$946,829	$883,266	$889,876
Net Operating Income	195,576	154,296	158,181	163,500	136,531
Income (loss) from Continuing Operations	81,036{1}	93,058	89,118	89,623	(20,698){2}
Gain (loss) from Discontinued Operations{3}	-	6,472	-	-	(29,169)
Net Income (loss)	$ 81,036{1}	$ 99,530	$ 89,118	$ 89,623	$(49,867)
Earnings (loss) per Average Common Share					
Continuing Operations	$ 1.60	$ 1.86	$ 1.88	$ 1.93{4}	$ (.43){4}
Discontinued Operations{3}	-	.13	-	-	(.63)
	$ 1.60	$ 1.99	$ 1.88	$ 1.93{4}	$(1.06){4}
Dividends Declared per Common Share	$ 1.20	$ 1.20	$ 1.20	$ 1.20	$ 1.20
Total Assets	$3,448,017	$3,559,271	$3,449,328	$3,140,625	$3,092,596
Long-Term Obligations{5}	930,556	885,814	912,994	937,938	967,968

PORTLAND GENERAL ELECTRIC COMPANY

	1995	1994	1993	1992	1991
	FOR THE YEARS ENDED DECEMBER 31 (thousands of dollars)				
Operating Revenues	$981,628	$958,955	$944,531	$880,098	$885,578
Net Operating Income	195,186	153,208	154,200	160,037	139,257
Net Income	92,787{1}	106,118	99,744	105,562	74,075
Total Assets	$3,245,597	$3,354,151	$3,226,674	$2,920,980	$2,912,254
Long-Term Obligations{5}	930,556	855,814	872,994	887,938	887,952

NOTES TO THE TABLES ABOVE:
1 Includes a loss of $50 million from regulatory disallowances.
2 Includes a loss of $74 million from independent power.
3 Reflects the results of real estate operations which Portland General discontinued in 1989.
4 Includes $.02 for tax benefits from ESOP dividends.
5 Includes long-term debt, preferred stock subject to mandatory redemption requirements and long-term capital lease obligations.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

GENERAL

Portland General reported 1995 earnings of $81 million or $1.60 per share, compared to $100 million or $1.99 per share for 1994. 1995 results include a $50 million after-tax charge to income related to the OPUC's rate orders disallowing certain deferred power costs and 13% of PGE's remaining investment in Trojan. 1994 earnings include the restoration to income of $6 million, after tax, of previously recorded real estate reserves. Excluding the effect of the regulatory disallowances, income from continuing operations would have been $131 million compared to $93 million in 1994.

PGE ACCOUNTS FOR SUBSTANTIALLY ALL OF PORTLAND GENERAL'S ASSETS, REVENUES AND NET INCOME. THE FOLLOWING DISCUSSION FOCUSES ON PGE UTILITY OPERATIONS, UNLESS OTHERWISE NOTED.

1995 COMPARED TO 1994

Strong operating earnings reflected the benefits of low variable power costs due to improved hydro conditions, lower natural gas prices and a competitive wholesale market. The Company also benefited from continued sales growth and a retail price increase.

Retail revenues increased $32 million, or nearly 4%, due largely to the Company's general rate increase and continued load growth. An average 5% general rate increase effective April 1, coupled with a 263,000 MWh increase in energy sales, resulted in $45 million of additional revenue. An increase in retail customers of 14,600 and a continuing strong local economy resulted in weather-adjusted load growth of 2.8%. Industrial customers contributed the major portion of load growth for the year due to the recent expansion of high-technology and supporting industries in the region. Weather-adjusted load for residential customers increased 1.2% over last year. Over 12,900 residential customers were added during 1995. Retail revenue increases were partially offset by warmer than normal weather during winter heating months which decreased residential demand for energy, and a decrease in accrued revenues, a result of fewer power cost deferrals and SAVE incentive revenues.

Wholesale sales contributed $95 million or approximately 10% of total operating revenues. The Company's aggressive marketing efforts resulted in a 25% increase in sales; however, revenues declined $11 million as average prices decreased 28%.

Variable power costs fell $54 million, or 15%, despite increased Company load as the average cost of power decreased from 19.1 to 15.9 mills (10 mills = 1 cent). Improved hydro conditions, mild weather, cheaper natural gas, and competition among suppliers all contributed to abundant and low-cost supplies of secondary energy in the region. Company hydro generation increased 20%, or 412,000 MWh, reflecting good water conditions on the Clackamas River system similar to those experienced throughout the

West. Energy purchases were up 28% due to increased loads and thermal displacement, while abundant supplies of energy drove secondary prices below 1994 levels. Secondary purchases averaged 11.3 mills, ranging from 1.8 to 28 mills, compared to an average 20.1 mills in 1994.

Throughout the year PGE was able to economically dispatch or displace thermal generation in response to movements in the cost of short-term power. Low-cost hydro significantly displaced PGE thermal generation, which decreased 32% from 1994. Beaver generated electricity at 38% lower cost due to favorable gas prices.

RESOURCE MIX/VARIABLE POWER COSTS

	Resource Mix		Average Variable Power Cost (Mills/KWh)	
	1995	1994	1995	1994
Generation	36%	47%	8.0	10.6
Firm Purchases	39%	33%	22.7	25.7
Secondary Purchases	25%	20%	11.3	20.1
Total	100%	100%	15.9	19.1

Operating expenses (excluding variable power costs, depreciation and income taxes) were $10 million, or 4%, higher primarily due to storm damages incurred in December 1995. A combination of wind and ice storms caused a record number of customer outages in PGE's service territory. Repair efforts to restore customers' service included around the clock efforts from PGE personnel and contract crews at a total cost exceeding $10 million, of which PGE is self-insured for the first $5 million.

A March 1995 general rate order disallowed recovery of 13% of PGE's Trojan investment resulting in a $37 million after-tax charge to income. PGE also recorded a $13 million after-tax third quarter loss as a result of an OPUC order which disallowed recovery of a portion of the Company's deferred power costs. For further information on the OPUC order, see Note 13, Regulatory Matters.

Depreciation increased $10 million, or 8%, largely due to higher depreciation rates effective with the Company's general rate increase. Income taxes increased $18 million primarily due to an increase in before-tax operating income. The Company benefited from a one-time state tax refund of approximately $4 million which contributed to a lower effective tax rate for the year.

The construction of Coyote Springs accounted for the increases in capitalized interest during each year, which partially offset a corresponding increase in interest expense. Income also includes a $5 million charge for increased charitable donations.

1994 COMPARED TO 1993

Portland General's 1994 earnings of $100 million, $1.99 per share, compared favorably to 1993 earnings of $89 million, $1.88 per share. In 1994 previously recorded real estate reserves of $6 million, after tax, or $.13 per share, were restored to income as a result of the substantial completion of divestiture of real estate investments. Income from continuing operations was $93 million compared to $89 million in 1993.

Customer growth and increased wholesale activity resulted in strong energy sales for the year. KWh sales increased 8% over the prior year, adding $60 million to revenues. Weather-adjusted retail load grew approximately 2.5% with the addition of nearly 13,700 retail customers. Wholesale kWh sales escalated 69% reflecting the availability of low cost power for resale and the Company's active wholesale marketing of energy throughout the western United States.

Accrued revenues of $19 million, relating to power cost deferrals, were down substantially from $67 million in 1993. PGE deferred for later collection a portion of incremental Trojan replacement power costs for nine months during 1993. Nuclear cost savings allowed PGE to operate the last nine months of 1994 without the need for additional power cost deferrals.

An 8% increase in total sales combined with a 14% decline in PGE's hydro generation contributed to a $35 million increase in variable power costs. Strong performance at PGE's thermal generating facilities allowed PGE to generate 47% of its total system load compared to 42% in 1993. Generation at coal fired plants increased 20%, with all plants producing above 1993 levels. Despite the increased generation at its thermal plants, average fuel costs decreased by 4% due to low natural gas prices. These factors contributed to a reduction in total average variable power costs to 19.1 mills/kWh from 19.4 mills/kWh in 1993.

Operating expenses (excluding variable power costs, depreciation, and amortization) decreased by $24 million. Continued emphasis on cost reductions at Trojan resulted in $30 million in decreased nuclear operating expenses. Since plant closure in 1993, the number of PGE nuclear employees has dropped from 984 to 166 and correspondingly annual nuclear operating expenses have declined from approximately $96 million to $15 million. Increases in operating costs on PGE's distribution system partially offset nuclear cost savings.

The $4 million increase in other income reflected an increase in accrued interest on deferred power costs and a gain on the sale of non-utility property, partially offset by provisions for litigation costs. Allowance for funds used during construction increased $4 million, primarily due to the level of construction expenditures at Coyote Springs in 1994, which helped offset increased interest costs on short-term borrowings.

FINANCIAL CONDITION

During 1995 regulatory actions resulted in the write-down and elimination of certain regulatory assets and liabilities. The March 1995 general rate order, discussed in Note 13, Regulatory Matters, resulted in the write-down of 13% of PGE's investment in Trojan. Continued amortization and the regulatory offset of $20 million, discussed below, also contributed to the decrease in the Trojan investment balance.

In November 1995 the Company placed Coyote Springs in service. Concurrently, a rate proceeding was finalized which provided recovery of the fixed and capital costs of the plant.

The November 1995 proceeding also approved partial recovery of PGE's outstanding power costs deferrals, recorded as unbilled and accrued revenues. The order adopted the Company's proposal to offset the uncollected balances of all power cost deferrals approved for recovery, a portion of the Trojan Investment, and certain other regulatory assets against the Company's $117 million deferred gain remaining from the 1985 sale of a portion of Boardman and the Intertie. See Note 13, Regulatory Matters, in the Notes to the Financial Statements for additional discussion regarding the November 1995 order.

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, asset sales, leasing rentals, short- and intermediate-term borrowings, and the sale of Portland General's common stock.

During 1995, Portland General discontinued its commercial paper program. In order to meet periodic liquidity and operational needs, Portland General has maintained a one-year credit facility of $15 million from which no borrowings were made during 1995.
As of year-end 1995 Portland General had $30 million of debt which matures in 1996.

Portland General received $50 million in dividends from PGE. In addition, Portland General received $10 million in proceeds from the issuance of new shares of common stock under its Dividend Reinvestment and

Optional Cash Payment Plan (DRIP). Beginning in November 1995 Portland General began open market purchases of common stock for the DRIP program rather than issuing new shares.

PORTLAND GENERAL ELECTRIC COMPANY

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

A significant portion of cash from operations comes from depreciation and amortization of utility plant, charges which are recovered in customer revenues but require no current cash outlay. Changes in accounts receivable and accounts payable can also be significant contributors or users of cash. Improved cash flow for the current year reflects the Company's general price increase and lower variable power costs. Cash flows were not adversely affected by the $50 million non-cash charge to income for regulatory disallowances. 1994 cash flows were affected by a $20 million tax prepayment related to a 1985 WNP-3 abandonment loss deduction which was challenged by the IRS. During 1995 Portland General reached a settlement with the IRS regarding the deduction. The settlement did not materially affect the Company's cash requirements (see Note 3, Income Taxes, for further information).

INVESTING ACTIVITIES include generation, transmission and distribution facilities improvements, as well as energy efficiency programs. 1995 capital expenditures of $232 million were primarily for the expansion and upgrade of its transmission and distribution system and completion of Coyote Springs. Annual capital expenditures are expected to be approximately $170 million over the next few years. The majority of anticipated capital expenditures are for improvements to the Company's expanding distribution system to support the addition of new customers to PGE's service territory.

The Company plans to proceed with obtaining required site permits for potential new generating resources but does not anticipate new construction in the foreseeable future. The Company will continue to make energy efficiency expenditures but at approximately 50% of 1995 levels.

FINANCING ACTIVITIES provide supplemental cash for day-to-day operations and capital requirements as needed. During 1996 internal funding is expected to cover the Company's capital expenditures.

PGE maintains varying levels of short-term debt, primarily in the form of commercial paper, which serve as the primary form of daily liquidity with 1995 balances ranging from $30 million to $170 million. PGE has committed borrowing facilities totaling $200 million which are used primarily as backup for PGE's $200 million commercial paper facility. In July 1995, PGE extended the life of its $200 million credit facility to five years and reduced the annual commitment fee to ensure adequate liquidity and take advantage of an attractive market for credit.

In 1995 PGE redeemed $80 million of preferred stock including a $10 million sinking fund payment. To fund the redemption, PGE issued $75 million of Junior Subordinated Deferrable Interest Debentures due 2035, which are listed on the NYSE.

In May 1995 PGE issued $75 million of medium term notes secured by its First Mortgage Bond Indenture with maturities ranging from 5 to 12 years. Concurrently with the issuance of the debt, PGE settled two outstanding forward interest rate swap agreements, each with a notional amount of $25 million, which were initiated in November 1994. The termination resulted in a $5 million payment which was deferred and will be amortized over the average life of the bonds issued.

PGE filed a shelf registration statement for $250 million providing for the issuance of secured debt as well as unsecured senior and junior debentures. The registration statement allows for the debt to be issued for terms ranging from nine months to 40 years as either fixed or floating rate debt. With the issuance of the $75 million of debentures discussed above, PGE currently has $175 million of debt issuance capacity under its existing shelf registration.

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, 1995, PGE could issue $408 million of preferred stock and $455 million of additional First Mortgage Bonds.

In January 1996 the Company issued a $35 million variable rate note to a commercial bank maturing in January 1997 to fund the early redemption of 7.75% and 7.95% First Mortgage Bonds.

FINANCIAL AND OPERATING OUTLOOK

COMPETITION

The Energy Policy Act of 1992 (Energy Act) set the stage for change in federal and state regulations aimed at increasing both wholesale and retail competition in the electric industry. The Energy Act eased restrictions on independent power production and granted authority to FERC to mandate open access for the wholesale transmission of electricity.

FERC has taken steps to provide a framework for increased competition in the electric industry. In March 1995 it issued a Notice of Proposed Rulemaking (NOPR) regarding non-discriminatory open access transmission requirements for all public utilities. The proposed rules address several issues including stranded asset recovery and open access transmission of electricity. If adopted, the proposed open access transmission requirements would give wholesale competitors access to PGE's transmission facilities and, in turn, give PGE access to others' transmission facilities. PGE filed an open access transmission tariff with FERC but has not yet received an order.

Since the passage of the Energy Act, various state utility commissions have addressed proposals which would gradually allow customers direct access to generation suppliers, marketers, brokers and other service providers in a competitive marketplace for energy services. Although presently operating in a cost-based regulated environment, PGE expects increasing competition from other forms of energy and other suppliers of electricity. While the Company is unable to determine the future impact of increased competition, it believes that ultimately it will result in reduced wholesale and retail prices.

OREGON REGULATORY ENVIRONMENT

The OPUC is approaching the issues of retail competition on an informal, utility-by-utility basis, rather than through generic, broad-based proceedings. The OPUC has had a long-standing policy of allowing special contracts for customers that have competitive options, and many of PGE's largest customers receive power under such contracts. In addition, the OPUC approved an innovative rate schedule under which PGE is sharing some of the risks and rewards of a more competitive wholesale market with large industrial and commercial customers not already under special contract. The OPUC is exploring performance-based ratemaking in a rate case for another Oregon investor-owned utility and, with regard to PGE, has expressed interest in receiving proposals for accelerated recovery of regulatory assets.

