

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended SEPTEMBER 30, 1995

or

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

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

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

The number of shares outstanding of the registrants' common stocks as of September 30, 1995 are:

Portland General Corporation	50,824,141
Portland General Electric Company (owned by Portland General Corporation)	42,758,877

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PORTLAND GENERAL CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Portland General Electric Company (PGE or the Company), an electric utility company and the principal operating subsidiary of Portland General Corporation (Portland General), accounts for substantially all of Portland General's assets, revenues and net income. The following discussion focuses on utility operations, unless otherwise noted.

1995 COMPARED TO 1994 FOR THE THREE MONTHS ENDED SEPTEMBER 30

Portland General earned \$14 million or \$0.28 per share for the third quarter of 1995 compared to earnings of \$12 million or \$0.24 per share in 1994. Earnings for the period include an after tax provision against earnings of \$13 million, related to unrecoverable deferred power costs. Excluding this charge to income, earnings would have been \$27 million. The quarters' strong operating earnings reflect continued retail load growth as well as low variable power costs driven by improved hydro conditions throughout the western region and a competitive wholesale market.

Operating revenues increased \$8 million or 4% for the quarter. Retail revenues increased by \$14 million, or 8%, due primarily to the company's April 1995 general rate increase and increased retail energy sales. A strong local economy and continued increase in the number of retail customers contributed to a 3% rise in retail energy sales. PGE is serving 13,600, or 2.2%, more retail customers than served in the same period last year with 2,580 new retail customers added during this quarter. A \$6 million wholesale, or 23%, decline in wholesale revenues partially offset the increase in retail revenues. Wholesale energy sales decreased 11% and average wholesale prices decreased 13%. A competitive wholesale market coupled with the availability of inexpensive power narrowed wholesale margins and decreased sales.

PGE took advantage of the competitive wholesale market and the availability of inexpensive power and purchased 54% of its total system load compared to 48% last year. Increased low-cost energy purchases, good hydro generation and low natural gas prices drove variable power costs down despite increased total system load. The average cost of power decreased from 19.7 to 16.0 mills (10 mills = 1 cent) as variable power costs decreased \$19 million, or 23% for the quarter (see table below).

Abundant supplies of energy drove secondary prices below 1994 levels. Spot market purchases averaged 11.4 mills, ranging from 6 to 20 mills, compared to an average 22.4 mills in 1994.

Hydro generation increased 14%, or 53,600 MWh, reflecting good water conditions on the Clackamas River system. While thermal generation decreased 15%, lower gas prices allowed the Beaver Combustion Turbine Plant to generate energy at 39% lower variable cost.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

RESOURCE MIX/VARIABLE POWER COSTS

	Resource Mix			Average Variable Power Cost (Mills/KWh)	
	1995	1994		1995	1994
Generation	46%	52%		8.4	11.3
Firm Purchases	35%	35%		24.5	26.6
Spot Purchases	19%	13%		11.4	22.4
Total	100%	100%	Average	16.0	19.7
Resources					

Operating expenses (excluding variable power, depreciation and income taxes) were comparable with 1994. Depreciation increased \$2 million, or 7%, largely due to higher depreciation levels effective with the Company's recent general rate increase in April 1995.

Income taxes included in Net Operating Income increased \$14 million primarily due to an increase in before tax operating income.

PGE recorded a \$13 million, after tax, provision against earnings as a result of an agreement with the Oregon Public Utility Commission's (PUC) Staff which allows for only partial recovery of the Company's outstanding power cost deferrals. For further information regarding this agreement see the Power Cost Recovery and Coyote Springs Filing discussion in the Financial and Operating Outlook section below.

1995 COMPARED TO 1994 FOR THE NINE MONTHS ENDED SEPTEMBER 30

Portland General earned \$45 million or \$0.88 per share for the nine months ended September 30, 1995, compared to earnings of \$75 million or \$1.51 per share in 1994. 1995 results include after tax charges to income of \$37 million related to the PUC's rate order disallowing 13% of PGE's remaining investment in Trojan and \$13 million related to the Company's agreement with PUC Staff allowing only partial recovery of the Company's deferred power costs. 1994 earnings include \$7 million, after tax, in previously recorded real estate reserves. Excluding these items, earnings would have been \$94 million in 1995 and \$69 million in 1994. Strong operating results reflect improved hydro conditions, favorable secondary power costs and continued retail load growth, partially offset by narrowing margins in a competitive wholesale market.

Although operating revenues only increased \$7 million, retail MWh sales rose 3% and revenues increased by \$23 million. Colder temperatures during the early part of the year and an increase in retail customers contributed to a higher level of energy sales. The increased sales combined with the general rate increase boosted revenues from energy sales nearly 7%. Fewer accrued revenues partially offset increases from energy sales. PGE recorded \$12 million in power cost deferrals in 1995 (\$11 million in the first quarter), compared with \$19 million in 1994 (\$18 million in the first quarter).

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

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

A decline in wholesale revenues of \$18 million from 1994 levels also partially offset the increase in retail revenues. Wholesale energy sales declined 13% and prices averaged 13% lower. The Northwest region's traditional price advantage over the Southwest eroded due to abundant energy supplies and improved hydro conditions in California and made for a more competitive wholesale marketplace.

Variable power costs decreased \$50 million, or 20%, resulting from increased hydro production and lower secondary prices. PGE reduced thermal plant generation 30% to take advantage of favorable secondary energy prices, decreasing average variable power costs from 19.1 to 16.0 mills (see table below).

PGE hydro generation increased 21%, or 307,704 MWh, reflecting improved water conditions on the Clackamas River system. Spot market purchases averaged 10.7 mills compared to 19.8 mills in 1994 due to the availability of low-cost secondary power.

RESOURCE MIX/VARIABLE POWER COSTS

	Resource Mix		Average Variable Power Cost (Mills/KWh)	
	1995	1994	1995	1994
Generation	37%	45%	7.5	10.6
Firm Purchases	36%	33%	24.8	25.5
Spot Purchases	27%	22%	10.7	19.8
Total Resources	100%	100%	Average 16.0	19.1

The Company held operating expenses (excluding variable power, depreciation and income taxes) at levels comparable to 1994. Depreciation increased \$7 million, or 8%, largely due to increased depreciation rates effective with the Company's general rate increase in April 1995.

Income taxes increased \$19 million, or 37%, due to an increase in before tax operating income.

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, leasing rentals, short- and intermediate-term borrowings and the sale of its common stock.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

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

Portland General received \$11.5 million in dividends from PGE during the third quarter of 1995 and \$2.3 million in proceeds from the issuance of shares of common stock under its Dividend Reinvestment and Optional Cash Payment Plan.

PORTLAND GENERAL ELECTRIC COMPANY

CASH PROVIDED BY OPERATIONS

Operations are the primary source of cash used for day to day operating needs of PGE and funding of construction activities. PGE also obtains cash from external borrowings, as needed.

A significant portion of cash from operations comes from depreciation and amortization of utility plant, charges which are recovered in customer revenues but require no current cash outlay. Changes in accounts receivable and accounts payable can also be significant contributors or users of cash. Improved cash flow for the current year reflects the Company's general price increase and lower variable power costs. 1994 third quarter cash flows were also affected by a \$20 million prepayment to the IRS related to the 1985 tax deduction discussed below.

Portland General has reached a tentative settlement with the IRS regarding the Washington Public Power Supply System Unit 3 (WNP-3) abandonment loss deduction on its 1985 tax return. Portland General does not expect future cash requirements to be materially affected by the resolution of this matter (see Note 3, Income Taxes, for further information).

INVESTING ACTIVITIES

PGE invests in facilities for generation, transmission and distribution of electric energy and products and services for energy efficiency. Estimated capital expenditures for 1995 are expected to be \$225 million. Approximately \$160 million has been expended for capital projects, including energy efficiency, through September 30, 1995.

PGE funds an external trust for the Trojan decommissioning costs. The April 1995 general rate order authorized PGE to increase its collections from customers and its corresponding contribution to the trust from \$11 million to \$14 million annually. The trust invests in investment-grade tax-exempt bonds. Total-to-date cash withdrawn from the trust to pay for decommissioning costs is approximately \$8 million.

FINANCING ACTIVITIES

During the third quarter the Company used strong operating cash flows to reduce short-term debt \$26 million.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

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

In early October 1995, PGE issued \$75 million in 8.25% Quarterly Income Debt Securities (QUIDS) Junior Subordinated Deferrable Interest Debentures maturing on December 31, 2035. The proceeds will be used to redeem the balance of outstanding shares of the 8.20%, 7.88% and 7.95% Preferred stock series. PGE will redeem each of the preferred stock series at \$101.00 per share which including partial period dividends will require funding of approximately \$71 million. The redemption is scheduled for early November 1995.