Recent rate orders have substantially reduced the Company's regulatory risks, particularly the uncertainty associated with the recovery of various regulatory assets. The OPUC approved recovery of 87% of PGE's remaining investment in Trojan and full recovery of Trojan's decommissioning costs (see Item 3, Legal Proceedings, for discussion on legal challenges to the OPUC's authorization). The OPUC also approved a proposal under which PGE simultaneously eliminated certain regulatory assets and liabilities (see Note 13, Regulatory Matters, for further discussion of 1995 rate orders).

It remains to be determined what effect future competitive factors may have on retail rates in Oregon and the Company's ability to fully recover remaining regulatory assets.

CUSTOMER GROWTH AND ENERGY SALES

The growth of PGE's retail customer base by over 14,600 contributed to an average 2.8% increase in weather-adjusted retail kWh sales. The Company continues to benefit from consistent growth in its residential customer class. During 1995, the addition of approximately 12,900 residential customers resulted in a 1.2% load growth for this customer class. Over the past 10 years increases in the number of residential customers has resulted in an average annual residential load growth of 1.2%.

In 1995, industrial customers expanded their demand for energy by 4.9%, making them the most rapidly growing customer class within PGE's service territory. Above average growth in this class is expected to contribute to an overall retail load growth of approximately 4.6% in 1996.

COMMODITY PRICE RISK MANAGEMENT

The Company is exposed to market risk arising from the need to purchase fuel for its generating units (both natural gas and coal) as well as the direct purchase and sale of wholesale electricity in support of its retail and wholesale markets. PGE operates without a power cost adjustment tariff, and therefore adjustments for power costs above or below those used in existing general tariffs are not automatically reflected in retail customers' rates. Through the formation of the trading floor, PGE has integrated its wholesale marketing, fuels, power operations and price risk management functions. This has led to a more efficient energy production and procurement process, as well as an expansion of the Company's ability to offer its customers a variety of energy solutions and pricing. This expansion of product offerings, in conjunction with the development of a broader, more competitive wholesale electricity market, means the Company must actively manage its market price risk.

The Company uses financial instruments, such as commodity futures, options, forwards and swaps, to hedge the price of natural gas and electricity and reduce the Company's exposure to market fluctuations in the price of natural gas and electricity. In addition to hedging activities, Company policy has been expanded to allow for the use of financial instruments for trading purposes in support of Company operations although no trading of financial instruments was done during the year. In 1995, transactions consisted primarily of fixed for floating swap agreements where the Company receives or makes payments based on the differential between a specified price and the actual price of natural gas or electricity. Swap contracts generally require monthly cash settlements over the term of the contract. The Company is exposed to credit risk in the event of non-performance by the counterparties and has established guidelines to mitigate that risk.

POWER & FUEL SUPPLY

PGE's base of hydro and thermal generating capacity provides the Company with the flexibility needed to respond to seasonal fluctuations in the demand for electricity both within its Oregon service territory and from its wholesale customers. PGE plans to generate 35% of its energy requirements during 1996, approximately the same level achieved during 1995.

PGE maintains flexibility in fuel supply contracts to allow for the economic dispatch of PGE's thermal resources in conjunction with hydro operations and the current market price of wholesale power. The Company benefits from a strategic location which places it adjacent to two competing natural gas pipelines with access to three significant producing basins. Firm transportation on both pipelines provides an adequate supply of natural gas to meet plant generating capacities. In addition, the Company maintains a flexible portfolio of physical supply which relies heavily on short-term agreements and spot-market purchases to fuel plant operations.

During 1995 the Company relied on wholesale purchases to supply approximately 64% of its energy needs, and PGE expects to purchase approximately 65% of its 1996 load requirements. PGE has long-term power contracts with four hydro projects on the mid-Columbia River which provide PGE with 590 MW. Early predictions of 1996 water conditions indicate they will be about normal; however, efforts to restore salmon runs on the Columbia and Snake Rivers may affect the supply and price of purchased power (see Restoration of Salmon Runs below). Additional factors that could affect purchased power include weather conditions in the Northwest during winter months and in the Southwest during summer months, as well as the performance of major generating facilities in both regions.

PGE has increasingly relied upon short-term purchases to meet its energy needs. The Company anticipates that an active wholesale market and surplus of generating capacity within the WSCC (see the Power Supply discussion under Item 1, Business, for further information regarding the WSCC) should provide sufficient wholesale energy available at competitive prices to supplement Company generation and purchases under existing firm power contracts.

RESTORATION OF SALMON RUNS - Several species of Snake River salmon are protected as threatened under the Endangered Species Act (ESA). The federal government has taken emergency actions that have reduced the amount of electricity generated at the Columbia and Snake River dams in an attempt to save the endangered fish. In January 1995 the National Marine Fisheries Service (NMFS) released a draft plan calling for altering the management of federal dams and reservoirs in the Columbia River basin in order to protect dwindling salmon stocks. The plan takes steps to boost river flows while young salmon are migrating and further reduces the water available for generation. The release of the NMFS final plan is scheduled for early 1996 and is expected to call for salmon protection measures similar to those adopted by the draft plan. NMFS is empowered by the ESA to require salmon protection measures by the U.S. Bureau of Reclamation and the U.S. Army Corps of Engineers which operate the federal dams.

The Columbia River and its tributaries produce nearly two thirds of the electricity used in the region. PGE purchases power from many sources, including the mid-Columbia dams. Reductions in the amount of water allowed to flow through the dams' turbines reduce generation and increase the cost of power available to purchase on a non-contract, or secondary, basis. The attempt to improve fish passage by releasing more water from the reservoirs in the spring and summer could mean less water available in the fall and winter when the demand for electricity in the Pacific Northwest is the highest and could lead to higher power costs.

HYDRO RELICENSING

PGE HYDRO - PGE's hydroelectric plants are some of the Company's most valuable resources supplying economical generation and flexible load following capabilities. Company-owned hydro generation produced 2.4 million MWh of renewable energy in 1995, meeting 11% of PGE's load. PGE's hydroelectric plants, which operate under federal licenses, will be up for renewal between the years 2001 and 2006. The license for the 408-MW Pelton/Round Butte project - the Company's largest hydro resource - is the first up for renewal. PGE will file a notice of intent with FERC officially beginning the anticipated minimum five year relicensing process. Should the relicensing process not be completed prior to the expiration of the original license, annual licenses will be issued, usually under the original terms and conditions.

The relicensing process includes the involvement of numerous interested parties such as governmental agencies, public interest groups and communities, with much of the focus on environmental concerns. PGE has already performed many pre-filing activities including nearly 50 public meetings with such groups. The cost of relicensing includes legal and filing fees as well as the cost of environmental studies, possible fish passage measures and wildlife habitat enhancements. Relicensing cost may be a significant factor in determining whether a project remains cost-effective after a new license is obtained, especially for smaller projects. Although FERC has never denied an application or issued a license to anyone other than the incumbent licensee, this is no assurance that a new license will be granted.

MID-COLUMBIA HYDRO - PGE's long-term power purchase contracts with certain public utility districts in the state of Washington expire between 2005 and 2017. Certain Idaho Electric Utility Co-operatives have initiated proceedings with FERC seeking to change the allocation of generation from the Priest Rapids and Wanapum dams between electric utilities in the region upon expiration of the current contracts. FERC is expected to rule on the matter during 1996. PGE will seek renewal of these contracts under terms and conditions similar to the original. However, an unfavorable FERC ruling could result in a reduction of the amount of power from the two projects that PGE could acquire beyond the expiration dates of the current contracts. For further information regarding the power purchase contracts on the mid-Columbia dams, including Priest Rapids and Wanapum, see Note 9, Commitments, in the Notes to Financial Statements.

NUCLEAR DECOMMISSIONING

In January 1995 PGE submitted its Trojan decommissioning plan to the NRC and EFSC. The plan, which estimates PGE's cost to decommission Trojan at $358 million in nominal dollars (actual dollars to be spent in each year), represents a site-specific decommissioning estimate performed for Trojan by an engineering firm experienced in decommissioning nuclear plants. This estimate assumes that the majority of decommissioning activities will occur between 1997 and 2001, beginning with the removal of certain large plant components while construction of a temporary dry spent fuel storage facility is taking place. The plan anticipates final site restoration activities will begin in 2018 after PGE completes shipment of spent fuel to a USDOE facility (see Note 11, Trojan Nuclear Plant, for further discussion of the decommissioning plan and other Trojan issues). PGE anticipates approval of its decommissioning plan during 1996 following the completion of a review process.

During 1995, PGE successfully completed the removal and burial of certain of Trojan's large components. Meanwhile, the Company is pursuing the licensing and planning issues in preparation for decommissioning activities to begin following plan approval.

NEW ACCOUNTING STANDARDS

SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of", imposes a stricter criterion for continuing to carry regulatory assets, requiring that such assets be probable of recovery at each balance sheet date. As of December 31, 1995, all regulatory assets are being collected in rates charged to customers.

The Company's accounting policies conform to generally accepted accounting principles and consider the effects of ratemaking practices. The Company has recorded certain regulatory assets and is dependent upon the regulatory process to ensure that future revenues will be provided to recover these costs. In the event that all or a portion of the Company's operations are no longer subject to cost-based regulation (due to a change in regulation or the effects of competition), the Company could be required to recognize the impairment of and write down its long-lived assets to their fair value as well as write off any remaining regulatory assets.

SFAS No. 123, "Accounting for Stock-Based Compensation", effective in 1996, encourages companies to recognize compensation expense for the fair value of stock-based compensation. The Company has limited use of stock-based compensation and does not anticipate that the adoption of this standard will have a material impact on the financial position or results of operations or cash flows of the Company. For further information on the Company's stock compensation plans see Note 4, Common and Preferred Stock, in the Notes to Financial Statements.

NONUTILITY

BONNEVILLE PACIFIC LITIGATION - Portland General, Holdings, and certain affiliated individuals, along with others, have been named as defendants in a class action by investors in Bonneville Pacific and in a suit filed by the bankruptcy trustee for Bonneville Pacific. The class action includes allegations of various violations of federal and Utah securities laws and of the Racketeer Influenced and Corrupt Organizations Act (RICO). The suit by the bankruptcy trustee for Bonneville Pacific alleges RICO violations and RICO conspiracy, collusive tort, civil conspiracy, common law fraud, negligent misrepresentation, breach of fiduciary duty, liability as a partner for the debts of a partnership 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. For additional information and further details, see Note 14, Legal Matters, in the Notes to Financial Statements.

Appendix (Electronic Filing Only)

Omitted graphic material:

Page 7 Retail Price v. Inflation graph comparing
PGE retail price (cents per KWh) to Portland CPI:

	Retail Price	CPI
1986	5.0	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	4.79	139.9
1993	4.86	144.7
1994	4.97	148.9
1995	5.16	153.2

Page 12 January reserve margin for WSCC region
available capability less peak load (megawatts & percent)

	Megawatts	Percent
1992	34,689	35.2
1993	22,997	21.7
1994	31,033	31.0
1995	31,018	28.8
1996	32,076	29.3
1997	30,578	27.4
1998	31,970	28.1
1999	31,883	27.6
2000	30,943	26.3
2001	29,039	24.3

Page 13 1995 Actual Power Sources pie chart:
(megawatt hours)

Combustion Turbines: 11% (2,272,000)
PGE Hydro: 11% (2,434,000)
Coal: 14% (2,933,000)
Purchased Power: 64% (13,948,000)

Page 13 1996 Forecasted Power Sources pie chart:
(megawatt hours)

PGE Hydro: 10% (2,384,000)
Coal: 12% (2,903,000)
Combustion Turbines: 13% (3,236,000)
Purchased Power: 65% (16,159,000)

Page 18 Map of PGE's Oregon service territory and location
of generating facilities.

Page 26 Operating Revenue and Net Income (Loss) graph:
($ Millions):

	Operating Revenue	Net Income
1991	890	(50)
1992	883	90
1993	947	89
1994	959	100
1995	984	81

Page 26 PGE Electricity Sales graph:
(Billions of kWh)

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
1994	Residential	6.7
	Commercial	6.2
	Industrial	3.9
	Wholesale	2.7

1995	Residential	6.6
	Commercial	6.4
	Industrial	4.1
	Wholesale	3.3

Page 26 Retail Revenues and Power Costs Graph:
(excluding effect of RPA credit) (Mills/kWh)

	Net Variable Power	Retail Revenues
1991	10	52
1992	11	53
1993	17	56
1994	16	53
1995	14	54

Page 27 Operating Expenses graph:
($ Millions)

1991	Operating Costs	361
	Variable Power	226
	Depreciation	112
1992	Operating Costs	327
	Variable Power	222
	Depreciation	99
1993	Operating Costs	283
	Variable Power	311
	Depreciation	122
1994	Operating Costs	262
	Variable Power	347
	Depreciation	124
1995	Operating Costs	271
	Variable Power	294
	Depreciation	134

Page 29 Utility Capital Expenditures graph:
($ Millions)

1991	150
1992	159
1993	149
1994	243
1995	232

Page 31 Residential Customers graph:
(Thousands)

1985	461076
1986	470136
1987	476481
1988	484293
1989	496165
1990	512913
1991	526699
1992	536111
1993	545410
1994	557338
1995	570253

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 LLP is Portland General's independent public accountant. As a part of its annual audit, selected internal accounting controls are reviewed 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 LLP. Management has also endeavored to ensure that all representations to Arthur Andersen LLP were valid and appropriate.

Joseph M. Hirko
Senior Vice President,
Chief Financial Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Portland General Corporation and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1995. 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.

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, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Portland, Oregon,
January 24, 1996

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31	1995	1994	1993
(THOUSANDS OF DOLLARS EXCEPT PER SHARE AMOUNTS)			
OPERATING REVENUES	$ 983,582	$ 959,409	$ 946,829
OPERATING EXPENSES			
Purchased power and fuel	293,589	347,125	311,713
Production and distribution	63,841	61,891	73,576
Maintenance and repairs	47,532	47,391	55,320
Administrative and other	108,067	100,596	100,321
Depreciation and amortization	134,423	124,081	122,218
Taxes other than income taxes	51,490	52,151	55,730
	698,942	733,235	718,878
OPERATING INCOME BEFORE INCOME TAXES	284,640	226,174	227,951
INCOME TAXES	89,064	71,878	69,770
NET OPERATING INCOME	195,576	154,296	158,181
OTHER INCOME (DEDUCTIONS)			
Regulatory disallowances - net of income taxes of $25,542	(49,567)	-	-
Interest expense	(79,128)	(71,653)	(70,802)
Allowance for funds used during construction	11,065	4,314	785
Preferred dividend requirement - PGE	(9,644)	(10,800)	(12,046)
Other - net of income taxes	12,734	16,901	13,000
INCOME FROM CONTINUING OPERATIONS	81,036	93,058	89,118
DISCONTINUED OPERATIONS			
Gain on disposal of real estate operations - net of income taxes of $4,226	-	6,472	-
NET INCOME	$ 81,036	$ 99,530	$ 89,118
COMMON STOCK			
Average shares outstanding	50,766,916	49,896,685	47,392,185
Earnings per average share			
Continuing operations	$1.60	$1.86	$1.88
Discontinued operations	-	0.13	-
Earnings per average share	$1.60	$1.99	$1.88
Dividends declared per share	$1.20	$1.20	$1.20

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31	1995	1994	1993
		(THOUSANDS OF DOLLARS)	
BALANCE AT BEGINNING OF YEAR	$ 118,676	$ 81,159	$ 50,481
NET INCOME	81,036	99,530	89,118
ESOP TAX BENEFIT AND OTHER	(2,872)	(1,705)	(1,524)
	196,840	178,984	138,075
DIVIDENDS DECLARED ON COMMON STOCK	60,955	60,308	56,916
BALANCE AT END OF YEAR	$ 135,885	$ 118,676	$ 81,159

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

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31	1995	1994
	(THOUSANDS OF DOLLARS)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of $33,382 and $148,267)	$ 2,754,280	$ 2,563,476
Accumulated depreciation	(1,040,014)	(958,465)
	1,714,266	1,605,011
Capital leases - less amortization of $27,966 and $25,796	9,353	11,523
	1,723,619	1,616,534
OTHER PROPERTY AND INVESTMENTS		
Leveraged leases	152,666	153,332
Trojan decommissioning trust, at market value	68,774	58,485
Corporate owned life insurance less loans of $26,432 and $21,731	74,574	65,687
Other investments	28,603	40,188
	324,617	317,692
CURRENT ASSETS		
Cash and cash equivalents	11,919	17,542
Accounts and notes receivable	104,815	91,418
Unbilled and accrued revenues	64,516	162,151
Inventories, at average cost	38,338	31,149
Prepayments and other	16,953	34,455
	236,541	336,715
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	301,023	402,713
Trojan decommissioning	311,403	338,718
Income taxes recoverable	217,366	217,967
Debt reacquisition costs	29,576	32,245
Energy efficiency programs	77,945	58,894
Other	27,611	47,787
WNP-3 settlement exchange agreement	168,399	173,308
Miscellaneous	29,917	16,698
	1,163,240	1,288,330
	$ 3,448,017	$ 3,559,271
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, $3.75 par value per share 100,000,000 shares authorized, 51,013,549 and 50,495,492 shares outstanding	$ 191,301	$ 189,358
Other paid-in capital - net	574,468	563,915
Unearned compensation	(8,506)	(13,636)
Retained earnings	135,885	118,676
	893,148	858,313
Cumulative preferred stock of subsidiary		
Subject to mandatory redemption	40,000	50,000
Not subject to mandatory redemption	-	69,704
Long-term debt	890,556	835,814
	1,823,704	1,813,831
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	105,114	81,506
Short-term borrowings	170,248	148,598
Accounts payable and other accruals	133,405	104,254
Accrued interest	16,247	19,915
Dividends payable	16,668	18,109
Accrued taxes	15,151	27,778
	456,833	400,160
OTHER		
Deferred income taxes	652,846	687,670
Deferred investment tax credits	51,211	56,760
Deferred gain on sale of assets	-	118,939
Trojan decommissioning and transition obligation	379,179	396,873
Miscellaneous	84,244	85,038
	1,167,480	1,345,280
	$ 3,448,017	$ 3,559,271

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

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31	1995	1994	1993
		(THOUSANDS OF DOLLARS)	
CASH PROVIDED (USED) BY -			
OPERATIONS:			
Net income	$ 81,036	$ 99,530	$ 89,118
Adjustment to reconcile net income to net cash provided by operations:			
Depreciation and amortization	102,266	94,217	89,749
Amortization of WNP-3 exchange agreement	4,910	4,695	4,489
Amortization of Trojan investment	24,884	26,738	26,329
Amortization of Trojan decommissioning	13,336	11,220	11,220
Amortization of deferred charges - other	(1,777)	2,712	6,713
Deferred income taxes - net	(9,555)	37,396	61,086
Other noncash revenues	(5,037)	(2,570)	(1,926)
Regulatory Disallowances	49,567	-	-
Changes in working capital:			
(Increase) Decrease in receivables	(14,687)	(22,952)	(74,123)
(Increase) Decrease in inventories	(7,189)	3,264	15,017
Increase (Decrease) in payables	22,122	(5,105)	(29,837)
Other working capital items - net	1,957	(18,104)	13,759
Trojan decommissioning expenditures	(10,927)	(3,360)	(1,625)
Deferred charges - other	(9,472)	13,987	(3,331)
Miscellaneous - net	15,108	5,897	17,728
	256,542	247,565	224,366
INVESTING ACTIVITIES:			
Utility construction - new resources	(49,096)	(87,537)	(28,666)
Utility construction - other	(158,198)	(131,675)	(101,692)
Energy efficiency programs	(25,013)	(23,745)	(18,149)
Rentals received from leveraged leases	21,204	20,886	15,530
Nuclear decommissioning trust deposits	(16,598)	(11,220)	(11,220)
Nuclear decommissioning trust withdrawals	13,521	-	-
Discontinued operations	-	26,288	2,600
Other	(1,465)	(14,058)	(10,763)
	(215,645)	(221,061)	(152,360)
FINANCING ACTIVITIES:			
Short-term borrowings - net	21,650	(10,816)	18,736
Borrowings from Corporate Owned Life Insurance	4,679	21,731	-
Long-term debt issued	147,138	74,631	249,782
Long-term debt retired	(69,445)	(49,882)	(279,986)
Repayment of nonrecourse borrowings for leveraged leases	(18,741)	(18,046)	(13,095)
Preferred stock retired	(79,704)	(20,000)	(3,600)
Common stock issued	10,299	50,074	9,520
Dividends paid	(62,396)	(59,856)	(56,850)
	(46,520)	(12,164)	(75,493)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,623)	14,340	(3,487)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	17,542	3,202	6,689
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	$ 11,919	$ 17,542	$ 3,202
Supplemental disclosures of cash flow information			
Cash paid during the year:			
Interest, net of amounts capitalized	$ 66,584	$ 60,852	$ 73,476
Income taxes	86,778	31,539	12,259

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

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS

NATURE OF OPERATIONS

Portland General Corporation is an electric utility holding company. PGE, an electric utility company and Portland General's principal operating subsidiary, accounts for substantially all of Portland General's assets, revenues and net income.

PGE is engaged in the generation, purchase, transmission, distribution, and sale of electricity in the State of Oregon. PGE also sells energy to wholesale customers, predominately utilities throughout the western United States. PGE's 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. At the end of 1995 PGE's service area population was approximately 1.4 million, constituting approximately 44% of the state's population. At December 31, 1995, PGE served approximately 650,000 customers.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION PRINCIPLES

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

BASIS OF ACCOUNTING

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

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS

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

REVENUES

PGE accrues estimated unbilled revenues for services provided from the meter read date 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 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. Depreciation expense as a percent of the related average depreciable plant in service was approximately 4.0% in 1995, 3.8% in 1994 and 3.9% in 1993.

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 7.16%, 4.65%, and 3.52% for the years 1995, 1994 and 1993, 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. Deferred income taxes are provided for temporary differences between financial and income tax reporting. 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. See Notes 3 and 3A, Income Taxes, for more details.

INVESTMENT IN LEASES

CWL, a subsidiary of 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, 1995 and 1994, are as follows (thousands of dollars):

	1995	1994
Lease contracts receivable	$508,190	$550,620
Nonrecourse debt service	(389,619)	(434,542)
Net contracts receivable	118,571	116,078
Estimated residual value	84,610	86,202
Less - Unearned income	(41,134)	(39,391)
Investment in leveraged leases	162,047	162,889
Less - Deferred ITC	(9,381)	(9,557)
Investment in leases, net	$152,666	$153,332

CASH AND CASH EQUIVALENTS

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

DERIVATIVE FINANCIAL INSTRUMENTS

PGE uses financial instruments such as commodity futures, options, forwards and swaps to hedge against exposures to interest rate, foreign currency and commodity price risks. The objective of PGE's hedging program is to mitigate risks due to market fluctuations associated with external financings or the purchase of natural gas, electricity and related products. Gains and losses from derivatives that reduce commodity price risks are recognized as fuel or purchased power expense. Gains and losses on financial instruments that reduce interest rate risk of future debt issuances are deferred and amortized over the life of the related debt as an adjustment to interest expense.

Company policy also allows the use of the financial instruments, noted above, for trading purposes. Gains or losses on financial instruments that are used for trading purposes, or otherwise do not qualify for hedge accounting, are recognized in income on a current basis (see Note 7, Other Financial Instruments, for further information).

WNP-3 SETTLEMENT EXCHANGE AGREEMENT

The 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 ASSEETS AND LIABILITIES

The Company is subject to the provisions of Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation" (SFAS No. 71). When the requirements of SFAS No. 71 are met, PGE defers, or accrues revenue for, certain costs which would otherwise be charged to expense, if it is probable that future rates will permit recovery of such costs (regulatory assets). In addition PGE defers, or accrues a liability for, certain revenues, gains or cost reductions which would otherwise be reflected in income but through the ratemaking process ultimately will be credited to customers (regulatory liabilities). These regulatory assets and liabilities are reflected as deferred charges, accrued revenues and other liabilities in the financial statements and are amortized over the period in which they are included in billings to customers.

Regulatory assets and liabilities reflected in the Consolidated Balance Sheets of December 31 relate to the following:

	1995	1994
Regulatory Assets		
Power cost deferrals	$ -	$ 96,216
Trojan-related assets	612,426	741,431
Income taxes recoverable	217,366	217,967
Debt reacquisition and other	57,187	80,032
Energy efficiency programs	77,945	58,894
Total Regulatory Assets	$964,924	$1,194,540
Regulatory Liabilities		
Deferred gain on sale of assets	$ -	$ 118,939
Miscellaneous	11,801	19,114
Total Regulatory Liabilities	$ 11,801	$ 138,053

As of December 31, 1995, all of the Company's regulatory assets and liabilities are being reflected in rates charged to customers over periods ranging from approximately 3 to 28 years. Based on rates in place at year-end 1995, the Company estimates that it will collect the majority of its regulatory assets within the next 10 years and substantially all of its regulatory assets within the next 20 years. During 1995 the Company wrote down and offset certain regulatory assets and liabilities in conjunction with regulatory actions taken by the OPUC. For further discussion of the write-down and elimination of certain regulatory assets in 1995 see Note 13, Regulatory Matters.

NOTE 2 - EMPLOYEE BENEFITS

PENSION PLAN

Portland General has a non-contributory defined 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 stocks, corporate bonds and U.S. government issues.

Portland General determines net periodic pension expense according to the principles of SFAS No. 87, "Employers' Accounting for Pensions". Differences between the actual and expected return on Plan assets are included in net amortization and deferral and are considered in the determination of future pension expense.

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

	1995	1994
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including		
vested benefits of $174,694 and $142,082	$187,977	$154,320
Effect of projected future compensation levels	34,345	35,134
Projected benefit obligation (PBO)	222,322	189,454
Plan assets at fair value	295,516	245,225
Plan assets in excess of PBO	73,194	55,771
Unrecognized net experience gain	(71,691)	(54,391)
Unrecognized prior service costs amortized		
over 13- to 16-year periods	13,180	12,935
Unrecognized net transition asset being		
recognized over 18 years	(17,618)	(19,575)
Pension liability	$ (2,935)	$ (5,260)

	1995	1994	1993
ASSUMPTIONS:			
Discount rate used to calculate PBO	7.00%	8.50%	7.25%
Rate of increase in future compensation levels	5.00	6.50	5.25
Long-term rate of return on assets	8.50	8.50	8.50

COMPONENTS OF NET PERIODIC PENSION EXPENSE (THOUSANDS OF DOLLARS):			
Service cost	$ 5,500	$ 6,199	$ 6,151
Interest cost on PBO	15,722	14,693	14,241
Actual return on plan assets	(61,377)	6,011	(48,231)
Net amortization and deferral	37,830	(25,971)	29,839
Net periodic pension expense/(benefit)	$ (2,325)	$ 932	$ 2,000

OTHER POST-RETIREMENT BENEFIT PLANS

Portland General accrues for health, medical and life insurance costs during the employees' service years, in accordance with 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 post-retirement health and life insurance benefits at December 31, 1995 was $30 million, for which there were $28 million of assets held in trust. The benefit obligation for post-retirement health and life insurance benefits at December 31, 1994 was $27 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 $15 million at December 31, 1995 and 1994.

DEFERRED COMPENSATION

Portland General provides certain employees with benefits under an unfunded Management Deferred Compensation Plan (MDCP). Obligations for the MDCP are $25 million and $21 million at December 31, 1995 and 1994, respectively.

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 by 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. Contributions to the ESOP of $4 million for 1995 and $5 million for each of 1994 and 1993 combined with dividends on unallocated shares of $1 million for each of 1995 and 1994 and

$2 million for 1993 were used to pay principal 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.

NOTE 3 - 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 1994 gains on discontinued real estate operations (thousands of dollars):

	1995	1994	1993
Income Tax Expense:			
Currently payable			
Federal	$ 77,845	$ 41,833	$ 7,874
State	9,230	7,072	(4,885)
	87,075	48,905	2,989
Deferred income taxes			
Federal	(15,359)	22,269	63,534
State	(6,741)	4,472	9,355
	(22,100)	26,741	72,889
Investment tax credit adjustments	(5,725)	(4,145)	(4,356)
	$ 59,250	$ 71,501	$ 71,522
Provision Allocated to:			
Operations	$ 89,064	$ 71,878	$ 69,770
Other income and deductions	(29,814)	(377)	1,752
	$ 59,250	$ 71,501	$ 71,522
Effective Tax Rate Computation:			
Computed tax based on statutory federal income tax rates applied to income before income taxes	$ 49,101	$ 57,596	$ 56,224
Increases (Decreases) resulting from:			
Flow through depreciation	6,715	8,283	10,748
Regulatory disallowance	3,470	-	-
State and local taxes - net	4,857	8,953	3,288
State of Oregon refund	(3,668)	-	-
Investment tax credits	(5,725)	(4,145)	(4,356)
Excess deferred taxes	(700)	(767)	(3,419)
USDOE nuclear fuel assessment	-	-	5,075
Preferred dividend requirement	3,155	3,526	3,935
Other	2,045	(1,945)	27
	$ 59,250	$ 71,501	$ 71,522
Effective tax rate	42.2%	43.5%	44.5%

As of December 31, 1995 and 1994, the significant components of the Company's deferred income tax assets and liabilities were as follows (thousands of dollars):

	1995	1994
DEFERRED TAX ASSETS		
Plant-in-service	$ 86,721	$ 72,012
Deferred gain on sale of assets	-	47,134
Other	60,245	51,924
	146,966	171,070
DEFERRED TAX LIABILITIES		
Plant-in-service	(448,049)	(444,546)
Energy efficiency programs	(30,314)	(23,024)
Trojan abandonment	(54,335)	(80,944)
WNP-3 exchange contract	(60,489)	(68,698)
Replacement power costs	-	(38,136)
Leasing	(142,606)	(146,468)
Other	(43,470)	(40,829)
	(779,263)	(842,645)
Less current deferred taxes	(414)	4,040
Less valuation allowance	(20,135)	(20,135)
Total	$(652,846)	$(687,670)

Portland General has recorded deferred tax assets and liabilities for all temporary differences between the financial statement and tax bases of assets and liabilities. Valuation allowances represent capital loss carryforwards that presently cannot be offset with capital gains.

Portland General reached a settlement with the IRS on all issues regarding the 1985-1990 tax returns, including PGE's WNP-3 abandonment loss deduction. During 1996, Portland General will be filing amended state returns to reflect appropriate audit adjustments. The settlement did not have a material adverse impact on the results of current operations or cash flows of Portland General.