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 Indenture securing its First Mortgage Bonds. As of September 30, 1995, PGE could issue approximately \$300 million of preferred stock and \$350 million of additional First Mortgage Bonds.

FINANCIAL AND OPERATING OUTLOOK

UTILITY

RETAIL CUSTOMER GROWTH AND ENERGY SALES

During the third quarter of 1995, 2,580 retail customers were added to PGE's service territory. For the nine-months ended September 30, 1995, approximately 8,500 retail customers were added.

Weather adjusted retail energy sales growth for the nine months ended September 30, 1995 was approximately 2.7%. The Company expects annual 1995 weather-adjusted retail energy sales growth to be approximately 2.9%.

Quarterly Increase in Retail Customers

Quarter/Year	Residential Customers	Commercial/Industrial Customers
2Q 93	1697	429
3Q 93	2802	446
4Q 93	2775	563
1Q 94	2986	390
2Q 94	2476	550
3Q 94	2219	454
4Q 94	4247	379
1Q 95	3010	270
2Q 95	2194	509
3Q 95	2145	435

SEASONALITY

Due to seasonal fluctuations in electricity sales, as well as the price of wholesale energy and fuel costs, quarterly operating earnings are not necessarily indicative of results to be expected for calendar year 1995.

COMPETITION

The Energy Policy Act of 1992 (Energy Act) set the stage for federal and state regulations directed toward the stimulation of both wholesale and retail competition in the electric industry. The Energy Act eased restrictions on independent power production, and bestowed authority on the Federal Energy Regulatory Commission (FERC) to mandate open access for the wholesale transmission of electricity.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

FERC has since 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 the 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 other's transmission facilities. PGE is in the process of preparing an open access transmission tariff for its transmission facilities.

Since the passage of the Energy Act, various state utility commissions are considering 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 precisely the future impact of increased competition, it believes that ultimately it will result in reduced wholesale and retail prices in the industry.

POWER COST RECOVERY AND COYOTE SPRINGS FILING

PGE operates without a power cost adjustment tariff, therefore adjustments for power costs above or below those set in existing general tariffs are not automatically reflected in customers' rates. As a result, PGE obtained PUC approval to defer incremental replacement power costs related to the closure of Trojan. The following table sets out the amounts deferred and the collection status of the various deferrals. In accordance with Oregon law, collection of the deferrals is subject to PUC review of PGE's reported earnings, adjusted for the regulatory treatment of unusual and/or non-recurring items, as well as the determination of an appropriate rate of return on equity for a given review period.

The table below indicates the balance of outstanding power cost deferrals as of September 30, 1995.

SYNOPSIS OF POWER COST DEFERRALS

Period Covered	Deferral Rate	Earnings Review	Deferred	Amounts Collected
December 4, 1992 - March 31, 1993	80%	Approved (1)	\$57 million (4)(a)	\$27 million
July 1, 1993 - March 31, 1994	50%	Late 1995 (2)	\$59 million (4)(b)	N/A
January 1, 1995 - March 31, 1995	40%	Late 1995 (3)	\$11 million (4)(c)	N/A

- (1) Approved for collection which began on 4/1/94.
- (2) See discussion below on settlement with PUC staff.
- (3) See discussion below on settlement with PUC staff.
- (4) Includes accrued interest of (a) \$12 million, (b) \$10 million, and (c) \$.7 million.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

On October 17, 1995 PGE and the Oregon Public Utility Commission's (PUC) Staff agreed to jointly recommend to the PUC a settlement on PGE's August 1995 consolidated filing which supports increasing Company annual revenues by \$20 million or approximately 2.0%. The increase includes an additional \$40 million for the Coyote Springs Generation Project (Coyote Springs) and Bonneville Power Administration (BPA) price increases offset by the cancellation of the current collection of deferred power costs. See Portland General's and PGE's reports on form 10-Q dated June 30, 1995 and form 8-K dated October 5, 1995 for further information on PGE's consolidated filing.

While the agreement supports full recovery of the \$11 million of power costs deferred from January through March 1995, it supports recovery of only \$9 million of the \$50 million of power costs deferred from July 1993 through March 1994. The agreement also includes a provision for immediate recovery of approximately \$27 million in incentive revenues associated with prior years' achievements of the Company's energy efficiency programs.

Lastly, the stipulation supports the Company's proposal to offset the uncollected balance of all power cost deferrals, incentive revenues, certain other regulatory assets, and a portion of the remaining Trojan investment, against PGE's unamortized gain on the prior sale of a portion of the Boardman Coal Plant. If approved, the offsets will allow for recovery of the deferred power costs and incentive revenues discussed above, without increasing customer rates as well as eliminate approximately \$117 million of regulatory assets and liabilities from the Company's Balance Sheets. A PUC order on the regulatory proceeding is expected during the fourth quarter 1995.

#### TROJAN DECOMMISSIONING UPDATE

As of October 31, 1995 PGE has substantially completed the early removal of some of Trojan's large components. The large component removal project (LCRP) commenced in November 1994 following public hearings in a lengthy state approval process. On two separate occasions LCRP work was interrupted pending review of legal challenges in both state and federal courts. Despite the work stoppages the LCRP was completed in time to take advantage of lower near-term burial costs and provide cost savings.

The LCRP was the subject of an NRC review initiated in early September 1995. The NRC solicited comments from interested parties on whether to halt the LCRP and any further decommissioning activities at Trojan until public hearings could be held regarding the Trojan Decommissioning Plan. For further information see Portland General's and PGE's reports on form 8-K dated August 30, 1995. The NRC completed its review on October 12, 1995 with an order that allowed the completion of the LCRP. However, the NRC Order stated that no further major dismantling at Trojan would be allowed until final NRC approval of the Trojan Decommissioning Plan is obtained. This does not preclude further planning or minor dismantling activities.

The Trojan Decommissioning Plan is presently under review by the NRC. The order notes that the NRC intends to give notice of an opportunity for a public hearing on the plan. A hearing may require additional time beyond that originally anticipated by the Company in obtaining final approval of the Trojan Decommissioning Plan.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

NONUTILITY

In April 1992 legal action was filed by Bonneville Pacific against Portland General, Holdings, and certain individuals affiliated with Portland General and 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. Although the amount of damages sought is not specified in the Complaint, the Trustee has filed a damage disclosure calculation which purports to compute damages in amounts ranging from \$340 million to \$1 billion - subject to possible increase based on various factors.

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 an 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 background information and further details, see Note 2, Legal Matters in the Notes to Financial Statements.

Portland General Corporations and Subsidiaries

Consolidated Statements of Income for the  
Three Months and Nine Months Ended September 30, 1995 and 1994

	(Unaudited)		(Unaudited)	
	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	(Thousands of Dollars)			
Operating Revenues	\$ 222,612	\$ 214,180	\$ 701,681	\$ 694,304
Operating Expenses				
Purchased power and fuel	64,428	83,732	198,740	248,549
Production and distribution	15,963	15,282	47,404	46,295
Maintenance and repairs	10,563	12,267	31,880	35,495
Administrative and other	25,346	24,836	76,895	72,562
Depreciation and amortization	33,340	31,331	99,583	92,579
Taxes other than income taxes	11,889	12,057	38,672	39,144
Operating Income Before Income Taxes	61,083	34,675	208,507	159,680
Income Taxes	20,817	7,150	71,509	46,216
Net Operating Income	40,266	27,525	136,998	113,464
Other Income (Deductions)				
Regulatory disallowances - net of income taxes of \$8,441 and \$25,542	(12,859)	0	(49,567)	0
Interest expense	(19,592)	(18,951)	(58,921)	(53,870)
Allowance for funds used during construction	3,608	1,243	8,682	2,507
Preferred dividend requirement - PGE	(2,380)	(2,583)	(7,380)	(8,217)
Other - net of income taxes	5,138	4,653	14,818	14,661
Income From Continuing Operations	14,181	11,887	44,630	68,545
Discontinued Operations				
Gain on disposal of real estate operations - net of income taxes of \$4,226	0	0	0	6,472
Net Income	\$ 14,181	\$ 11,887	\$ 44,630	\$ 75,017
Common Stock				
Average shares outstanding	50,798,082	50,285,669	50,696,185	49,706,398
Earnings per average share				
Continuing operations	\$0.28	\$0.24	\$0.88	\$1.38
Discontinued operations	0	0	0	0.13
Earnings per average share	\$0.28	\$0.24	\$0.88	\$1.51
Dividends declared per share	\$0.30	\$0.30	\$0.90	\$0.90