NOTE 4 - COMMON AND PREFERRED STOCK

COMMON AND PREFERRED STOCK

	COMMON STOCK		CUMULATIVE PREFERRED OF SUBSIDIARY		Other		
(thousands of dollars except share amounts)	Number OF SHARES	$3.75 Par VALUE	Number OF SHARES	$100 Par VALUE	No-Par VALUE	Paid-in CAPITAL	Unearned COMPENSATION*
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)
Sales of stock	2,864,839	10,743	-	-	-	40,390	-
Redemption of stock	(4,000)	(15)	(200,000)	(20,000)	-	2,055	-
Repayment of ESOP loan and other	-	-	-	-	-	2,412	5,515
December 31, 1994	50,495,492	189,358	1,297,040	99,704	30,000	563,915	(13,636)
Sales of stock	539,057	2,022	-	-	-	9,355	-
Redemption of stock	(21,000)	(79)	(797,040)	(79,704)	-	2,778	-
Repayment of ESOP loan and other	-	-	-	-	-	(1,580)	5,130
December 31, 1995	51,013,549	$191,301	500,000	$ 20,000	$30,000	$574,468	$ (8,506)

*See the discussion of stock compensation plans below and Note 2, Employee Benefits, for a description of the ESOP.

COMMON STOCK

As of December 31, 1995, Portland General had reserved 2,493,351 and 17,533 authorized but unissued common shares for issuance under its dividend reinvestment plan and employee stock purchase plan, respectively.

CUMULATIVE PREFERRED STOCK

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. 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 $101 per share up to April 14, 1996 and at reduced amounts thereafter.

PGE's cumulative preferred stock consisted of:

At December 31,	1995	1994
	(thousands of dollars)	
Subject to mandatory redemption		
No par value 30,000,000 shares authorized		
7.75% Series 300,000 shares outstanding	$30,000	$30,000
$100 par value, 2,500,000 shares authorized		
8.10% Series 200,000 and 300,000 shares outstanding	20,000	30,000
Current sinking fund	(10,000)	(10,000)
	40,000	50,000
Not subject to mandatory redemption, $100 par value		
7.95% Series, 298,045 shares outstanding	-	29,804
7.88% Series, 199,575 shares outstanding	-	19,958
8.20% Series, 199,420 shares outstanding	-	19,942
	-	69,704
	$40,000	$119,704

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.

COMMON DIVIDEND RESTRICTION OF SUBSIDIARY

PGE is restricted from paying dividends or making other distributions to Portland General without prior OPUC 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, 1995, PGE's common stock equity capital was 48% of its total capitalization.

STOCK COMPENSATION PLANS

Portland General has a plan under which 2.3 million shares of Portland General common stock are authorized for stock-based incentives including a stock option plan and restricted common shares. At December 31, 1995, 1.2 million common shares were available for issuance under the plan. 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. Stock option plan activity is as follows:

	Options	Option Price Per Share
December 31, 1992	838,750	$14-$19
Granted	65,300	$17.125-$22.25
Canceled	(47,250)	$14-$19
December 31, 1993	856,800	$14-$22.25
Granted	32,000	$13-$18.125
Exercised	(10,000)	$15.75
Canceled	(43,500)	$14-$22.25
December 31, 1994	835,300	$13-$22.25
Granted	88,600	$17-$25
Exercised	(114,400)	$14.75-$18.125
Canceled	(17,000)	$14-$20
December 31, 1995	792,500	$13-$25
Stock options exercisable at December 31, 1995	362,600	$13-$15.75

During 1995, Portland General issued 18,839 (net of cancellations) restricted common shares to officers and selected employees of Portland General and PGE. As of December 31, 1995, 139,721 restricted common shares under the plan were outstanding for officers and employees.

NOTE 5 - SHORT-TERM BORROWINGS

At December 31, 1995, Portland General had total committed lines of credit of $215 million. Portland General has a $15 million committed facility expiring in July 1996. PGE has a committed facility of $200 million expiring in July 2000. These lines of credit have annual fees of 0.10% 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, 1995, 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 PGE's commercial paper outstanding. Commercial paper and lines of credit borrowings are at rates reflecting current market conditions.

Short-term borrowings and related interest rates were as follows:

	1995	1994	1993
		(thousands of dollars)	
AS OF YEAR-END:			
Aggregate short-term debt outstanding			
Commercial paper	$170,248	$148,598	$159,414
Weighted average interest rate*			
Commercial paper	6.1%	6.2%	3.5%
Unused committed lines of credit	$215,000	$215,000	$240,000
FOR THE YEAR ENDED:			
Average daily amounts of short-term debt outstanding			
Bank loans	$ 206	$ 1,273	$ 10,949
Commercial paper	111,366	138,718	123,032
Weighted daily average interest rate*			
Bank loans	6.5%	4.3%	3.6%
Commercial paper	6.3	4.5	3.5
Maximum amount outstanding during the year	$170,248	$174,082	$171,208

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

NOTE 6 - 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.

In 1995, PGE issued $75 million in 8.25 Junior Subordinated Deferrable Interest Debentures, listed below, which pay interest quarterly and are traded on the NYSE. PGE may redeem the debentures at its option beginning on October 1, 2000 at a redemption price equal to 100% of the principal amount plus any accrued interest.

Schedule of long-term debt at December 31,	1995	1994
	(thousands of dollars)	
First Mortgage Bonds		
Maturing 1995 through 2000		
4.70% Series due March 1, 1995		$3,045
5.875% Series due June 1, 1996	5,066	5,216
6.60% Series due October 1, 1997	15,363	15,363
Medium-term notes 5.65% - 9.27%	210,000	251,000
Maturing 2001 - 2007 6.47% - 9.07%	260,595	210,845
Maturing 2021 - 2023 7.75% - 9.46%	195,000	195,000
	686,024	680,469
Pollution Control Bonds		
Port of Morrow, Oregon, variable rate (Average 3.8% for 1995), due 2013	23,600	23,600
City of Forsyth, Montana, variable rate (Average variable rates 3.8% - 4.0% for 1995), due 2013-2016	118,800	118,800
Amount held by trustee	(8,152)	(8,355)
Port of St. Helens, Oregon, variable rate due 2010 and 2014 (Average variable rates 3.8% - 4.0% for 1995)	51,600	51,600
	185,848	185,645
Other		
8.25% Junior Subordinated Deferrable Interest Debentures, Series A, due 2035	75,000	-
Portland General medium-term notes 8.09% due 1996	30,000	30,000
Capital lease obligations	9,353	11,523
Other	(555)	(317)
	113,798	41,206
	985,670	907,320
Long-term debt due within one year	(95,114)	(71,506)
Total long-term debt	$890,556	$835,814

The following principal amounts of long-term debt become due through early redemptions and maturities (thousands of dollars):

	1996	1997	1998	1999	2000
Maturities:					
PGC (Parent only)	$30,000	$ -	$ -	$ -	$ -
PGE	65,114	86,985	64,745	45,383	25,000
	$95,114	$86,985	$64,745	$45,383	$25,000

NOTE 7 - OTHER FINANCIAL INSTRUMENTS

HEDGING ACTIVITIES

COMMODITY - Company policy allows the use of financial instruments such as commodity futures, options and swaps to hedge the price of natural gas and electricity and reduce the Company's exposure to market fluctuations in these commodities. In 1995 transactions consisted primarily of fixed for floating swap agreements where the Company receives or makes payments based on the differential between a specified price and an index reference price of natural gas or electricity. Swap contracts generally require monthly cash settlements over the term of the contract. The Company is exposed to credit risk in the event of non-performance by the counterparties and has established guidelines to mitigate this risk.

At December 31, 1995, the Company had outstanding swap and option contracts for the net purchases of 4.6 billion cubic feet of natural gas over the following 14 months. Electric swap and option contracts totaled 256,000 MWh of electricity over the following nine months. Recognition of gains or losses on the hedging instruments is deferred until the underlying physical transaction occurs. See the discussion in Note 8, Fair Value of Financial Instruments, for the estimated fair value of these contracts.

INTEREST RATE - In November 1994 PGE entered into two 10-year forward interest rate swap agreements, each with a notational amount of $25 million to hedge the future issuance costs of debt. PGE settled the swap agreements for approximately $5 million in 1995 concurrently with the issuance of $75 million of long-term debt. The settlement amount was deferred and will be amortized over 10 years. This amortization does not materially affect the Company's weighted average borrowing rate.

TRADING ACTIVITIES

In addition to hedging activities, Company policy allows the use of the financial instruments, noted above, for trading purposes in support of Company operations. Gains or losses on financial instruments that do not qualify as hedges are recognized in income on a current basis. During 1995 no trading activity took place.

NOTE 8 - 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.

INTEREST RATE SWAPS
The fair value of the Company's 1994 interest rate swap agreements was based on the estimated termination value at December 31, 1994.

NATURAL GAS AND ELECTRICITY SWAPS
The fair value of natural gas and electricity swaps is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, taking into account current market rates.

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

	1995		1994	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Preferred stock subject to mandatory redemption	$ 50,000	$ 52,900	$ 60,000	$ 60,000
Long-term debt				
PGC (Parent only)	$ 30,000	$ 30,531	$ 30,000	$ 29,887
PGE	946,872	994,996	866,114	824,211
	$976,872	$1,025,527	$896,114	$854,098
Interest rate swaps in net (payable) position	-	-	-	(401)
Commodity swaps in net (payable) position:				
Natural gas	-	(261)	-	(598)
Electricity	-	(335)	-	-

NOTE 9 - COMMITMENTS

NATURAL GAS AGREEMENTS

PGE has long-term agreements for transmission of natural gas from domestic and Canadian sources to natural gas-fired generating facilities. The agreements provide firm pipeline capacity. Under the terms of these agreements, PGE is committed to paying capacity charges of approximately $15 million annually in 1996 through 1999, and $149 million over the remaining years of the contracts which expire at varying dates from 1998 to 2015. PGE has the right to assign unused capacity to other parties.

RAILROAD SERVICE AGREEMENT

PGE has a railroad service agreement to deliver coal from Wyoming to Boardman and is required to contribute $5 million over the 4 years remaining in the contract.

PURCHASE COMMITMENTS

Other purchase commitments outstanding (principally construction at PGE) totaled approximately $61 million at December 31, 1995. 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 REACH	PRIEST RAPIDS	WANAPUM	WELLS	PORTLAND HYDRO
Revenue bonds outstanding at December 31, 1995	$210,322	$128,360	$183,135	$189,540	$ 38,045
PGE's current share of:					
Output	12.0%	13.9%	18.7%	21.8%	100%
Net capability (megawatts)	144	156	156	175	27
Annual cost, including debt service: service:					
1995	$4,900	$3,900	$4,700	$5,700	$4,300
1994	4,500	3,400	4,800	6,600	4,600
1993	4,000	3,800	5,400	5,500	4,800
Contract expiration date	2011	2005	2009	2018	2017

PGE's share of debt service costs, excluding interest, will be approximately $9 million for 1996, $4 million annually for 1997 and 1998 and $6 million annually for 1999 and 2000. The minimum payments through the remainder of the contracts are estimated to total $93 million.

PGE has entered into long-term contracts to purchase power from other utilities in the West. These contracts will require fixed payments of up to $37 million in 1996, $27 million in 1997, and $26 million in both 1998 and 1999 and $21 million in 2000. After that date, capacity contract charges will average $19 million annually until 2016.

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 $21 million for 1995, and $22 million annually for 1994 and 1993. PGE has capitalized its combustion turbine leases. However, these leases are considered operating leases for ratemaking purposes.

Future minimum lease payments under non-cancelable leases are as follows (thousands of dollars):

YEAR ENDING DECEMBER 31	CAPITAL LEASES	OPERATING LEASES (NET OF SUBLEASE RENTALS)	TOTAL
1996	$ 3,016	$ 19,127	$ 22,143
1997	3,016	18,326	21,342
1998	3,016	18,403	21,419
1999	1,388	19,454	20,842
2000	-	19,768	19,768
Remainder	-	152,756	152,756
Total	10,436	$247,834	$258,270
Imputed Interest	(1,083)		
Present Value of Minimum Future Net Lease Payments	$ 9,353		

Included in the future minimum operating lease payments schedule above is approximately $129 million for Portland General's and PGE's headquarters complex.

NOTE 10 - JOINTLY OWNED PLANT

At December 31, 1995, PGE had the following investments in jointly owned generating plants (thousands of dollars):

FACILITY	LOCATION	FUEL	MW CAPACITY	PGE % INTEREST	PLANT IN SERVICE	ACCUMULATED DEPRECIATION
Boardman	Boardman, OR	Coal	508	65.0	$370,721	$176,365
Colstrip 3&4	Colstrip, MT	Coal	1,440	20.0	451,176	189,799
Centralia	Centralia, WA	Coal	1,310	2.5	9,649	5,665

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 11 - TROJAN NUCLEAR PLANT

PLANT SHUTDOWN AND TRANSITION COSTS - PGE is a 67.5% owner of Trojan. In early 1993, PGE ceased commercial operation of the nuclear plant. Since plant closure, PGE has committed itself to a safe and economical transition toward a decommissioned plant. Remaining transition costs associated with operating and maintaining the spent fuel pool and securing the plant until dismantlement begins in 1998 are estimated at $37 million and will be paid from current operating funds.

DECOMMISSIONING - In 1995, PGE submitted a decommissioning plan to the NRC and EFSC. The plan estimates PGE's cost to decommission Trojan at $358 million, reflected in nominal dollars (actual dollars expected to be spent in each year). The plan represents a site-specific decommissioning estimate performed for Trojan by an engineering firm experienced in estimating the cost of decommissioning nuclear plants. This estimate assumes that the majority of decommissioning activities will occur between 1997 and 2001, while fuel management costs extend through the year 2018. Final site restoration activities are anticipated to begin in 2018 after PGE completes shipment of spent fuel to a USDOE facility (see the Nuclear Fuel Disposal discussion below). The cost estimate is adjusted periodically due to refinement of the timing and scope of certain dismantlement activities. Stated in 1995 dollars, the current decommissioning cost estimate is $246 million.

Until plan approval, PGE is prohibited from initiating any major decommissioning activities. However, decommissioning planning and licensing activities are continuing. PGE anticipates approval by the NRC and EFSC of its decommissioning proposal during 1996.

PGE is collecting $14 million annually through 2011 from customers for decommissioning costs. These amounts are deposited in an external trust fund which is limited to reimbursing PGE for activities covered in Trojan's decommissioning plan. Funds were withdrawn during 1995 to cover the costs of large component removal. Trojan decommissioning trust assets are invested primarily in investment-grade, tax-exempt and U.S. Treasury bonds. Year-end balances are valued at market.

Earnings on the trust are used to reduce the amount of decommissioning costs to be collected from customers. PGE expects any future changes in estimated decommissioning costs to be incorporated in future revenues to be collected from customers.

INVESTMENT RECOVERY - The OPUC issued an order in March 1995 authorizing PGE to recover all of the estimated costs of decommissioning Trojan and 87% of the remaining investment in the plant. Amounts are to be collected over Trojan's original license period ending in 2011. The disallowed portion of the Trojan investment was comprised of $17 million of post-1991 capital expenditures, primarily related to steam generator repair activities, and $20 million of general Trojan investment. As a result of this disallowance, PGE recorded an after-tax charge to income of $37 million.

The OPUC's order and the agency's authority to grant recovery of the Trojan investment under Oregon law are being challenged in state courts. Management believes that the authorized recovery of the Trojan investment and decommissioning costs will be upheld and that these legal challenges will not have a material adverse impact on the results of operations or financial condition of the Company for any future reporting period.