Consolidated Statements of Retained Earnings for the  
Three Months and Nine Months Ended September 30, 1995 and 1994  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	1995	1994	1995	1994
	(Thousands of Dollars)			
Balance at Beginning of Period	\$ 117,777	\$ 113,427	\$ 118,676	\$ 81,159
Net Income	14,181	11,887	44,630	75,017
ESOP Tax Benefit and Amortization of Preferred Stock Premium	(470)	(484)	(1,418)	(1,280)
	131,488	124,830	161,888	154,896
Dividends Declared on Common Stock	15,247	15,094	45,647	45,160
Balance at End of Period	\$ 116,241	\$ 109,736	\$ 116,241	\$ 109,736

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

Portland General Corporation and Subsidiaries

Consolidated Balance Sheets  
as of September 30, 1995 and December 31, 1994

	(Unaudited) September 30 1995	December 31 1994
	(Thousands of Dollars)	
Assets		
Electric Utility Plant - Original Cost		
Utility plant (includes Construction Work in Progress of \$201,963 and \$148,267)	\$ 2,699,334	\$ 2,563,476
Accumulated depreciation	(1,019,142)	(958,465)
	1,680,192	1,605,011
Capital leases - less amortization of \$27,423	9,895	11,523
	1,690,087	1,616,534
Other Property and Investments		
Leveraged leases	153,106	153,332
Net assets of discontinued real estate operations	2,770	11,562
Trojan decommissioning trust, at market value	69,261	58,485
Corporate Owned Life Insurance less loans of \$24,320 in 1995 and \$21,731 in 1994	69,964	65,687
Other investments	27,999	28,626
	323,100	317,692
Current Assets		
Cash and cash equivalents	10,323	17,542
Accounts and notes receivable	84,845	91,418
Unbilled and accrued revenues	127,938	162,151
Inventories, at average cost	33,512	31,149
Prepayments and other	45,864	34,455
	302,482	336,715
Deferred Charges		
Unamortized regulatory assets		
Trojan investment	330,521	402,713
Trojan decommissioning	316,434	338,718
Income taxes recoverable	200,595	217,967
Debt reacquisition costs	30,222	32,245
Energy efficiency programs	68,502	58,894
Other	45,265	47,787
WNP-3 settlement exchange agreement	169,626	173,308
Miscellaneous	22,109	16,698
	1,183,274	1,288,330
	\$ 3,498,943	\$ 3,559,271
Capitalization and Liabilities		
Capitalization		
Common stock	\$ 190,591	\$ 189,358
Other paid-in capital	571,137	563,915
Unearned compensation	(8,906)	(13,636)
Retained earnings	116,241	118,676
	869,063	858,313
Cumulative preferred stock of subsidiary		
Subject to mandatory redemption	40,000	50,000
Not subject to mandatory redemption	69,704	69,704
Long-term debt	874,051	835,814
	1,852,818	1,813,831
Current Liabilities		
Long-term debt and preferred stock due within	113,483	81,506
Short-term borrowings	74,216	148,598
Accounts payable and other accruals	82,420	104,254
Accrued interest	23,050	19,915
Dividends payable	17,999	18,109
Accrued taxes	48,389	27,778
	359,557	400,160
Other		
Deferred income taxes	645,217	687,670
Deferred investment tax credits	53,558	56,760
Deferred gain on sale of assets	117,840	118,939
Trojan decommissioning and transition costs	383,836	396,873
Miscellaneous	86,117	85,038
	1,286,568	1,345,280
	\$ 3,498,943	\$ 3,559,271

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

Portland General Corporation and Subsidiaries

Consolidated Statements of Capitalization  
as of September 30, 1995 and December 31, 1994

	(Unaudited)			
	September 30		December 31	
	1995		1994	
	(Thousands of Dollars)			
<b>Common Stock Equity</b>				
Common stock, \$3.75 par value per share 100,000,000 shares authorized, 50,824,141 and 50,495,492 shares outstanding	\$ 190,591		\$ 189,358	
Other paid-in capital - net	571,137		563,915	
Unearned compensation	(8,906)		(13,636)	
Retained earnings	116,241		118,676	
	869,063	46.9%	858,313	47.3%
<b>Cumulative Preferred Stock</b>				
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 shares and 300,000 shares outstanding	20,000		30,000	
Current sinking fund	(10,000)		(10,000)	
	40,000	2.1	50,000	2.8
Not subject to mandatory redemption, \$100 par value				
7.95% Series, 298,045 shares outstanding	29,804		29,804	
7.88% Series, 199,575 shares outstanding	19,958		19,958	
8.20% Series, 199,420 shares outstanding	19,942		19,942	
	69,704	3.8	69,704	3.8
<b>Long-Term Debt</b>				
First mortgage bonds				
Maturing 1995 through 2000				
4.70% Series due March 1, 1995	0		3,045	
5-7/8% 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%				
Maturing 2001 through 2007 - 6.47%-9.07%	276,000		251,000	
Maturing 2021 through 2023 - 7.75%-9.46%	260,845		210,845	
	195,000		195,000	
Pollution control bonds				
Port of Morrow, Oregon, variable rate				
(Average 2.7% for 1994), due 2013	23,600		23,600	
City of Forsyth, Montana, variable rate				
(Average 2.9% for 1994), due 2013 through 2016	118,800		118,800	
Amount held by trustee	(8,117)		(8,355)	
Port of St. Helens, Oregon, due 2010 and 2014				
(Average variable 2.7%-2.9% for 1994)	51,600		51,600	
Medium-term notes maturing 1996 - 8.09%	30,000		30,000	
Capital lease obligations	9,895		11,523	
Other	(518)		(317)	
	977,534		907,320	
Long-term debt due within one year	(103,483)		(71,506)	
	874,051	47.2	835,814	46.1
<b>Total Capitalization</b>	<b>\$1,852,818</b>	<b>100.0%</b>	<b>\$1,813,831</b>	<b>100.0%</b>

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

Portland General Corporation and Subsidiaries

Consolidated Statements of Cash Flow for the  
Three Months and Nine Months Ended September 30, 1995 and 1994  
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	(Thousands of Dollars)			
Cash Provided (Used) By -				
Operations:				
Net income	\$ 14,181	\$ 11,887	\$ 44,630	\$ 75,017
Adjustment to reconcile net income to net cash provided by operations:				
Depreciation and amortization	24,695	25,442	75,540	70,596
Amortization of WNP-3 exchange agreement	1,227	1,174	3,682	3,521
Amortization of Trojan investment	6,456	6,425	18,865	19,641
Amortization of Trojan decommissioning	3,511	2,805	9,826	8,415
Amortization of deferred charges - other	(30)	(339)	(208)	2,547
Deferred income taxes - net	2,221	7,075	(1,651)	19,607
Other noncash revenues	(1,597)	(296)	(3,969)	(954)
Changes in working capital:				
(Increase) Decrease in receivables	8,175	5,147	18,976	4,268
(Increase) Decrease in inventories	5,228	2,661	(2,363)	1,303
Increase (Decrease) in payables	16,931	27,071	(176)	5,830
Other working capital items - net	(12,132)	(32,379)	(11,347)	(28,980)
Gain from discontinued operations	0	0	0	(6,472)
Deferred charges - other	(3,465)	5,622	(13,205)	5,378
Miscellaneous - net	5,985	6,258	11,713	13,573
Regulatory Disallowances	12,859	0	49,567	0
	84,246	68,553	199,881	193,290
Investing Activities:				
Utility construction - new resources	(8,386)	(19,667)	(37,797)	(69,520)
Utility construction - other	(43,056)	(33,179)	(108,219)	(94,587)
Energy efficiency programs	(4,439)	(5,757)	(13,391)	(15,789)
Rentals received from leveraged leases	8,050	6,469	19,735	19,351
Nuclear decommissioning trust contributions	(3,046)	(2,805)	(13,553)	(8,415)
Nuclear decommissioning expenditures	1,805	0	8,413	0
Discontinued operations	1,853	(181)	8,792	26,884
Other	(215)	(2,310)	(4,907)	(4,637)
	(47,434)	(57,430)	(140,927)	(146,713)
Financing Activities:				
Short-term borrowings - net	(25,856)	(48,458)	(74,381)	(47,324)
Borrowings from Corporate Owned Life Insurance	0	0	2,589	19,619
Long-term debt issued	0	75,000	75,000	75,000
Long-term debt retired	0	(34,112)	(3,045)	(45,577)
Repayment of nonrecourse borrowings for leveraged leases	(6,815)	(4,804)	(17,443)	(16,865)
Preferred stock retired	0	0	(10,000)	(20,000)
Common stock issued	2,303	2,479	6,865	47,685
Dividends paid	(15,218)	(15,044)	(45,757)	(44,754)
	(45,587)	(24,939)	(66,173)	(32,216)
Increase (Decrease) in Cash and Cash Equivalents	(8,775)	(13,816)	(7,219)	14,361
Cash and Cash Equivalents at the Beginning of Period	19,098	31,379	17,542	3,202
Cash and Cash Equivalents at the End of Period	\$ 10,323	\$ 17,563	\$ 10,323	\$ 17,563
Supplemental disclosures of cash flow information				
Cash paid during the period:				
Interest	\$ 14,923	\$ 12,488	\$ 50,934	\$ 45,426
Income taxes	26,220	2,100	67,610	20,339

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

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

NOTE 1

PRINCIPLES OF INTERIM STATEMENTS

The interim financial statements have been prepared by Portland General and, in the opinion of management, reflect all material adjustments which are necessary to a fair statement of results for the interim periods presented. Certain information and footnote disclosures made in the last annual report on Form 10-K have been condensed or omitted for the interim statements. Certain costs are estimated for the full year and allocated to interim periods based on the estimates of operating time expired, benefit received or activity associated with the interim period. Accordingly, such costs are subject to year-end adjustment. It is Portland General's opinion that, when the interim statements are read in conjunction with the 1994 Annual Report on Form 10-K, the disclosures are adequate to make the information presented not misleading.