NUCLEAR FUEL DISPOSAL AND CLEANUP OF FEDERAL PLANTS - PGE contracted with the USDOE for permanent disposal of its spent nuclear fuel in federal facilities at a cost of .1 cent per net kilowatt-hour sold at Trojan which the Company paid during the period the plant operated. Significant delays are expected in the USDOE acceptance schedule of spent fuel from domestic utilities. The federal repository, which was originally scheduled to begin operations in 1998, is now estimated to commence operations no earlier than 2010. This may create difficulties for PGE in disposing of its high-level radioactive waste by 2018. However, federal legislation has been introduced which, if passed, would require USDOE to provide interim storage for high level waste until a permanent site is established. PGE intends to build an interim storage facility at Trojan to house the nuclear fuel until a federal site is available.

The Energy Policy Act of 1992 provided for the creation of a Decontamination and Decommissioning Fund to finance the cleanup of USDOE gas diffusion plants. Funding comes from domestic nuclear utilities and the federal government. Each utility contributes based on the ratio of the amount of enrichment services the utility purchased to the total amount of enrichment services purchased by all domestic utilities prior to the enactment of the legislation. Based on Trojan's 1.1% usage of total industry enrichment services, PGE's portion of the funding requirement is approximately $17 million. Amounts are funded over 15 years beginning with the USDOE's fiscal year 1993. Since enactment, PGE has made the first four of the 15 annual payments with the first payment made in September 1993.

NUCLEAR INSURANCE - The Price-Anderson Amendment of 1988 limits public liability claims that could arise from a nuclear incident and provides for loss sharing among all owners of nuclear reactor licenses. Because Trojan has been permanently defueled, the NRC has exempted PGE from participation in the secondary insurance pool covering losses in excess of $200 million at other nuclear plants. In addition, the NRC has reduced the required primary nuclear insurance coverage for Trojan from $200 million to $100 million following a 3 year cool-down period of the nuclear fuel that is still on-site. The NRC has allowed PGE to self-insure for on-site decontamination. PGE continues to carry non-contamination property insurance on the Trojan plant at the $155 million level.

NOTE 12 - WNP-3 SETTLEMENT EXCHANGE AGREEMENT

PGE is selling energy received under a WNP-3 Settlement Exchange Agreement (WSA) to 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 MW 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 13 - REGULATORY MATTERS

SETTLEMENT REACHED - Pursuant to the agreement adopted by the OPUC in the order discussed below, the Marion County Circuit Court approved PGE's request for dismissal of its dispute with the Commission regarding the allocation of the gain on a sale of a portion of Boardman and the Intertie in PGE V. RONALD EACHUS, MYRON KATZ, NANCY RYLES AND THE OREGON PUBLIC UTILITY COMMISSION.

1995 Rate Orders - On March 29, 1995 the OPUC issued an order on PGE's 1993 general rate request. The order, based on a two-year test period, authorized a single average rate increase of 5% representing additional revenues of $51 million in 1995 and $52 million in 1996. The order established PGE's return on equity at 11.6% for both 1995 and 1996. This is a decrease from the previously authorized 12.5%. The order authorized PGE to recover all of the estimated Trojan decommissioning costs and 87% of its remaining investment in Trojan which will be collected over Trojan's original license period ending in 2011. As a result of the disallowance of 13% of PGE's investment in Trojan, the Company recorded a $37 million after-tax charge to income. The order also adopted a mechanism to decouple short-term profits from retail kilowatt-hour sales. For further information regarding the Trojan disallowance see Note 11, Trojan Nuclear Plant.

On November 21, 1995 the Commission issued an order granting PGE an average 2.7% rate increase to recover the capital and fixed costs associated with Coyote Springs and BPA's October 1995 price increase. The order also addressed recovery of PGE deferred power costs and proposed elimination of certain regulatory assets.

The order authorized full recovery of $11 million of power costs deferred from January through March 1995 and allowed recovery of only $9 million of the $50 million of power costs deferred from July 1993 through March 1994. The order also authorized the immediate recovery of approximately $29 million in incentive revenues associated with prior years' achievements of the Company's energy efficiency programs. PGE recorded a $13 million after-tax charge to income based on the order.

The order implemented the Company's proposal to offset certain regulatory assets, including the uncollected balance of all power cost deferrals, incentive revenues and a portion of the remaining Trojan investment, against PGE's unamortized gain on the prior sale of a portion of Boardman. The offset allowed for recovery of the deferred power costs and incentive revenues discussed above, without increasing customer rates, while eliminating approximately $117 million of regulatory assets and liabilities from the Company's balance sheets.

An application for reconsideration of the November 1995 order was filed with the OPUC by a party to the proceeding. A decision from the OPUC is pending.

NOTE 14 - LEGAL MATTERS

BONNEVILLE PACIFIC CLASS ACTION AND LAWSUIT

In April 1992 legal action was filed by Bonneville Pacific against Portland General, Holdings, and certain individuals affiliated with Portland General or Holdings alleging breach of fiduciary duty, tortious interference, breach of contract, and other actionable wrongs related to Holdings' investment in Bonneville Pacific. Following his appointment, the Bonneville Pacific bankruptcy trustee, on behalf of Bonneville Pacific, filed numerous amendments to the complaint. The complaint now includes allegations of RICO violations and RICO conspiracy, collusive tort, civil conspiracy, common law fraud, negligent misrepresentation, breach of fiduciary duty, liability as a partner for the debts of a partnership, and other actionable wrongs. The Court has rejected the Trustee's previously filed damage study which is expected to be revised and refiled.

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 has filed complaints seeking approximately $228 million in damages 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 an interest in and made loans to Bonneville Pacific.

QUARTERLY COMPARISON FOR 1995 AND 1994 (UNAUDITED)

PORTLAND GENERAL CORPORATION

	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
	(THOUSANDS OF DOLLARS EXCEPT PER SHARE AMOUNTS)			
1995				
Operating revenues	$259,177	$219,892	$222,612	$281,901
Net operating income	49,553	47,179	40,266	58,578
Net income/(loss)	(1,954)	32,403	14,181	36,406
Common stock				
Average shares outstanding	50,591,449	50,697,040	50,798,082	50,976,781
Earnings/(loss) per average share{1}	$(.04)	$.64	$.28	$.71
1994				
Operating revenues	$278,014	$202,110	$214,180	$265,105
Net operating income	55,920	30,019	27,525	40,832
Net income	39,165	23,965	11,887	24,513
Common stock				
Average shares outstanding	48,670,211	50,145,565	50,285,669	50,461,348
Earnings per average share{1}	$.80	$.48	$.24	$.49

{1}As 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.

PORTLAND GENERAL ELECTRIC COMPANY

	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
	(THOUSANDS OF DOLLARS)			
1995				
Operating revenues	$258,891	$218,476	$222,240	$282,021
Net operating income	49,388	46,499	39,902	59,397
Net income/(loss)	640	34,800	16,789	40,558
Income available for common stock	(1,943)	32,383	14,409	38,294
1994				
Operating revenues	$277,672	$201,773	$213,897	$265,613
Net operating income	53,555	27,734	26,342	45,577
Net income	41,187	18,540	14,807	31,584
Income available for common stock	38,199	15,894	12,224	29,001

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Part III

ITEMS 10-13 INFORMATION REGARDING DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

PORTLAND GENERAL CORPORATION

Information for Items 10-13 is incorporated by reference to Portland General's definitive proxy statement to be filed on or about March 27, 1996. Executive officers of Portland General are listed on page 23 of this report.

PORTLAND GENERAL ELECTRIC COMPANY

Information for Items 10-13 is incorporated by reference to Portland General's definitive proxy statement to be filed on or about March 27, 1996. 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

FINANCIAL STATEMENT SCHEDULES
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 59 of this report.

(b) REPORT ON FORM 8-K

	PGC	PGE
November 21, 1995 - Item 5. Other Events: The OPUC issued an order on PGE's August 1995 consolidated filing.	X	X

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 29, 1996 By /S/ KEN L. HARRISON
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 Ken L. Harrison	Chairman of the Board and Chief Executive Officer	February 29, 1996
/S/ JOSEPH M. HIRKO Joseph M. Hirko	Senior Vice President, Chief Financial Officer	February 29, 1996
*Gwyneth Gamble Booth *Peter J. Brix *Carolyn S. Chambers *John W. Creighton, Jr. *Ken L. Harrison *Jerry E. Hudson *Warren E. McCain *Jerome J. Meyer *Randolph L. Miller *Bruce G. Willison	Directors	February 29, 1996

*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 29, 1996 By /S/ KEN L. HARRISON
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 Ken L. Harrison	Chairman of the Board and Chief Executive Officer	February 29, 1996
/S/ JOSEPH M. HIRKO Joseph M. Hirko	Senior Vice President Chief Financial Officer	February 29, 1996
*Gwyneth Gamble Booth *Peter J. Brix *Carolyn S. Chambers *John W. Creighton, Jr. *Ken L. Harrison *Jerry E. Hudson *Warren E. McCain *Jerome J. Meyer *Randolph L. Miller *Bruce G. Willison	Directors	February 29, 1996

*By /S/ JOSEPH E. FELTZ
(Joseph E. Feltz, Attorney-in-Fact)

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

NUMBER	EXHIBIT	PGC	PGE
(3)	Articles of Incorporation and bylaws		
	* 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)	Instruments defining the rights of security holders, including indentures		
	* Portland General Electric Company Indenture of Mortgage and Deed of Trust dated July 1, 1945;		
	* Fifteenth Supplemental Indenture, dated June 1, 1966; Eighteenth Supplemental Indenture, dated November 1, 1970; Twentieth Supplemental Indenture, dated November 1, 1972; Twenty-First Supplemental Indenture, dated April 1, 1973; (Registration No. 2-61199, Exhibit 2.d-1).	X	X
	* Fortieth Supplemental Indenture, dated October 1, 1990 [Form 10-K for the fiscal year ended December 31, 1990, Exhibit (4)].	X	X

EXHIBIT INDEX

NUMBER	EXHIBIT	PGC	PGE
(4) Cont.	* 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
	* Forty-Fourth Supplemental Indenture dated August 1, 1994 [Form 10-Q for the quarter ended September 30, 1994, Exhibit (4)].	X	X
	* Forty-Fifth Supplemental Indenture dated May 1, 1995 [Form 10-Q for the quarter ended June 30, 1995, 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)	Material Contracts		
	* 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 12 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
	* Participation Agreement, dated December 30, 1985 [Form 10-K for the fiscal year ended December 31, 1985, Exhibit (10)].	X	X

EXHIBIT INDEX

NUMBER	EXHIBIT	PGC	PGE
(10) Cont.	* 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
	* 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

EXHIBIT INDEX

NUMBER	EXHIBIT	PGC	PGE
(10) Cont.	* 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	
	* Portland General Corporation outside Directors' Stock Compensation Plan, Amendment No. 1 dated February 8, 1994 [Form 10-Q for the quarter ended March 31, 1994, Exhibit (10)].	X	
	EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS		
	Portland General Corporation Management Deferred Compensation Plan, 1994 Restatement dated October 1, 1994 (filed herewith).	X	X
	Portland General Corporation Management Deferred Compensation Plan, Amendment No. 1 dated April 1, 1995 (filed herewith).	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	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	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 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

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

NUMBER	EXHIBIT	PGC	PGE
(10) Cont.	* Portland General Corporation Supplemental Executive Retirement Plan, Amendment No. 1 dated January 1, 1991, [Form 10-K for the fiscal year ended December 31, 1991, Exhibit (10)].	X	X
	* Change in Control Severance Agreement, effective October 1, 1994 [Form 10-K for the fiscal year ended December 31, 1994, Exhibit 10(a)].	X	X
	* Portland General Corporation Amended and Restated 1990 Long-Term Incentive Master Plan, amended July 1993 [Form 10-K for the fiscal year ended December 31, 1993, Exhibit (10)].	X	
	* Portland General Corporation 1990 Long-Term Incentive Master Plan, Amendment No. 1 dated February 8, 1994 [Form 10-K for the fiscal year ended December 31, 1993, Exhibit (10)].	X	
(23)	Consents of experts and counsel		
	Portland General Corporation Consent of Independent Public Accountants (filed herewith).	X	
	Portland General Electric Company Consent of Independent Public Accountants (filed herewith).		X
(24)	Power of attorney		
	Portland General Corporation Power of Attorney (filed herewith).	X	
	Portland General Electric Company Power of Attorney (filed herewith).		X
(99)	Additional exhibits		
	Form 11-K relating to Employee Stock Purchase Plan of Portland General Corporation (filed herewith).	X	

* Incorporated by reference as indicated.

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
Senior Vice President
Chief Financial Officer

Portland General Corporation
121 SW Salmon Street
Portland, OR 97204

APPENDIX

PORTLAND GENERAL ELECTRIC COMPANY

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PART II

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 LLP is PGE's independent public accountant. As a part of its annual audit, selected internal accounting controls are reviewed 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 LLP. Management has also endeavored to ensure that all representations to Arthur Andersen LLP were valid and appropriate.

Joseph M. Hirko
Senior Vice President,
Chief Financial Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Portland General Electric Company and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1995. 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.