RECLASSIFICATIONS

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

NOTE 2

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 and 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. Although the amount of damages sought is not specified in the Complaint, the Trustee has filed a damage disclosure calculation which purports to compute damages in amounts ranging from \$340 million to \$1 billion - subject to possible increase based on various factors.

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.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

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.

NOTE 3

INCOME TAXES

As a result of its examination of PGE's 1985 tax return the IRS proposed to disallow PGE's 1985 WNP-3 abandonment loss deduction on the premise that it is a taxable exchange. Portland General and the IRS have reached a tentative settlement regarding this issue. Management has previously provided for probable tax adjustments and is of the opinion that the ultimate disposition of this matter will not have a material adverse impact on the results of operations or cash flows of Portland General.

NOTE 4

DEFERRED POWER COST RECOVERY

In accordance with Oregon law, collection of PGE's power costs deferrals is subject to PUC review of PGE's reported earnings, adjusted for regulatory treatment of unusual and/or non-recurring items, as well as the determination of an appropriate rate of return on equity for a given review period. On August 8, 1995 as part of a consolidated request to recover deferred power costs and fixed costs associated with Coyote Springs, PGE filed earnings reviews for both of its outstanding power cost deferrals. On October 17, 1995 PGE and the PUC Staff reached an agreement on the Company's August 1995 filing that, if approved, would allow full recovery of the power costs deferred from January to March 1995 and partial recovery of the power costs deferred from July 1993 to March 1994.

As a result of the agreement management believes that it is unlikely that the PUC will authorize collection of all of the deferred power costs and has recorded a third quarter \$13 million, after tax, loss provision. A PUC order on the regulatory proceeding is expected during the fourth quarter 1995.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

FINANCIAL STATEMENTS AND RELATED INFORMATION

TABLE OF CONTENTS

	Page Number
Management Discussion and Analysis of Financial Condition and Results of Operations *	3-10
Financial Statements	18-21
Notes to Financial Statements **	15-16

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

\*\* The notes are substantially the same as those disclosed by Portland General and are incorporated by reference to the information on the page numbers shown above, excluding the Bonneville Pacific litigation discussion contained in Note 2 which relates solely to Portland General.

Portland General Electric Company and Subsidiaries

Consolidated Statements of Income for the  
Three Months and Nine Months Ended September 30, 1995 and 1994  
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	(Thousands of Dollars)			
Operating Revenues	\$ 222,240	\$ 213,897	\$ 699,607	\$ 693,342
Operating Expenses				
Purchased power and fuel	64,428	83,732	198,740	248,549
Production and distribution	15,963	15,282	47,404	46,295
Maintenance and repairs	10,563	12,267	31,880	35,494
Administrative and other	24,943	25,013	75,904	71,425
Depreciation and amortization	33,318	31,257	99,520	92,345
Taxes other than income taxes	11,915	12,073	38,650	39,092
Income taxes	21,208	7,931	71,720	52,511
	182,338	187,555	563,818	585,711
Net Operating Income	39,902	26,342	135,789	107,631
Other Income (Deductions)				
Regulatory disallowances - net of income taxes of \$8,441 and \$25,542	(12,859)	0	(49,567)	0
Allowance for equity funds used during construction	1,274	0	1,960	0
Other	5,348	5,286	14,852	15,565
Income taxes	(258)	(689)	(518)	(1,639)
	(6,495)	4,597	(33,273)	13,926
Interest Charges				
Interest on long-term debt and other	17,735	15,706	51,546	45,551
Interest on short-term borrowings	1,217	1,669	5,463	3,979
Allowance for borrowed funds used during construction	(2,334)	(1,243)	(6,722)	(2,507)
	16,618	16,132	50,287	47,023
Net Income	16,789	14,807	52,229	74,534
Preferred Dividend Requirement	2,380	2,583	7,380	8,217
Income Available for Common Stock	\$ 14,409	\$ 12,224	\$ 44,849	\$ 66,317

Consolidated Statements of Retained Earnings for the  
Three Months and Nine Months Ended September 30, 1995 and 1994  
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	(Thousands of Dollars)			
Balance at Beginning of Period	\$ 222,870	\$ 201,808	\$ 216,468	\$ 179,297
Net Income	16,789	14,807	52,229	74,534
ESOP Tax Benefit & Amortization of Preferred Stock Premium	(470)	(484)	(1,418)	(1,280)
	239,189	216,131	267,279	252,551
Dividends Declared				
Common stock	13,682	12,828	36,772	43,614
Preferred stock	2,380	2,583	7,380	8,217
	16,062	15,411	44,152	51,831
Balance at End of Period	\$ 223,127	\$ 200,720	\$ 223,127	\$ 200,720

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

Portland General Electric Company and Subsidiaries

Consolidated Balance Sheets  
as of September 30, 1995 and December 31, 1994

	(Unaudited) September 30 1995	December 31 1994
	(Thousands of Dollars)	
Assets		
Electric Utility Plant - Original Cost		
Utility plant (includes Construction Work in Progress of \$201,963 and \$148,267)	\$ 2,699,334	\$ 2,563,476
Accumulated depreciation	(1,019,142)	(958,465)
	1,680,192	1,605,011
Capital leases - less amortization of \$27,423 and \$25,796	9,895	11,523
	1,690,087	1,616,534
Other Property and Investments		
Trojan decommissioning trust, at market value	69,261	58,485
Corporate Owned Life Insurance, less loans of \$ 24,320 in 1995 and \$ 21,731 in 1994	41,785	40,034
Other investments	25,101	26,074
	136,147	124,593
Current Assets		
Cash and cash equivalents	4,438	9,590
Accounts and notes receivable	82,420	91,672
Unbilled and accrued revenues	127,938	162,151
Inventories, at average cost	33,512	31,149
Prepayments and other	44,082	33,148
	292,390	327,710
Deferred Charges		
Unamortized regulatory assets		
Trojan investment	330,521	402,713
Trojan decommissioning	316,434	338,718
Income taxes recoverable	200,595	217,967
Debt reacquisition costs	30,222	32,245
Energy efficiency programs	68,502	58,894
Other	45,265	47,787
WNP-3 settlement exchange agreement	169,626	173,308
Miscellaneous	19,143	13,682
	1,180,308	1,285,314
	\$ 3,298,932	\$ 3,354,151
Capitalization and Liabilities		
Capitalization		
Common stock equity	\$ 847,211	\$ 834,226
Cumulative preferred stock		
Subject to mandatory redemption	40,000	50,000
Not subject to mandatory redemption	69,704	69,704
Long-term debt	874,051	805,814
	1,830,966	1,759,744
Current Liabilities		
Long-term debt and preferred stock due within one year	83,483	81,506
Short-term borrowings	74,216	148,598
Accounts payable and other accruals	82,723	104,612
Accrued interest	22,835	19,084
Dividends payable	16,350	15,702
Accrued taxes	53,999	32,820
	333,606	402,322
Other		
Deferred income taxes	509,491	549,160
Deferred investment tax credits	53,558	56,760
Deferred gain on sale of assets	117,840	118,939
Trojan decommissioning and transition costs	383,836	396,873
Miscellaneous	69,635	70,353
	1,134,360	1,192,085
	\$ 3,298,932	\$ 3,354,151

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

Portland General Electric Company and Subsidiaries

Consolidated Statements of Capitalization  
as of September 30, 1995 and December 31, 1994