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, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Portland, Oregon,
January 24, 1996

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31	1995	1994	1993
	(THOUSANDS OF DOLLARS)		
OPERATING REVENUES	$ 981,628	$ 958,955	$ 944,531
OPERATING EXPENSES			
Purchased power and fuel	293,589	347,125	311,713
Production and distribution	63,841	61,891	73,576
Maintenance and repairs	47,532	47,389	55,320
Administrative and other	106,128	97,987	98,408
Depreciation and amortization	134,340	124,003	121,898
Taxes other than income taxes	51,489	52,038	55,676
Income taxes	89,523	75,314	73,740
	786,442	805,747	790,331
NET OPERATING INCOME	195,186	153,208	154,200
OTHER INCOME (DEDUCTIONS)			
Regulatory disallowances - net of income taxes of $25,542	(49,567)	-	-
Allowance for equity funds used during construction	3,257	271	-
Other	8,415	15,500	11,771
Income taxes	4,272	377	(1,752)
	(33,623)	16,148	10,019
INTEREST CHARGES			
Interest on long-term debt and other	69,667	61,493	61,817
Interest on short-term borrowings	6,917	5,788	3,443
Allowance for borrowed funds used during construction	(7,808)	(4,043)	(785)
	68,776	63,238	64,475
NET INCOME	92,787	106,118	99,744
PREFERRED DIVIDEND REQUIREMENT	9,644	10,800	12,046
INCOME AVAILABLE FOR COMMON STOCK	$ 83,143	$ 95,318	$ 87,698

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31	1995	1994	1993
	(THOUSANDS OF DOLLARS)		
BALANCE AT BEGINNING OF YEAR	$ 216,468	$ 179,297	$ 165,949
NET INCOME	92,787	106,118	99,744
ESOP TAX BENEFIT AND OTHER	(3,570)	(1,705)	(1,524)
	305,685	283,710	264,169
DIVIDENDS DECLARED			
Common stock	50,456	56,442	72,826
Preferred stock	8,947	10,800	12,046
	59,403	67,242	84,872
BALANCE AT END OF YEAR	$ 246,282	$ 216,468	$ 179,297

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

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31	1995	1994
	(THOUSANDS OF DOLLARS)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of $33,382 and $148,267)	$ 2,754,280	$ 2,563,476
Accumulated depreciation	(1,040,014)	(958,465)
	1,714,266	1,605,011
Capital leases - less amortization of $27,966 and $25,796	9,353	11,523
	1,723,619	1,616,534
OTHER PROPERTY AND INVESTMENTS		
Trojan decommissioning trust, at market value	68,774	58,485
Corporate owned life insurance, less loans of $ 26,432 and $21,731	44,635	40,034
Other investments	24,943	26,074
	138,352	124,593
CURRENT ASSETS		
Cash and cash equivalents	2,241	9,590
Accounts and notes receivable	102,592	91,672
Unbilled and accrued revenues	64,516	162,151
Inventories, at average cost	38,338	31,149
Prepayments and other	15,619	33,148
	223,306	327,710
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	301,023	402,713
Trojan decommissioning	311,403	338,718
Income taxes recoverable	217,366	217,967
Debt reacquisition costs	29,576	32,245
Energy efficiency programs	77,945	58,894
Other	27,611	47,787
WNP-3 settlement exchange agreement	168,399	173,308
Miscellaneous	26,997	13,682
	1,160,320	1,285,314
	$ 3,245,597	$ 3,354,151
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, $3.75 par value per share, 100,000,000 shares authorized, 42,758,877 shares outstanding	$ 160,346	$ 160,346
Other paid-in capital - net	466,325	457,412
Retained Earnings	246,282	216,468
Cumulative preferred stock		
Subject to mandatory redemption	40,000	50,000
Not subject to mandatory redemption	-	69,704
Long-term debt	890,556	805,814
	1,803,509	1,759,744
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	75,114	81,506
Short-term borrowings	170,248	148,598
Accounts payable and other accruals	132,064	104,612
Accrued interest	15,442	19,084
Dividends payable	14,956	15,702
Accrued taxes	12,870	32,820
	420,694	402,322
OTHER		
Deferred income taxes	525,391	549,160
Deferred investment tax credits	51,211	56,760
Deferred gain on sale of assets	-	118,939
Trojan decommissioning and transition costs	379,179	396,873
Miscellaneous	65,613	70,353
	1,021,394	1,192,085
	$ 3,245,597	$ 3,354,151

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

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31	1995	1994	1993
		(THOUSANDS OF DOLLARS)	
CASH PROVIDED (USED IN)			
OPERATIONS:			
Net Income	$ 92,787	$ 106,118	$ 99,744
Non-cash items included in net income:			
Depreciation and amortization	102,183	94,140	89,718
Amortization of WNP-3 exchange agreement	4,910	4,695	4,489
Amortization of Trojan investment	24,884	26,738	26,329
Amortization of Trojan decommissioning	13,336	11,220	11,220
Amortization of deferred charges - other	(1,777)	2,712	6,713
Deferred income taxes - net	1,714	25,720	60,721
Other noncash revenues	(3,257)	(271)	-
Regulatory disallowances	49,567	-	-
Changes in working capital:			
(Increase) Decrease in receivables	(11,539)	(29,678)	(68,717)
(Increase) Decrease in inventories	(7,189)	3,264	15,017
Increase (Decrease) in payables	13,196	(3,470)	(26,588)
Other working capital items - net	1,946	(20,754)	11,886
Trojan decommissioning expenditures	(10,927)	(3,360)	(1,625)
Deferred charges - other	(9,472)	13,987	(3,331)
Miscellaneous - net	12,128	7,374	15,869
	272,490	238,435	241,445
INVESTING ACTIVITIES:			
Utility construction - new resources	(49,096)	(87,537)	(28,666)
Utility construction - other	(158,198)	(131,675)	(101,692)
Energy efficiency programs	(25,013)	(23,745)	(18,149)
Nuclear decommissioning trust deposits	(16,598)	(11,220)	(11,220)
Nuclear decommissioning trust withdrawals	13,521	-	-
Other investments	(8,624)	(9,954)	(7,133)
	(244,008)	(264,131)	(166,860)
FINANCING ACTIVITIES:			
Short-term debt - net	21,650	18,678	29,855
Borrowings from Corporate Owned Life Insurance	4,679	21,731	-
Long-term debt issued	147,138	74,631	249,782
Long-term debt retired	(69,445)	(29,882)	(266,986)
Preferred stock retired	(79,704)	(20,000)	(3,600)
Common stock issued	-	41,055	-
Dividends paid	(60,149)	(73,026)	(84,951)
	(35,831)	33,187	(75,900)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,349)	7,491	(1,315)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	9,590	2,099	3,414
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	$ 2,241	$ 9,590	$ 2,099
Supplemental disclosures of cash flow information			
Cash paid during the year:			
Interest, net of amounts capitalized	$ 64,136	$ 55,995	$ 67,447
Income taxes	94,327	44,918	17,242

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

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 Part II of Portland General's Form 10-K on the following page numbers.

NOTE 3A -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 PGE's effective tax rate (thousands of dollars):

	1995	1994	1993
Income Tax Expense			
Currently payable			
Federal	$ 74,089	$ 40,680	$ 12,495
State & local	9,448	8,536	1,591
	83,537	49,216	14,086
Deferred income taxes			
Federal	(11,631)	24,856	53,718
State & local	(6,648)	4,811	11,763
	(18,279)	29,667	65,481
Investment tax credit adjustments	(5,549)	(3,946)	(4,075)
	$ 59,709	$ 74,937	$ 75,492
Provision Allocated to:			
Operations	$ 89,523	$ 75,314	$ 73,740
Other income and deductions	(29,814)	(377)	1,752
	$ 59,709	$ 74,937	$ 75,492
Effective Tax Rate Computation:			
Computed tax based on statutory federal income tax rates applied to income before income taxes	$ 53,374	$ 63,369	$ 61,333
Flow through depreciation	7,389	8,080	9,207
Regulatory disallowance	3,456	-	-
State and local taxes - net	5,552	9,839	9,783
State of Oregon refund	(4,346)	-	-
Investment tax credits	(5,549)	(3,946)	(4,075)
USDOE nuclear fuel assessment	-	-	5,050
Excess deferred tax	(700)	(767)	(3,419)
Other	(533)	(1,638)	(2,387)
	$ 59,709	$ 74,937	$ 75,492
Effective tax rate	39.2%	41.4%	43.1%

As of December 31, 1995 and 1994, the significant components of PGE's deferred income tax assets and liabilities were as follows (thousands of dollars):

	1995	1994
DEFERRED TAX ASSETS		
Plant-in-service	$ 86,721	$ 72,012
Deferred gain on sale of assets	-	47,134
Other	23,339	22,246
	110,060	141,392
DEFERRED TAX LIABILITIES		
Plant-in-service	(448,049)	(444,546)
Energy efficiency programs	(30,314)	(23,024)
Trojan abandonment	(54,335)	(80,944)
Replacement power costs	-	(38,136)
WNP-3 exchange contract	(60,489)	(68,698)
Other	(42,470)	(39,826)
	(635,657)	(695,174)
Less current deferred taxes	206	4,622
Total	$ (525,391)	$ (549,160)

PGE 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 reached a settlement with the IRS on all issues regarding the 1985-1990 tax returns including PGE's WNP-3 abandonment loss deduction. During 1996, Portland General will be filing amended state returns to reflect appropriate audit adjustments. The settlement did not have a material adverse impact on the results of current operations or cash flows of Portland General Electric.

NOTE 4A - COMMON STOCK

	COMMON STOCK Number of Shares	$3.75 Par Value	Other Paid-In Capital	Unearned Compensation
		(thousands of dollars)		
December 31, 1992	40,458,877	$151,721	$431,673	$(23,267)
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)
Sales of stock	2,300,000	8,625	32,430	-
Redemption of preferred stock	-	-	2,119	-
Repayment of ESOP loan and other	-	-	1,481	5,203
December 31, 1994	42,758,877	160,346	470,008	(12,596)
Redemption of preferred stock	-	-	3,093	-
Repayment of ESOP loan and other	-	-	338	5,482
December 31, 1995	42,758,877	$160,346	$473,439	$ (7,114)

COMMON STOCK

Portland General is the sole shareholder of PGE common stock. PGE is restricted, without prior OPUC 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, 1995, PGE's common stock equity capital was 48% of its total capitalization.

Exhibit (23)

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. 33-27462 on Form S-8, Registration Statement No. 33-40943 on Form S-8, Registration Statement No. 33-49811 on Form S-8, Registration Statement No. 33-55321 on Form S-3 and Registration Statement No. 33-61313 on Form S-3.

Arthur Andersen LLP

Portland, Oregon,
January 24, 1996

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. 33-62549 on Form S-3.

Arthur Andersen LLP

Portland, Oregon,
January 24, 1996

POWER OF ATTORNEY

The undersigned director(s) of Portland General Corporation hereby appoint(s) Alvin Alexanderson, Joseph M. Hirko and Joseph E. Feltz, and each of them generally, as the attorney-in-fact, in any and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Portland General Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

Dated: FEBRUARY 6, 1996
Portland, Oregon

/S/ GWYNETH GAMBLE BOOTH Gwyneth Gamble Booth	Jerry E. Hudson
/S/ PETER J. BRIX Peter J. Brix	Warren E. McCain
/S/ CAROLYN S. CHAMBERS Carolyn S. Chambers	/S/ JEROME J. MEYER Jerome J. Meyer
/S/ JOHN W. CREIGHTON, JR. John W. Creighton, Jr.	/S/ RANDOLPH L. MILLER Randolph L. Miller
/S/ KEN L. HARRISON Ken L. Harrison	/S/ BRUCE G. WILLISON Bruce G. Willison

POWER OF ATTORNEY

The undersigned director(s) of Portland General Electric Company hereby appoint(s) Alvin Alexanderson, Joseph M. Hirko and Joseph E. Feltz, and each of them generally, as the attorney-in-fact, in any and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Portland General Electric Company Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

Dated: FEBRUARY 6, 1996
Portland, Oregon

/S/ GWYNETH GAMBLE BOOTH Gwyneth Gamble Booth	Jerry E. Hudson
/S/ PETER J. BRIX Peter J. Brix	Warren E. McCain
/S/ CAROLYN S. CHAMBERS Carolyn S. Chambers	/S/ JEROME J. MEYER Jerome J. Meyer
/S/ JOHN W. CREIGHTON, JR. John W. Creighton, Jr.	/S/ RANDOLPH L. MILLER Randolph L. Miller
/S/ KEN L. HARRISON Ken L. Harrison	/S/ BRUCE G. WILLISON Bruce G. Willison

Exhibit (99)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 1995

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)

EMPLOYEE STOCK PURCHASE PLAN OF
PORTLAND GENERAL CORPORATION

STATEMENTS OF FINANCIAL CONDITION

At December 31	1995	1994
Receivable from Portland General	$13,579	$11,852
Participants' Equity	$13,579	$11,852

STATEMENTS OF INCOME AND CHANGES IN PARTICIPANTS' EQUITY

For the Years Ended December 31	1995	1994	1993
Dividend Income	$ 4,752	$ 5,981	$ 5,243
Contributions from (Note 2):			
Participants	242,261	231,575	229,940
Portland General and Affiliates	33,503	26,154	25,659
	275,764	257,729	255,599
Distributions to Participants:			
Cost of 12,067, 14,582, and 12,628 shares, respectively, of common stock of Portland General issued to participants under the terms of the Plan (including $699, $475 and $2,326, respectively, in cash)	(278,789)	(262,304)	(257,904)
Change in Participants' Equity for the Year	1,727	1,406	2,938
Participants' Equity, at beginning			

of year	11,852	10,446	7,508
Participants' Equity, at end of year	$ 13,579	$ 11,852	$ 10,446

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 (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	CWL	TOTAL
1995 CONTRIBUTIONS				
Employer	$ 33,503	$ -	$ -	$ 33,503
Participants	242,261	-	-	242,261
Total	$275,764	$ -	$ -	$275,764
1994 CONTRIBUTIONS				
Employer	$ 26,127	$ -	$ 27	$ 26,154
Participants	231,345	-	230	231,575
Total	$257,472	$ -	$ 257	$257,729
1993 CONTRIBUTIONS				
Employer	$ 25,587	$ 44	$ 28	$ 25,659
Participants	229,295	405	240	229,940
Total	$254,882	$ 449	$ 268	$255,599

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Portland General Corporation:

We have audited the accompanying statements of financial condition of the Employee Stock Purchase Plan (Plan) of Portland General Corporation as of December 31, 1995 and 1994, and the related statements of income and changes in participants' equity for each of the three years in the period ended December 31, 1995. 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, 1995 and 1994, and the income and changes in participants' equity for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Portland, Oregon,
January 24, 1996

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 11-K, into Portland General Corporation's previously filed Registration Statement No. 33-27462 on Form S-8, Registration Statement No. 33-40943 on Form S-8, Registration Statement No. 33-49811 on Form S-8, Registration Statement No. 33-55321 on Form S-3 and Registration Statement No. 33-61313 on Form S-8.

ARTHUR ANDERSEN LLP

Portland, Oregon,
January 24, 1996

PORTLAND GENERAL CORPORATION

MANAGEMENT DEFERRED COMPENSATION PLAN

1994 RESTATEMENT

Effective October 1, 1994

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PORTLAND GENERAL CORPORATION

MANAGEMENT DEFERRED COMPENSATION PLAN

1994 RESTATEMENT

ARTICLE I

PURPOSE

1.1 RESTATEMENT. Portland General Corporation adopted a Management Deferred Compensation Plan effective January 1, 1987 to cover qualified management employees. Portland General Corporation also restated its Directors' and Senior Officers' Deferred Compensation Plan on January 1, 1987. Pursuant to Article 8.1 of the Management Deferred Compensation Plan and Article 9.1 of the Directors' and Senior Officers' Deferred Compensation Plan, 1987 Restatement, the Company is amending both plans in order to merge the plans for all employees of Participating Employers. The existing plans were merged, renamed and amended for all management employees of Participating Employers by the December 1, 1988 Restatement. The Plan was restated effective November 1, 1990.

1.2 PURPOSE. The purpose of this Management Deferred Compensation Plan is to provide elective deferred compensation in excess of the limits on elective deferrals under qualified cash or deferred arrangements. It is intended that the Plan will aid in attracting and retaining personnel of exceptional ability.

1.3 EFFECTIVE DATE. This 1994 Restatement shall be effective as of October 1, 1994.

1.4 PLAN SPONSOR. The Plan is adopted for the benefit of selected employees of Portland General Corporation, an Oregon corporation, and selected employees of any corporations or other entities affiliated with or subsidiary to it, if such corporations or entities are selected by the Board.

ARTICLE II

DEFINITIONS

2.1 ACCOUNT. "Account" means the account maintained by a Participating Employer in accordance with Article IV with respect to any deferral of Compensation pursuant to this Plan.

2.2 BASE SALARY. "Base Salary" means the Eligible Employee's actual base pay in the pay period and, except as provided herein, excluding any bonuses and/or overtime pay.

2.3 BENEFICIARY. "Beneficiary" means the person, persons or entity entitled under Article VII to receive any Plan benefits payable after a Participant's death.

2.4 BOARD. "Board" means the Board of Directors of Portland General Corporation.

2.5 BONUSES. "Bonuses" means Our Teamworks Awards, Notable Achievement Awards, and any other form of cash Incentive Compensation explicitly designated as deferrable pursuant to this Plan by the Deferral Election form approved by the Senior Administrative Officer.

2.6 CHANGE IN CONTROL. "Change in Control" means an occurrence in which:

(a) any "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the Act)) becomes the "beneficial owner" (as defined in Rule 13-d under the Act) of more than thirty percent

(30%) of the then outstanding voting stock of Portland General Corporation, otherwise than through a transaction arranged by, or consummated with the prior approval of, the Board of Directors of Portland General Corporation ("PGC Board"), or

(b) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the PGC Board (and any new PGC Board member whose election by the PGC Board or whose nomination for election by the stockholders of Portland General Corporation was approved by a vote of at least two-thirds (2/3) of the PGC Board members then still in office who either were PGC Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority thereof.

2.7 COMMITTEE. "Committee" means the Human Resources Committee of the Board.

2.8 COMPANY. "Company" means Portland General Corporation, an Oregon Corporation.

2.9 COMPENSATION. "Compensation" means the total of the following, before reduction for elective deferrals under this Plan or a Participating Employer's tax qualified Retirement Savings Plan or any other flexible benefit plan:

(a) Base Salary;

(b) Bonuses;

(c) Any interest on the above payments credited by a Participating Employer for the benefit of an Eligible Employee prior to the date of payment, without respect to any deferral of Compensation made pursuant to this Plan, by a Participating Employer.

Compensation, for purposes of this Plan, may include any new form of cash remuneration paid by a Participating Employer to any Eligible Employee which is explicitly designated as deferrable pursuant to this Plan by the Deferral Election form approved by the Senior Administrative Officer. Compensation for purposes of this Plan, does not include expense reimbursements, imputed income, or any form of noncash compensation or benefits.

2.10 DEFERRAL ELECTION. "Deferral Election" means the election completed by Participant in a form approved by the Senior Administrative Officer which indicates Participant's irrevocable election to defer Compensation as designated in the Deferral Election, pursuant to Article III.

2.11 DETERMINATION DATE. "Determination Date" means the last day of each calendar month.

2.12 DIRECT SUBSIDIARY. "Direct Subsidiary" means any corporation of which a Participating Employer owns at least eighty percent (80%) of the total combined voting power of all classes of its stock entitled to vote.

2.13 ELIGIBLE EMPLOYEE. "Eligible Employee" means an employee of a Participating Employer who:

(a) Is exempt;

(b) Is not covered by a collective bargaining agreement; and

(c) If employed for the entire calendar year, receives or, based on current levels of base pay is expected to receive, Compensation from one (1) or more

Participating Employers in the calendar year, in an amount equal to or in excess of the threshold amount described in 2.13(e) below, or

(d) If employed for a part of the calendar year, receives or, based on an annualized level of base pay would have received, Compensation from one (1) or more Participating Employers in the calendar year, in an amount equal to or in excess of the threshold amount described in 2.13(e) below. Notwithstanding the above, eligibility is at the discretion of the Senior Administrative Officer.

(e) The threshold amount in calendar year 1994 and any subsequent year shall be sixty-six thousand dollars ($66,000). Such amount may be adjusted by the Senior Administrative Office each subsequent calendar year at the same time and in not less than the percentage ratio as the cost of living adjustment in the dollar limit on defined benefits under Section 415(d) of the Internal Revenue Code.

2.14 FINANCIAL EMERGENCY. "Financial Emergency" means a financial need resulting from a serious unforeseen personal or family emergency, such as an act of God, an adverse business or financial transaction, divorce, serious illness or accident, or death in the family.

2.15 INCENTIVE COMPENSATION. "Incentive Compensation" means payments made to a Participant in recognition of meritorious work performance but shall not include, without limitation, any payment received as moving expense, mortgage expense or mortgage interest reimbursement.

2.16 INDIRECT SUBSIDIARY. "Indirect Subsidiary" means any corporation of which a Participating Employer directly and constructively owns at least eighty percent (80%) of the total combined voting power of all classes of its stock entitled to vote. In determining the amount of stock of a corporation that is constructively owned by a Participating Employer, stock owned, directly or constructively, by a corporation shall be considered as being owned proportionately by its shareholders according to such shareholders' share of voting power of all classes of its stock entitled to vote.

2.17 INTEREST. "Interest" means the interest yield computed at the monthly equivalent of an annual yield that is three (3) percentage points higher than the annual yield on Moody's Average Corporate Bond Yield Index for the three (3) calendar months preceding the immediately prior month as published by Moody's Investors Service, Inc. (or any successor thereto), or, if such index is no longer published, a substantially similar index selected by the Board.

2.18 PAID TIME OFF. "Paid Time Off" means those vacation and holiday days for which the Employer pays employees for time not worked.

2.19 PAID TIME OFF CANCELLATION. "Paid Time Off Cancellation" means cash payments made in lieu of Paid Time Off earned by an Eligible Employee.

2.20 PARTICIPANT. "Participant" means any Eligible Employee who has elected to make deferrals under this Plan.

2.21 PARTICIPATING EMPLOYER. "Participating Employer" means the Company or any affiliated or subsidiary company designated by the Board as a Participating Employer under the Plan, as long as such designation has become effective and continues to be in effect. The designation as a Participating Employer shall become effective only upon the acceptance of such designation and the formal adoption of the Plan by a Participating Employer. A Participating Employer may revoke its acceptance of designation as a Participating Employer at any time, but until it makes such revocation, all of the provisions of this Plan and any amendments thereto shall apply to the Eligible Employees of the Participating Employer and their Beneficiaries.

2.22 PENSION PLAN. "Pension Plan" means the Participating Employer's Pension Plan, as may be amended from time to time, and any successor defined benefit retirement income plan or plans maintained by the Participating Employer which qualify under Section 401(a) of the Internal Revenue Code.

2.23 PLAN. "Plan" means the Portland General Corporation Management Deferred Compensation Plan, as may be amended from time to time.

2.24 POLICIES. "Policies" means any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by Participating Employer.

2.25 SENIOR ADMINISTRATIVE OFFICER. "Senior Administrative Officer" means the employee in the management position designated by the Committee to administer the Plan.

ARTICLE III

ELIGIBILITY AND DEFERRALS

3.1 ELIGIBILITY.

(a) GENERAL. An Eligible Employee who has completed one (1) year of continuous employment with one (1) or more Participating Employers shall be eligible to participate by making a Deferral Election under Paragraph 3.2 below. The Senior Administrative Officer shall notify Eligible Employees about the Plan and the benefits provided under it. The requirement of one (1) year of continuous employment may be waived by the Senior Administrative Officer.

(b) CESSATION OF ELIGIBILITY. An Eligible Employee who ceases to satisfy condition 2.13(a) or 2.13(b) of the definition of Eligible Employee shall cease participating as to new deferrals immediately. An Eligible Employee who ceases to satisfy condition 2.13(c) of the definition of Eligible Employee may continue to participate in the Plan if such individual has a current Account under the Plan at the time the employee ceases to satisfy condition 2.13(c).

3.2 DEFERRAL ELECTIONS.

(a) TIME OF ELECTIONS. An Eligible Employee may elect to participate in the Plan with respect to any Compensation and/or Paid Time Off Cancellation designated in a Deferral Election in a form approved by the Senior Administrative Officer. The Deferral Election must be filed with the Senior Administrative Officer no later than December 15, or such shorter period as is designated in the Deferral Election form.

(b) MID-YEAR ELIGIBILITY. If an individual first becomes eligible to participate during a calendar year and wishes to defer Compensation and/or Paid Time Off Cancellation during the remainder of the year, a Deferral Election may be filed no later than thirty (30) days following notification of eligibility to participate to the individual by the Senior Administrative Officer. Such Deferral Election shall be effective only with regard to Compensation and/or Paid Time Off Cancellation earned after it is filed with the Senior Administrative Officer.

(c) IRREVOCABILITY. A Deferral Election for the following calendar year shall become irrevocable on the December 15 by which it is due under Paragraph 3.2(a) and a

Deferral Election for the current calendar year shall become irrevocable upon filing with the Senior Administrative Officer under Paragraph 3.2(b).

(d) TRANSFER TO A PARTICIPATING EMPLOYER. If a Participant transfers employment from one (1) Participating Employer to another Participating Employer, the Participant's Deferral Election shall remain in effect for the remainder of the calendar year with respect to Compensation earned by the individual after the transfer to the new Participating Employer.

3.3 LIMITS ON ELECTIVE DEFERRALS. A Participant may elect to defer up to eighty percent (80%) of Base Salary and up to one hundred percent (100%) of Bonuses. The level of deferral elected in either case must be in one percent (1%) increments. A Participant may elect to defer up to one hundred twenty (120) hours per year of Paid Time Off in one-tenth (1/10) hour increments, but may not defer any Paid Time Off earned in prior calendar years, or the first two hundred (200) hours of Paid Time Off earned in the calendar year to which the Deferral Election relates.

3.4 MATCHING CONTRIBUTIONS. The Participating Employer shall provide a matching contribution for each Participant who is making deferrals of Base Salary under this Plan. The matching contribution shall be six percent (6%) of the Participant's annual elective Base Salary deferral under this Plan. For purposes of this provision, Base Salary shall not include amounts received as a Nuclear Regulatory Commission licensing bonus.

3.5 WELFARE BENEFITS. Compensation deferred under this Plan shall constitute compensation for purposes of any welfare plans, (as defined by the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), sponsored by the Participating Employer.

ARTICLE IV

DEFERRED COMPENSATION ACCOUNT

4.1 CREDITING TO ACCOUNT. The amount of the elective deferrals and matching contributions for a Participant under this Plan shall be credited to an Account for the Participant on the books of the Participating Employer at the time the Compensation would have been paid in cash. Any taxes or other amounts due from the Participant with respect to the deferred Compensation under federal, state or local law, such as a Participant's share of FICA, shall be withheld from nondeferred Compensation payable to the Participant at the time the deferred amounts are credited to the Account.

4.2 DETERMINATION OF ACCOUNTS. The last day of each calendar month shall be a Determination Date. Each Participant's Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, plus the Participant's elective deferrals, matching contributions, and Interest credited under this Plan, minus the amount of any distributions made from this Plan since the immediately preceding Determination Date. Interest credited shall be calculated as of each Determination Date based upon the average daily balance of the Account since the preceding Determination Date.

4.3 VESTING OF ACCOUNTS. Account balances in this Plan shall be fully vested at all times.

4.4 STATEMENT OF ACCOUNTS. The Senior Administrative Officer shall submit to each Participant, after the close of each calendar quarter and at such other times as determined by the Senior Administrative Officer a statement setting forth the balance of the Account maintained for the Participant.

ARTICLE V

PLAN BENEFITS

5.1 BENEFITS.

(a) ENTITLEMENT TO BENEFITS AT TERMINATION. Benefits under this Plan shall be payable to a Participant on termination of employment with the Participating Employer, Portland General Corporation, and any and all Direct or Indirect Subsidiaries of Portland General Corporation. The amount of the benefit shall be the balance of the Participant's Account including Interest to the date of payment, in the form elected under Paragraph 5.3 below.

(b) ENTITLEMENT TO BENEFITS AT DEATH. Upon the death of a Participant for whom an Account is held under this Plan, a death benefit shall be payable to the Participant's Beneficiary in the same form as the Participant elected for payments at termination of employment, under Paragraph 5.3 below. The amount of the benefit shall be the balance of the Participant's Account including Interest to the date of payment.

5.2 WITHDRAWALS FOR FINANCIAL EMERGENCY. A Participant may withdraw part or all of the Participant's Account for a Financial Emergency as follows:

(a) DETERMINATION. The existence of a Financial Emergency and the amount to be withdrawn shall be determined by the Senior Administrative Officer.

(b) SUSPENSION. A Participant who makes a withdrawal for Financial Emergency from any company-sponsored deferral plan, whether qualified or nonqualified, shall be suspended from participation in this Plan for twelve (12) months from the date of such withdrawal. Compensation and/or Paid Time Off Cancellation payable during such suspension that would have been deferred under this Plan shall instead be paid to the Participant. No matching contribution shall be credited to a Participant's Account under this Plan during any period of suspension.

5.3 FORM OF BENEFIT PAYMENT.

(a) The Plan benefits attributable to the elective deferrals for any calendar year shall be paid in one (1) of the forms set out below, as elected by the Participant in the form of payment designation filed with the Deferral Election for that year. The forms of benefit payment are:

(i) A lump sum payment;

(ii) Monthly installment payments in substantially equal payments of principal and Interest over a period of up to one hundred eighty (180) months. The amount of the installment payment shall be redetermined on the first day of the month coincidental with or next following the anniversary of the date of termination each year, based upon the then current rate of Interest, the remaining Account balance, and the remaining number of payment periods; or

(iii) In the event the account balance is ten thousand dollars ($10,000) or less, that benefit will be paid out in a lump sum notwithstanding the form of benefit payment elected by the Participant.

(b) A Participant may elect to file a change of payment designation which shall supersede all prior form of payment designations with respect to the Participant's entire Account. If, upon termination, the Participant's most recent change of payment designation has not been in effect for twelve (12) full months prior to such termination, then the prior election shall be used to determine the form of payment. The Senior Administrative Officer may, in his sole discretion, direct that plan benefits be paid pursuant to the change of payment designation, notwithstanding the twelve (12) month requirement.

5.4 ACCELERATED DISTRIBUTION. Notwithstanding any other provision of the Plan, a Participant shall be entitled to receive, upon written request to the Senior Administrative Officer, a lump sum distribution of all or a portion of the vested Account balance, subject to the following:

(a) PENALTY.

(i) If the distribution is requested within twenty-four (24) months following a Change in Control, six percent (6%) of the account shall be forfeited and ninety-four percent (94%) of the account paid to the Participant.

(ii) If the distribution is requested at any time other than that in (i) above, ten percent (10%) of the account shall be forfeited and ninety percent (90%) of the account paid to the Participant.

(b) SUSPENSION. A Participant who receives a distribution under this section shall be suspended from participation in this Plan for twelve (12) calendar months from the date of such distribution. All eligibility requirements must be met to reenter the Plan. The account balance shall be as of the Determination Date immediately preceding the date on which the Senior Administrative Officer receives the written request. The amount payable under this section shall be paid in a lump sum within sixty-five (65) days following the receipt of the Participant's written request by the Senior Administrative Officer.

5.5 WITHHOLDING; PAYROLL TAXES. Each Participating Employer shall withhold from payments made hereunder any taxes required to be withheld from a Participant's wages for the federal or any state or local government. Withholding shall also apply to payments to a Beneficiary unless an election against withholding is made under Section 3405(a)(2) of the Internal Revenue Code.

5.6 COMMENCEMENT OF PAYMENTS. Payment shall commence at the discretion of the Senior Administrative Officer, but not later than sixty-five (65) days after the end of the month in which a Participant retires, dies or otherwise terminates employment. All payments shall be made as of the first day of the month.

5.7 FULL PAYMENT OF BENEFITS. Notwithstanding any other provision of this Plan, all benefits shall be paid no later than one hundred eighty (180) months following the date payment to a Participant commences.

5.8 PAYMENT TO GUARDIAN. If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of property, the Senior Administrative Officer may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor or incompetent person. The Senior Administrative Officer may require proof of incompetency, minority, incapacity or guardianship as he may deem appropriate prior to distribution of the Plan benefit. Such distribution shall completely discharge the Senior Administrative Officer, the Participating Employer, and the Company from all liability with respect to such benefit.