	(Unaudited) September 30 1995		December 31 1994	
	(Thousands of Dollars)			
<b>Common Stock Equity</b>				
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	471,766		470,008	
Unearned compensation	(8,028)		(12,596)	
Retained earnings	223,127		216,468	
	847,211	46.3%	834,226	47.4%
<b>Cumulative Preferred Stock</b>				
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	2.2	50,000	2.8
Not subject to mandatory redemption, \$100 par				
7.95% Series, 298,045 shares outstanding	29,804		29,804	
7.88% Series, 199,575 shares outstanding	19,958		19,958	
8.20% Series, 199,420 shares outstanding	19,942		19,942	
	69,704	3.8	69,704	4.0
<b>Long-Term Debt</b>				
First mortgage bonds				
Maturing 1995 through 2000				
4.70% Series due March 1, 1995	0		3,045	
5-7/8% 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%	276,000		251,000	
Maturing 2001 through 2007 - 6.47%-9.07%	260,845		210,845	
Maturing 2021 through 2023 - 7.75%-9.46%	195,000		195,000	
Pollution control bonds				
Port of Morrow, Oregon, variable rate (Average 2.7% for 1994), due 2013				
	23,600		23,600	
City of Forsyth, Montana, variable rate (Average 2.9% for 1994), due 2013 through 2016				
	118,800		118,800	
Amount held by trustee	(8,117)		(8,355)	
Port of St. Helens, Oregon, due 2010 and 2014 (Average variable 2.7% - 2.9% for 1994)				
	51,600		51,600	
Capital lease obligations	9,895		11,523	
Other	(518)		(317)	
	947,534		877,320	
Long-term debt due within one year	(73,483)		(71,506)	
	874,051	47.7	805,814	45.8
Total Capitalization	\$ 1,830,966	100.0%	\$ 1,759,744	100.0%

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

Portland General Electric Company and Subsidiaries

Consolidated Statements of Cash Flow for the  
Three Months and Nine Months Ended September 30, 1995 and 1994  
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	(Thousands of Dollars)			
Cash Provided (Used In)				
Operations:				
Net Income	\$ 16,789	\$ 14,807	\$ 52,229	\$ 74,534
Non-cash items included in net income:				
Depreciation and amortization	24,729	25,221	75,533	70,363
Amortization of WNP-3 exchange agreement	1,227	1,174	3,682	3,521
Amortization of Trojan investment	6,456	6,425	18,865	19,641
Amortization of Trojan decommissioning	3,511	2,805	9,826	8,415
Amortization of deferred charges - other	(30)	(339)	(208)	2,547
Deferred income taxes - net	2,113	6,592	1,423	11,182
Other noncash revenues	(1,275)	0	(1,960)	0
Changes in working capital:				
(Increase) Decrease in receivables	7,997	5,270	21,655	2,838
(Increase) Decrease in inventories	5,228	2,662	(2,363)	1,303
Increase (Decrease) in payables	19,678	26,452	781	10,399
Other working capital items - net	(10,946)	(31,616)	(11,156)	(28,623)
Deferred charges - other	(3,465)	5,622	(13,205)	5,378
Miscellaneous - net	6,139	6,388	11,116	9,089
Regulatory disallowances	12,859	0	49,567	0
	91,010	71,463	215,785	190,587
Investing Activities:				
Utility construction - new resources	(8,386)	(19,667)	(37,797)	(69,520)
Utility construction - other	(43,056)	(33,179)	(108,219)	(94,587)
Energy efficiency programs	(4,439)	(5,757)	(13,391)	(15,789)
Nuclear decommissioning trust contributions	(3,046)	(2,805)	(13,553)	(8,415)
Nuclear decommissioning expenditures	1,805	0	8,413	0
Other investments	(70)	(451)	(3,048)	(2,997)
	(57,192)	(61,859)	(167,595)	(191,308)
Financing Activities:				
Short-term debt - net	(25,869)	(39,897)	(74,381)	(19,473)
Borrowings from Corporate Owned Life Insurance	0	0	2,589	19,619
Long-term debt issued	0	75,000	75,000	75,000
Long-term debt retired	0	(24,195)	(3,045)	(33,077)
Preferred stock retired	0	0	(10,000)	(20,000)
Common stock issued	0	0	0	41,055
Dividends paid	(13,926)	(17,976)	(43,505)	(57,615)
	(39,795)	(7,068)	(53,342)	5,509
Increase (Decrease) in Cash and Cash Equivalents	(5,977)	2,536	(5,152)	4,788
Cash and Cash Equivalents at the Beginning of Period	10,415	4,351	9,590	2,099
Cash and Cash Equivalents at the End of Period	\$ 4,438	\$ 6,887	\$ 4,438	\$ 6,887
Supplemental disclosures of cash flow information				
Cash paid during the period:				
Interest	\$ 13,709	\$ 11,265	\$ 48,490	\$ 41,030
Income taxes	27,721	5,358	72,842	30,818

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

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES  
PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For further information, see Portland General's and PGE's reports on Form 10-K for the year ended December 31, 1994.

UTILITY

SOUTHERN CALIFORNIA EDISON COMPANY V. PGE, OREGON COURT OF APPEALS, OCTOBER 9, 1995

Southern California Edison (SCE) has appealed a Multnomah County Circuit Court order which granted PGE summary judgment in a long-term power sales contract dispute.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

NUMBER	EXHIBIT	PGC	PGE
1	Underwriting agreement	X	X
24	Power of Attorney	X	X
27	Financial Data Schedule - UT (Electronic Filing Only)	X	X

b. Reports on Form 8-K

August 16, 1995 - Item 5. Other Events: Update on Trojan Decommissioning, legal proceedings and regulatory matters.

October 3, 1995 - Item 5. Other Events: Financing update.  
Item 7. Exhibits: (4)b Indentures.  
(4)c Indenture supplement.

October 5, 1995 - Item 5. Other Events: Regulatory update.

October 17, 1995 - Item 5. Other Events: Regulatory update.

SIGNATURES

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

PORTLAND GENERAL CORPORATION  
PORTLAND GENERAL ELECTRIC COMPANY  
(Registrants)

October 31, 1995

By /s/ Joseph E. Feltz  
Joseph E. Feltz  
Assistant Controller  
Assistant Treasurer

\*Joseph M. Hirko  
Sr. Vice President and  
Chief Financial Officer

\* Signed on behalf of this person.

October 31, 1995

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



UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE PERIOD ENDED SEPTEMBER 30, 1995 FOR PORTLAND GENERAL CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1000

3-MOS		
	DEC-31-1995	
	SEP-30-1995	
	PER-BOOK	
1,690,087		
323,100		
	302,482	
1,183,274		
		0
	3,498,943	
		190,591
571,137		
	107,335	
869,063		
	40,000	
		69,704
	866,573	
		0
		0
74,216		
101,066		
	10,000	
	7,478	
		2,417
1,458,426		
3,498,943		
	222,612	
		20,817
	161,529	
	182,346	
	40,266	
		(6,447)
33,819		
	17,258	
		16,561
	2,380	
14,181		
	15,247	
	62,888	
	84,246	
		0.28
		0.28

INCLUDING CAPITAL LEASE OBLIGATIONS, NET OF AMORTIZATION.  
 INCLUDES UNEARNED COMPENSATION OF \$8,906.  
 NET OF MANDATORY SINKING FUND OF \$10,000.  
 NET OF CURRENT PORTION.  
 NET OF CURRENT PORTION OF CAPITAL LEASE OBLIGATIONS.  
 EXCLUSIVE OF INTEREST EXPENSE AND PREFERRED DIVIDEND REQUIREMENT FOR PGE.  
 INCLUDING AFUDC.  
 PRIOR TO PREFERRED DIVIDEND REQUIREMENTS.  
 REPRESENTS THE 12 MONTH-TO-DATE FIGURE ENDING SEPTEMBER 30, 1995.

UT

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE PERIOD ENDED SEPTEMBER 30, 1995 FOR PORTLAND GENERAL ELECTRIC COMPANY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1000

3-MOS		
	DEC-31-1995	
	SEP-30-1995	
	PER-BOOK	
1,690,087		
136,147		
292,390		
1,180,308		
	0	
	3,298,932	
		160,346
471,766		
	215,099	
847,211		
	40,000	
		69,704
	866,573	
	0	
	0	
74,216		
71,066		
10,000		
7,478		
	2,417	
1,310,267		
3,298,932		
	222,240	
	21,208	
161,130		
182,338		
39,902		
	(6,495)	
33,407		
	16,618	
		16,789
	2,380	
14,409		
	13,682	
	60,445	
	91,010	
		0
		0

INCLUDING CAPITAL LEASE OBLIGATIONS, NET OF AMORTIZATION.

INCLUDES UNEARNED COMPENSATION OF \$8,028.