ARTICLE VI

RESTORATION OF PENSION PLAN BENEFITS

6.1 PENSION PLAN. If a Participating Employer maintains a tax qualified Pension Plan for the benefit of eligible employees, and the Pension Plan provides benefits determined under a formula that is based in part on the employee's nondeferred compensation, a Participant in this Plan may receive a smaller benefit under the Pension Plan as a result of electing deferrals under this Plan.

6.2 RESTORATION OF PENSION PLAN BENEFITS. In addition to the benefits payable under Paragraph 5.1 above, Participating Employer shall pay to any Participant whose Pension Plan benefit is not restored under any other employee or executive benefit plan maintained by Participating Employer, a benefit payment equal to the excess of (b) over (a) as follows:

(a) The actuarial equivalent lump sum present value of the retirement income (or death benefit) payable (either immediately or deferred) under the Pension Plan; and

(b) the actuarial equivalent lump sum present value of the retirement income (or death benefit) that would have been payable under the Pension Plan if Participant had made no Deferral Elections in any calendar year under this Plan. The actuarial equivalent lump sum present values shall be calculated in the same manner and using the same factors as are used to calculate lump sum distributions under the Pension Plan. If Participant terminates employment prior to attaining the age of fifty-five (55), payment of the restoration of Pension Plan benefits shall be made as if Participant had made a lump sum election pursuant to Paragraph 5.3(a)(i) above with respect to the payment of the restoration of

Pension Plan benefits. If Participant terminates employment upon or after attaining the age of fifty-five (55), payment of the restoration of Pension Plan benefits shall be made as if Participant had made an election to receive monthly installment payments in substantially equal payments of principal and Interest over a period of eighty-four (84) months pursuant to Paragraph 5.3(a)(ii) above with respect to the payment of the restoration of Pension Plan benefits. In the event the actuarial equivalent lump sum present value is ten thousand dollars ($10,000) or less, that benefit will be paid out in a lump sum.

6.3 RESTORATION OF PENSION PLAN BENEFITS IN EVENT OF CHANGE IN CONTROL. In the event of a Change in Control, and a subsequent termination of the Pension Plan within three (3) years following a Change in Control, all Plan Participants shall receive a restoration of Pension Plan benefits under Paragraph 6.2.

ARTICLE VII

BENEFICIARY DESIGNATION

7.1 BENEFICIARY DESIGNATION. Each Participant shall have the right, at any time, to designate one (1) or more persons or entities as the Participant's Beneficiary, primary as well as secondary, to whom benefits under this Plan shall be paid in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Senior Administrative Officer and will be effective only when filed with the Senior Administrative Officer during the Participant's lifetime.

7.2 AMENDMENTS. Any Beneficiary designation may be changed by a Participant without the consent of any Beneficiary by the filing of a new Beneficiary designation with the Senior Administrative Officer. If a Participant's Compensation is community property, any Beneficiary designation shall be valid or effective only as permitted under applicable law.

7.3 NO BENEFICIARY DESIGNATION. In the absence of an effective Beneficiary designation, or if all Beneficiaries predecease a Participant, the Participant's estate shall be the Beneficiary. If a Beneficiary dies after a Participant and before payment of benefits under this Plan has been completed, the remaining benefits shall be payable to the Beneficiary's estate.

7.4 EFFECT OF PAYMENT. Payment to the Beneficiary shall completely discharge the Participating Employer's obligations under this Plan.

ARTICLE VIII

ADMINISTRATION

8.1 SENIOR ADMINISTRATIVE OFFICER; DUTIES. This Plan shall be administered by a Senior Administrative Officer appointed by the Committee. The Senior Administrative Officer may be a Participant under this Plan. The Senior Administrative Officer shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions including interpretations of this Plan as may arise in connection with the Plan. The Senior Administrative Officer shall report to the Committee on an annual basis regarding Plan activity, and at such other times as may be requested by the Committee.

8.2 AGENTS. In the administration of this Plan, the Senior Administrative Officer may, from time to time, employ agents and delegate to such agents, including employees of any Participating Employer, such administrative duties as he sees fit, and may from time to time consult with counsel, who may be counsel to any Participating Employer.

8.3 BINDING EFFECT OF DECISIONS. The decision or action of the Senior Administrative Officer in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

8.4 INDEMNITY OF SENIOR ADMINISTRATIVE OFFICER; COMMITTEE. Each Participating Employer shall indemnify and hold harmless the Senior Administrative Officer, the Committee, and its individual members against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

8.5 AVAILABILITY OF PLAN DOCUMENTS. Each Participant shall receive a copy of this Plan, and the Senior Administrative Officer shall make available for inspection by any Participant a copy of the rules and regulations used in administering the Plan.

8.6 COST OF PLAN ADMINISTRATION. The Company shall bear all expenses of administration of this Plan. However, a ratable portion of the expense shall be charged back to each Participating Employer.

ARTICLE IX

CLAIMS PROCEDURE

9.1 CLAIM. Any person claiming a benefit, requesting an interpretation or ruling under the Plan or requesting information under the Plan shall present the request in writing to the Senior Administrative Officer or his delegatee who shall respond in writing as soon as practicable.

9.2 DENIAL OF CLAIM. If the claim or request is denied, the written notice of denial shall state:

(a) The reasons for denial, with specific reference to the Plan provisions on which the denial is based.

(b) A description of any additional material or information required and an explanation of why it is necessary.

(c) An explanation of the Plan's claim review procedure.

9.3 REVIEW OF CLAIM. Any person whose claim or request is denied or who has not received a response within thirty (30) days may request review by notice given in writing to the Senior Administrative Officer. The claim or request shall be reviewed by the Senior Administrative Officer, who may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents and submit issues and comments in writing.

9.4 FINAL DECISION. The decision by the Senior Administrative Officer on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE X

AMENDMENT AND TERMINATION OF PLAN

10.1 AMENDMENT. The Senior Administrative Officer may amend the Plan from time to time as may be necessary for administrative purposes and legal compliance of the Plan, provided, however, that no such amendment shall affect the benefit rights of Participants or Beneficiaries in the Plan. The Committee may amend the Plan at any time, provided, however, that no amendment shall be effective to decrease or restrict the accrued rights of Participants and Beneficiaries to the amounts in their Accounts at the time of the amendment.

10.2 TERMINATION. The Board of each Participating Employer may at any time, in its sole discretion, terminate or suspend the Plan in whole or in part for that Participating Employer. However, no such termination or suspension shall adversely affect the benefits of Participants which have accrued prior to such action, the benefits of any Participant who has previously retired, the benefits of any Beneficiary of a Participant who has previously died, or already accrued Plan liabilities between Participating Employers.

10.3 PAYMENT AT TERMINATION. Notwithstanding Paragraph 5.3 above, if the Plan is terminated, payment of each Account to a Participant or a Beneficiary for whom it is held shall commence within sixty (60) days of Plan termination in the earlier of one (1) of the following forms:

(a) The form and time of payment designated by the Participant; or

(b) Paid in the following form:

APPROPRIATE ACCOUNT BALANCE	PAYOUT PERIOD
Less than $25,000:	Lump sum
$25,000 but less than $100,000:	Monthly installments over 2 years
$100,000 but less than $500,000:	Monthly installments over 3 years
$500,000 or more:	Monthly installments over 5 years

Interest earned on the unpaid balance in Participant's Account shall be the applicable Interest rate on the Determination Date immediately preceding the effective date of such termination of the Plan.

ARTICLE XI

MISCELLANEOUS

11.1 UNFUNDED PLAN. This Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301, and 401 of ERISA, and therefore to be exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Board may terminate the Plan and commence termination payout under 10.3 above for all or certain Participants, or remove certain employees as Participants, if it is determined by the United States Department of Labor or a court of competent jurisdiction that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA which is not so exempt. This Plan is not intended to create an investment contract, but to provide retirement benefits to eligible individuals who have elected to participate in the Plan. Eligible individuals are select members of management who, by virtue of their position with Participating Employer, are uniquely informed as to Participating Employer's operations and have the ability to materially affect Participating Employer's profitability and operations.

11.2 LIABILITY.

(a) LIABILITY FOR BENEFITS. Except as otherwise provided in this paragraph, liability for the payment of a Participant's benefit pursuant to this Plan shall be borne solely by the Participating Employer that employs the Participant and reports the Participant as being on its payroll during the accrual or increase of the Plan benefit, and no liability for the payment of any Plan benefit shall be incurred by reason of Plan sponsorship or participation except for the Plan benefits of a Participating Employer's own employees. Provided, however, that each Participating Employer, by accepting the Board's designation as a Participating Employer under the Plan and formally adopting the Plan, agrees to assume secondary liability for the payment of any benefit accrued or increased while a Participant is employed and on the payroll of a Participating Employer that is a Direct Subsidiary or Indirect Subsidiary of the Participating Employer at the time such benefit is accrued or increased. Such liability shall survive any revocation of designation as a Participating Employer with respect to any liabilities accrued at the time of such revocation. Nothing in this paragraph shall be interpreted as prohibiting any Participating Employer or any other person from expressly agreeing to the assumption of liability for a Plan Participant's payment of any benefits under the Plan.

(b) UNSECURED GENERAL CREDITOR. Participants and their Beneficiaries, heirs, successors, and assigns shall have no secured legal or equitable rights, interest or claims in any property or assets of a Participating Employer, nor shall they be beneficiaries of, or have any rights, claims or interests in any Policies or the proceeds therefrom owned or which may be acquired by a Participating Employer. Except as provided in Section 11.3, such Policies or other assets of a Participating Employer shall not be held under any trust for the benefit of Participants, their Beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of a Participating Employer under this Plan. Any and all of a Participating Employer's assets and Policies shall be, and remain, the general, unpledged, unrestricted assets of the Participating Employer. A Participating Employer's obligation under the Plan shall be that of an unfunded and unsecured promise to pay money in the future.

11.3 TRUST FUND. At its discretion, each Participating Employer, jointly or severally, may establish one (1) or more trusts, with such trustee as the Board may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Participating Employer's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Participating Employer shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by the Participating Employer.

11.4 NONASSIGNABILITY. Neither a Participant nor any other person shall have any right to sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be nonassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

11.5 NOT A CONTRACT OF EMPLOYMENT. The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between a Participating Employer and a Participant, and neither a Participant nor a Participant's Beneficiary shall have any rights against a Participating Employer except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of a Participating Employer or to interfere with the right of a Participating Employer to discipline or discharge a Participant at any time.

11.6 PROTECTIVE PROVISIONS. A Participant will cooperate with a Participating Employer by furnishing any and all information requested by a Participating Employer, in order to facilitate the payment of benefits hereunder, and by taking such physical examination as a Participating Employer may deem necessary and taking such other action as may be requested by a Participating Employer.

11.7 GOVERNING LAW. The provisions of this Plan shall be construed and interpreted according to the laws of the State of Oregon, except as preempted by federal law.

11.8 TERMS. In this Plan document, unless the context clearly indicates the contrary, the masculine gender will be deemed to include the female gender, and the singular shall include the plural.

11.9 VALIDITY. In case any provisions of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

11.10 NOTICE. Any notice or filing required or permitted to be given to the Senior Administrative Officer under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail to the Senior Administrative Officer or to Secretary of Participating Employer. Notice to the Senior Administrative Officer, if mailed, shall be addressed to the principal executive offices of Participating Employer. Notice mailed to the Participant shall be at such address as is given in the records of the Participating Employer. Notices shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

11.11 SUCCESSORS. The provisions of this Plan shall bind and inure to the benefit of each Participating Employer and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of a Participating Employer, and successors of any such corporation or other business entity.

IN WITNESS WHEREOF, and pursuant to resolution of the Human Resources Committee of the Board of Directors of Portland General Corporation, the Company has caused this instrument to be executed by its duly authorized Senior Administrative Officer effective as of the 1st day of October 1994.

PORTLAND GENERAL CORPORATION

By: /S/ DONALD F. KIELBLOCK
Donald F. Kielblock
Its: Vice President of Human Resources and
Senior Administrative Officer

AMENDMENT NO. 1

TO PORTLAND GENERAL CORPORATION

MANAGEMENT DEFERRED COMPENSATION PLAN

THIS AMENDMENT to the Portland General Corporation Management Deferred Compensation Plan (the "Plan") is made and entered into this 1st day of April, 1995, by the Senior Administrative Officer of Portland General Corporation, an Oregon Corporation;

WHEREAS, the Company has established the Plan as restated October 1, 1994; and

WHEREAS, pursuant to Section 10.1 of the Plan, the Senior Administrative Officer may amend the Plan from time to time as may be necessary for administrative purposes and legal compliance;

NOW, THEREFORE, Section 2.13(e) of the Plan is hereby amended as follows:

2.13 ELIGIBILE EMPLOYEE.

(e) The threshold amount effective April 1, 1995 and any subsequent year shall be eighty-five thousand dollars ($85,000). Such amount may be adjusted by the Senior Administrative Officer each subsequent calendar year or at any other time as the Senior Administrative Officer deems necessary.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of the day and year first above written.

PORTLAND GENERAL CORPORATION

BY: /S/ DONALD F. KIELBLOCK
Donald F. Kielblock
Senior Administrative Officer

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-K
FOR THE PERIOD ENDED DECEMBER 31, 1995 AND 1994 FOR PORTLAND
GENERAL CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR	YEAR
DEC-31-1995	DEC-31-1994
DEC-31-1995	DEC-31-1994
PER-BOOK	PER-BOOK
1,723,619	1,616,534
324,617	317,692
236,541	336,715
1,163,240	1,288,330
0	0
3,448,017	3,559,271
191,301	189,358
574,468	563,915
135,885	118,676
893,148	858,313
40,000	50,000
0	69,704
883,656	826,602
0	0
0	0
170,248	148,598
92,661	69,195
10,000	10,000
6,900	9,212
2,453	2,311
1,348,951	1,515,336
3,448,017	3,559,271
983,582	959,409
89,064	71,878
698,942	733,235
788,006	805,113
195,576	154,296
(33,576)	17,172
162,000	171,468
71,320	67,610
90,680	110,330
9,644	10,800
81,036	99,530
60,955	60,308
64,997	58,031
256,542	247,565
1.60	1.99
1.60	1.99

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

UT

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FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-K
FOR THE PERIODS ENDED DECEMBER 31, 1995 AND 1994 FOR PORTLAND
GENERAL ELECTRIC COMPANY AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR	YEAR
DEC-31-1995	DEC-31-1994
DEC-31-1995	DEC-31-1994
PER-BOOK	PER-BOOK
1,723,619	1,616,534
138,352	124,593
223,306	327,710
1,160,320	1,285,314
0	0
3,245,597	3,354,151
160,346	160,346
473,439	470,008
246,282	216,468
880,067	834,226
40,000	50,000
0	69,704
883,656	796,602
0	0
0	0
170,248	148,598
62,661	69,195
10,000	10,000
6,900	9,212
2,453	2,311
1,189,612	1,364,303
3,245,597	3,354,151
981,628	958,955
89,523	75,314
696,919	730,433
786,442	805,747
195,186	153,208
(33,623)	16,148
161,563	169,356
68,776	63,238
92,787	106,118
9,644	10,800
83,143	95,318
50,456	56,442
62,570	54,732
272,490	238,435
0	0
0	0

PORTLAND GENERAL ELECTRIC COMPANY IS A WHOLLY OWNED
SUBSIDIARY OF PORTLAND GENERAL CORPORATION AND DOES
NOT REPORT EARNINGS PER SHARE INFORMATION.