NET OF MANDATORY SINKING FUND OF \$10,000.

NET OF CURRENT PORTION.

NET OF CURRENT PORTION OF CAPITAL LEASE OBLIGATIONS.

EXCLUSIVE OF INTEREST EXPENSE AND PREFERRED DIVIDEND REQUIREMENT FOR PGE.

INCLUDING AFUDC.

PRIOR TO PREFERRED DIVIDEND REQUIREMENTS.

REPRESENTS THE 12 MONTH-TO-DATE FIGURE ENDING SEPTEMBER 30, 1995.

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

PORTLAND GENERAL ELECTRIC COMPANY  
JUNIOR SUBORDINATED DEBENTURES

UNDERWRITING AGREEMENT

October 3, 1995

Goldman Sachs & Co.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Smith Barney Inc.  
c/o Goldman, Sachs & Co.  
85 Broad Street  
New York, New York 10004

Dear Sirs:

PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation (the "Company") confirms its agreement with you and each of the Underwriters named in Schedule A attached hereto (which term shall also include any underwriter substituted as hereinafter in Section 8 provided), with respect to the sale by the Company as set forth in Section 2 and the purchase by the Underwriters, acting severally and not jointly, of the aggregate principal amount of 8 1/4 % Quarterly Income Debt Securities (QUIDS) (Junior Subordinated Deferrable Interest Debentures, Series A) of the Company (the "Debentures") set forth opposite their names in Schedule A. The Debentures will be issued under and secured by the Company's Indenture dated as of September 1, 1995 to The Bank of New York, as Trustee (the "Original Indenture"), as amended and supplemented by the supplemental indenture thereto (the "Supplemental Indenture") dated as of October 1, 1995, executed and delivered by the Company to the Trustee (the Original Indenture, as supplemented by the Supplemental Indenture, being sometimes hereinafter referred to collectively as the "Indenture"). The Debentures are to mature December 31, 2035 and are to bear interest at the rate set forth in the title thereof from October 10, 1995. The Debentures are otherwise to conform to the description thereof to be contained in the Supplemental Prospectus relating

to the Debentures referred to in Section 1(a) hereof and to the provisions of the Indenture and the Supplemental Indenture, a form of which Supplemental Indenture has been filed as an exhibit to the Registration Statement referred to below. No amendment to said form of Supplemental Indenture is to be made prior to the Closing Date hereinafter referred to unless said amendment is first approved by you.

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to each Underwriter that:

(a) A registration statement (File No. 33-62549) on Form S-3 with respect to the Debentures, including a preliminary prospectus, copies of which have heretofore been delivered to you, has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the Rules and Regulations of the Securities and Exchange Commission (the "Commission") under such Act, and has been filed with and declared effective by the Commission. The Company will file with or mail for filing to the Commission a supplemental prospectus relating to the Debentures pursuant to Rule 424 under the Act. The registration statement when it became effective and as it may be amended as of the date of this Agreement is hereafter referred to as the "Registration Statement" and such supplemented prospectus including all documents incorporated therein by reference is hereafter referred to as the "Prospectus." If the Company files any documents pursuant to Section 13 or 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") after the time the Registration Statement became effective and prior to the termination of the offering of the Debentures by the Underwriters, which documents are deemed to be incorporated by reference in the Prospectus, the term "Prospectus", unless the context otherwise indicates or requires, shall refer to said Prospectus as supplemented by the documents so filed from and after the time said documents are filed with the Commission.

(b) The Commission has not issued an order preventing or suspending the use of any prospectus relating to the Debentures, and when the Registration Statement became effective and the Prospectus is filed with the Commission and at all times subsequent thereto up to and at the Closing Date (as hereinafter defined), (i) the Registration Statement and the Prospectus and any amendment or supplement thereto will contain all statements which are required to be stated therein by the Act, the Trust Indenture Act and the Rules and Regulations of the Commission thereunder and will in all respects conform to the requirements of such Act and such Rules and Regulations and (ii) neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto will include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; PROVIDED, HOWEVER, that the Company makes no

representations or warranties as to information contained in or omitted from the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon, and in conformity with, written information furnished to the Company by either of you expressly for use in the preparation thereof.

(c) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or Exchange Act, as applicable, and the Rules and Regulations of the Commission thereunder, and any further documents so filed and incorporated by reference will, when they become effective or are filed with the Commission, as the case may be, conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the Rules and Regulations of the Commission thereunder; and none of such documents contained or will contain an untrue statement of a material fact or omitted or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon, and in conformity with, written information furnished to the Company by either of you expressly for use therein.

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

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

and, except as otherwise set forth in the Prospectus, there are no legal or governmental proceedings pending or, to the Company's knowledge, threatened which might result in a material modification, suspension or revocation thereof.

(f) Subsequent to the respective dates as of which information is given in the Registration Statement and Prospectus and prior to the Closing Date, and except as contemplated in the Prospectus, (i) the Company has not incurred or will not have incurred any material liabilities or obligations, direct or contingent, or entered into any material transaction, not in the ordinary course of business, (ii) there has not been and will not have been any material change in the capital stock or funded debt of the Company or any material adverse change in the financial position or results of operations of the Company and its subsidiaries taken as a whole, and (iii) no material adverse legal or governmental proceedings affecting the Company or the transactions contemplated hereby have been or will have been instituted or, to the Company's knowledge, threatened.

(g) On the Closing Date, the Debentures will have been duly authorized, executed and authenticated and, when issued and delivered hereunder, will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture and will conform to the description thereof contained in the Prospectus; and the execution and delivery of, and compliance with this Agreement, the Debentures and the Indenture will not conflict with or constitute a breach of or default under the Articles of Incorporation or Bylaws of the Company, any indenture, mortgage, deed of trust or other agreement or instrument by which the Company is or at the Closing Date will be bound, or any law, administrative regulation or court decree.

(h) In the opinion of counsel for the Company, the Company is a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended (the "PUHCA"), which holding company is exempt from application of all provisions of the PUHCA except Section 9(a)(2) thereof.

2. PURCHASE AND SALE OF DEBENTURES. Upon the basis of the representations and warranties and upon the terms and conditions herein set forth, the Company agrees to sell to each of you, severally and not jointly, and each of you, upon the basis of the representations and warranties herein contained and subject to the conditions hereinafter stated, agrees to purchase from the Company, severally and not jointly, the principal amount of Debentures set forth opposite your name in Schedule A hereto at a purchase price of 96.85% of the principal amount thereof.

3. OFFERING BY UNDERWRITERS. The Company is advised by you that each of you, severally, propose to offer the Debentures to the public as soon as in your judgment is advisable.

4. DELIVERY AND PAYMENT. The Debentures to be purchased by each Underwriter hereunder will be represented by one or more definitive global Debentures in book-entry form which will be deposited by or on behalf of the Company with The Depository Trust Company ("DTC") or its designated custodian. The Company will deliver the Debentures to the Representatives, for the account of each Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by certified or official bank check or checks (or as otherwise agreed by the Company and the Representatives), payable to the order of the Company in New York Clearing House (next day) funds, by causing DTC to credit the Debentures to the account of the Representatives at DTC. The Company will cause the certificates representing the Debentures to be made available to Goldman, Sachs & Co. for checking at least twenty-four hours prior to the Time of Delivery (as defined below) at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be 9:30 a.m., New York

City time, on October 10, 1995 or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and Date are herein called the Time of Delivery."

Unless otherwise agreed to by the Company and the Representatives, the documents to be delivered at the time of Delivery by or on behalf of the parties hereto pursuant to Section 5 hereof, including the cross receipt for the Debentures and any additional documents requested by the Underwriters pursuant to Section 5(h) hereof, will be delivered at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178 (the "Closing Location"), and the Debentures will be delivered at the Designated Office, all at the Time of Delivery. Unless otherwise agreed to by the Company and the Representatives, a meeting will be held at the Closing Location at 3:00 p.m., New York City time, on the New York Business Day next preceding the Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

5. CONDITIONS TO UNDERWRITERS' OBLIGATIONS. Your several obligations hereunder are subject to the accuracy of the representations and warranties on the part of the Company herein at and as of the date hereof and at and as of the Closing Date, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect at the Closing Date; no proceedings for that purpose shall be pending before or threatened by the Commission at the Closing Date; any request for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the satisfaction of Morgan, Lewis & Bockius LLP, counsel for the Underwriters; subsequent to the execution of this Agreement, the rating assigned by any nationally recognized securities rating agency to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered at or before the Closing Date; and no amendment or supplement to the Registration Statement or Prospectus shall have been filed hereafter to which you shall have objected, in writing, after having received reasonable notice.

(b) The legality and sufficiency of all proceedings relative to the authorization and issuance of the stock shall have been approved by Steven F. McCarrel, Deputy General Counsel of the Company and you shall have received his opinion or opinions, dated the Closing Date, and in form satisfactory to counsel for the Underwriters, to the effect that:

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

(ii) The Company's subsidiaries have each been duly organized and are validly existing and in good standing under the laws of the states or jurisdictions in which they have been organized, with power and authority (corporate and other) to own their

respective properties and to operate their respective businesses, and each of such corporations is duly qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business it transacts makes such qualification necessary;

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

(iv) All material contracts to which the Company is a party and which are described or referred to in the Prospectus are valid and legally binding contracts of the Company, and, except as the validity thereof may be the subject of litigation referred to in the Prospectus, to the best of such counsel's knowledge, of the other parties thereto;

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

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

(vii) The Debentures are in due and proper form, have been duly and validly authorized and executed by the Company and, when authenticated and delivered in accordance with the Indenture and paid for by the purchasers thereof in accordance with this Agreement, will constitute valid and legally binding agreements of the Company enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law); the Debentures have been listed (subject to official notice of issuance) on the New York Stock Exchange;

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

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

(x) The Registration Statement has become effective under the Act, and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for that purpose are pending before or threatened by the Commission, and the Registration Statement and Prospectus, and any amendment or supplement thereto (except as to financial statements and other

financial data contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act, the Trust Indenture Act and the Rules and Regulations of the Commission under such Acts; and such counsel does not believe that at the date hereof or at the Closing Date either the Registration Statement or the Prospectus, or any such amendment or supplement, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading;

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

(xii) The execution and delivery of, and compliance with, this Agreement, the Debentures and the Indenture will not conflict with or constitute a breach of or default under the Articles of Incorporation or Bylaws of the Company, any indenture, mortgage, deed of trust or other agreement or instrument known to such counsel by which the Company is bound, or any applicable law, or to the best of his knowledge, any administrative regulation or court decree; and

(xiii) The Company is a "subsidiary company" of a "holding company" within the meaning of the PUHCA, which holding company is exempt from application of all provisions of the PUHCA except Section 9(a)(2) thereof.

In rendering such opinion counsel may rely as to matters involving the laws of any jurisdiction other than the State of Oregon, upon the opinion or opinions of such local counsel as shall be acceptable to you and counsel for the Underwriters; and with respect to the opinions contemplated by clauses (i) and (ii) of paragraph (b) of this Section 5, upon advices from public officials as to the good standing of the Company and its subsidiaries.

(c) You shall have received from Morgan, Lewis & Bockius LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the validity of the Debentures, the Indenture, including the Supplemental Indenture, the Registration Statement, the Prospectus and other related matters as you may require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

In giving the opinions contemplated by paragraph (c) of this Section 5, counsel may rely on certificates of responsible officers of the Company as to matters of fact and upon advice from state authorities as to the good standing of the Company and its subsidiaries.

(d) You shall have received a certificate, dated the Closing Date, signed by the Chairman, President or any Vice President and the Treasurer or any Assistant Treasurer or the Controller of the Company, to the effect that, to the best of their knowledge:

(i) No stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for such purpose are pending before or threatened by the Commission;

(ii) Since the respective dates as of which information is given in the Registration Statement and the Prospectus as supplemented on the date of this Agreement, there has not been any material adverse change in the condition of the Company and its subsidiaries, financial or otherwise, or in the results of operations of the Company and its subsidiaries, except as reflected in or contemplated by the Registration Statement and the Prospectus as supplemented on the date of this Agreement, and that except as so reflected or contemplated since such dates there has not been any material transaction entered into by the Company or any of its subsidiaries, other than transactions in the ordinary course of business;

(iii) The Company does not have any material contingent obligations which are not disclosed in the Registration Statement and the Prospectus;

(iv) The representations and warranties of the Company herein are true and correct in all material respects at and as of the Closing Date; and

(v) The Company has performed all agreements herein contained to be performed on its part at or prior to the Closing Date.

(e) You shall have received on the date hereof and on the Closing Date, from Arthur Andersen LLP, letters in form and substance satisfactory to you.

(f) All approvals and consents of the Public Utility Commission of Oregon required for the valid issuance and sale of the Debentures by the Company in accordance with the provisions of this Agreement shall have been obtained.

(g) Prior to the Closing Date and subsequent to the date of this Agreement, the Company shall not have sustained a substantial loss by fire, flood, accident or other calamity which, whether or not such loss shall have been insured, nor shall any regulatory authority having jurisdiction over the Company have made any materially adverse determination not described in the Prospectus which, in any of the above events, in your judgment renders it inadvisable to proceed with the delivery of the Debentures.

(h) The Company shall have furnished to you, in form and substance satisfactory to you and to counsel for the Underwriters, such other certificates and opinions as you may reasonably request with respect to the matters contemplated herein.

(i) Subsequent to the date of this Agreement, (i) trading on the New York Stock Exchange shall not have been suspended or limited by the New York Stock Exchange, Inc. or by order of the Commission or any other governmental authority having jurisdiction nor shall a general banking moratorium have been declared by Federal or New York authorities; (ii) there shall not have been any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iii) there shall not have been an outbreak or escalation of hostilities between the United States and any foreign power, or of any other insurrection or armed conflict involving or affecting the United States, or any substantial national or international calamity or emergency, if in your judgment, the effect of any such outbreak, escalation, insurrection, conflict, calamity or emergency makes it impractical or inadvisable to proceed with completion of the delivery of the Debentures; (iv) the rating assigned by any nationally recognized securities rating agency to any debt securities or preferred stock of the Company

shall not have been lowered; or (v) except as set forth in the Prospectus first filed pursuant to Rule 424 under the Act after the date hereof, there shall not have been any material adverse change in the condition or prospects of the Company and its subsidiaries as a whole, financial or otherwise which, in any case, in your judgment, renders it inadvisable to proceed with delivery of the Debentures.

All such opinions, certificates, letters and documents shall be deemed to be in compliance with the provisions hereof only if they are in all material respects satisfactory to you and your counsel.

In case any of the conditions specified above in this Section 5 shall not have been fulfilled at the Closing Date, you may waive the compliance by the Company with any such condition, by mailing or delivering written notice thereof to the Company.

If any condition of the Underwriters' obligations hereunder to be satisfied on or prior to the Closing Date is not so satisfied, you may terminate this Agreement without liability on the part of any Underwriter or of the Company, except for the expenses to be paid or reimbursed by the Company pursuant to Section 6(h) hereof and except for any liability under Section 8 hereof.

6. COVENANTS BY THE COMPANY. In further consideration of the agreements by the Underwriters herein contained, the Company covenants as follows:

(a) To file no amendment to the Registration Statement and, prior to the completion of the offering of the Debentures to make no supplement to the Prospectus, including the initial supplement to the Prospectus which is filed pursuant to Rule 424 under the Act referred to in Section 1(a) hereof, of which you have not been advised and furnished with a copy or to which you have promptly and reasonably objected, and to advise you as soon as the Company is advised thereof, and to confirm the advice in writing, (i) of any request of the Commission for amendment or supplementation of the Registration Statement or Prospectus or for additional information relating thereto and (ii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any amendment to the Registration Statement, or of the initiation or threat of initiation of any proceedings for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or to obtain as soon as possible the lifting thereof, if issued. The Company will advise you promptly of any order or communication of any public authority addressed to the Company suspending or threatening to suspend qualification of the Debentures for sale in any state. The Company will file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering and sale of the Debentures.

(b) To deliver without charge to each of you a signed copy of the Registration Statement as filed and all amendments thereto with exhibits, and to deliver without charge to each of you and any other Underwriter such reasonable number of copies as you may request of the Registration Statement and all amendments thereto excluding exhibits.

(c) Prior to 10:00 a.m., New York City time, on the New York Business day next succeeding the date of this Agreement and from time to time, to deliver without charge to you, during such period as in the opinion of counsel for the Underwriters a prospectus is required by law to be delivered in connection with sales, so many copies of the Prospectus in New York City (as supplemented or amended if the Company shall have prepared any supplement or amendment thereto) as you may reasonably request.

(d) To prepare forthwith and deliver without charge to each of you and to the dealers (whose names and addresses you will furnish to the Company for such purpose) to whom Debentures may have been sold by or on behalf of any of the Underwriters, and upon your request to any other dealers, for such period as in the opinion of counsel for the Underwriters a prospectus is required by law to be delivered in connection with sales, such amendments or supplements to the Prospectus that the statements in the Prospectus as so amended or supplemented will not be misleading in the light of the circumstances under which they are made if any event shall occur as a result of which it is necessary so to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances under which they are made, not misleading; and to prepare and furnish to you upon your request, in such quantities as you may reasonably request, copies of any prospectus or prospectuses as may be necessary to permit compliance with Section 10(a)(3) of the Act.

(e) To use its best efforts upon your request to qualify the Debentures for offer and sale under the securities or Blue Sky laws of such jurisdictions as you may designate, and to pay the costs and fees incident thereto and to the preparation by counsel for the Underwriters of memoranda as to the status of the Debentures under the securities or Blue Sky laws of certain jurisdictions and as to the eligibility of the Debentures for investment under certain state laws; provided that the Company shall not be required for this purpose to qualify as a foreign corporation in any state or to consent to service of process in any jurisdiction otherwise than in connection with the offer and sale of the Debentures.

(f) To furnish to you with reasonable promptness during a period of five years from the date hereof (i) audited annual balance sheets and audited annual statements of income and retained earnings of the Company and its subsidiaries consolidated, (ii) quarterly statements of income for each of the first three fiscal quarters of the Company and its subsidiaries consolidated (which need not be audited), (iii) a copy of each report of the Company mailed to stockholders or filed with the Commission, and (iv) such other information concerning the Company as you may reasonably request.

(g) To prepare earnings statements, which need not be audited, that will satisfy the requirements of Section 11(a) of the Act, covering (i) a twelve-month period beginning not later than fourteen months after the beginning of the fiscal quarter next commencing after the effective date of the Registration Statement or if such fiscal quarter is the first fiscal quarter in a fiscal year, fifteen months after the beginning of such fiscal quarter and (ii) a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the date of this Agreement and make such earnings statements generally available to the Company's security holders as soon as practicable.

(h) To pay all costs and expenses incident to the performance of its obligations under this Agreement, including all expenses incident to the preparation of certificates representing the Debentures and their issuance and delivery, the fees and expenses of the Company's counsel and accountants, the costs and expenses incident to the preparation, printing and filing of the Registration Statement (including all exhibits thereto), this Agreement and the cost of furnishing to the Underwriters copies of the Registration Statement and the Prospectus. The Company shall also pay any fee charged by a rating agency in connection with its rating of the Debentures and any fees payable in connection with the listing of the Debentures on an exchange. The Company shall not, however, be required to pay for any of your expenses or those of any of the other Underwriters other than as hereinabove set forth except as provided in Section 8 hereof.

(i) To use all reasonable efforts to comply with, or cause to be complied with, the conditions precedent to the several obligations of the Underwriters specified in Section 5 hereof.

(j) To refrain from and after the date hereof to the Closing Date, without your prior consent, from offering or selling, or entering into any agreement to sell, any debt securities of the Company with a maturity of more than one year, including additional Debentures of the Company.

7. INDEMNIFICATION. (a) The Company agrees to indemnify and hold harmless each of the Underwriters and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act, from and against any and all losses, claims, damages, liabilities or expenses (including the reasonable costs of investigation) to which, jointly or severally, such Underwriter or such controlling person may become subject under the Act, or otherwise, insofar as any such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arises out of or is based on the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses arise out of or are based upon any such untrue statement or omission or alleged untrue statement or omission made in reliance upon information furnished herein or in writing to the Company by any of you or by any other Underwriter through you, expressly for use therein.

(b) Each Underwriter agrees to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act from and against any and all losses, claims, damages, liabilities or expenses (including the reasonable costs of investigation) to which, jointly or severally, the Company or such controlling person may become subject under the Act, or otherwise, insofar as any such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arises out of or is based on the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, which untrue statement or omission or alleged untrue statement or omission was made in reliance upon information furnished herein or in writing to the Company by any of you or by any other Underwriter through you, expressly for use therein.

(c) The Company agrees that upon the commencement of any action against it, any of its directors or officers who signed the Registration Statement, or any person controlling it as aforesaid, and each Underwriter agrees that upon the commencement of any action against it or any person controlling it as aforesaid, in respect of which indemnity may be sought on account of any indemnity agreement contained herein, it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity shall be sought, but the omission so to notify such indemnifying party or parties of any such action shall not relieve such indemnifying party or parties from any liability which it or they may have to the indemnified party or parties otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party or parties shall be entitled to participate at its or their own expense in the defense or, if it or they so elect, to assume the defense of such action with counsel chosen by such indemnifying party or parties and satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, unless such indemnified party or parties reasonably object to such assumption on the ground that there may be legal defenses available to it or them which are different from or in addition to those available to such indemnifying party or parties. If the indemnifying party or parties shall not assume the defense of such action, such indemnifying party or parties will reimburse such indemnified party or parties for the

reasonable fees and expenses of any counsel retained by them. If the indemnifying party or parties shall elect to assume the defense and the indemnified party or parties shall not have so objected thereto, such indemnified party or parties shall bear the fees and expenses of any additional counsel retained by them. In no event shall the indemnifying party or parties be liable for the fees and expenses of more than one counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Debentures to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid and payable by an indemnified party as the result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The agreements of the Company and of the Underwriters contained in this Section 7 and the representations and warranties of the Company set forth in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement pursuant to any provision hereof or otherwise, (ii) any investigation made by or on behalf of any Underwriter or controlling person or by or on behalf of the Company, its directors or any officer who signed the Registration Statement, or any controlling person, and (iii) acceptance and payment hereunder for any Debentures.

8. TERMINATION. If an Underwriter shall fail (other than for a reason sufficient to justify the termination of this Agreement) to purchase on the Closing Date the principal amount of Debentures agreed to be purchased by such Underwriter, you may find one or more substitute underwriters to purchase such Debentures, make such other arrangements as you or they may deem advisable or the remaining Underwriters may agree to purchase such Debentures, in such proportions as may be approved by you

(or those of you who shall not have so failed) in each case upon the terms herein set forth. If no such arrangements have been made within 24 hours after the Closing Date and

(a) the aggregate principal amount of Debentures to be purchased by the defaulting Underwriter shall not exceed 10% of the aggregate principal amount of Debentures, each of the non-defaulting Underwriters shall be obligated to purchase such Debentures on the terms herein set forth in proportion to their respective obligations hereunder, or

(b) the aggregate principal amount of Debentures to be purchased by the defaulting Underwriter shall exceed 10% of the aggregate principal amount of the Debentures, the Company shall be entitled to an additional period of 24 hours within which to find one or more substitute underwriters satisfactory to you (or to those of you who shall not have so failed) to purchase such Debentures upon the terms set forth herein.

A substitute underwriter hereunder shall become an Underwriter for all purposes of this Agreement.

In any such case, either you (or those of you who shall not have so failed) or the Company shall have the right to postpone the Closing Date for a period of not more than five business days in order that necessary changes and arrangements may be effected by you and the Company. If neither the non-defaulting Underwriter nor the Company shall make arrangements pursuant to this Section 8 within the period stated for the purchase of the Debentures which such defaulting Underwriter agreed to purchase, this Agreement shall terminate without liability on the part of the non-defaulting Underwriter to the Company and without liability on the part of the Company, except, in both cases, as provided in Section 7 and, in the event you (or to those of you who shall not have so failed) could have otherwise terminated this Agreement because of any failure on the part of the Company to comply with the terms or fulfill any conditions of this Agreement, as provided in Section 6(h) hereof and hereafter in this Section 8. The provisions of this Section 8 shall not in any way affect the liability of any defaulting Underwriter to the Company or the non-defaulting Underwriter arising out of such default.

If the purchase of the Debentures by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (i), (ii) or (iii) of Section 5(i), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Debentures.

The Company shall be entitled to act and rely upon any request, consent, notice or agreement made or given by you.

9. NOTICES. Except as otherwise provided herein, all communications hereunder shall be in writing, and, if sent to any of the Underwriters, shall be mailed, delivered or telecopied and confirmed to you, at c/o Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004, attention of Registration Department, or, if sent to the Company, shall be mailed, delivered or telegraphed and confirmed to it at 121 S.W. Salmon Street, Portland, Oregon 97204, attention of Chief Financial Officer or at such other address as the Company shall furnish to you in writing.

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10. SUCCESSORS. This Agreement shall inure to the benefit of and be binding upon the successors of the several Underwriters and shall inure to the benefit of and be binding upon the successors of the Company. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person or corporation other than the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7 hereof any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said officers and directors and controlling persons and for the benefit of no other person or corporation. The term "successors" shall not include any purchaser of Debentures merely because of such purchase.

11. NEW YORK LAW TO GOVERN. This Agreement shall be construed in accordance with the laws of the State of New York.

12. EFFECTIVENESS. If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicates hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

13. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one in the same instrument

Very truly yours,

PORTLAND GENERAL ELECTRIC COMPANY

By       /s/ Joseph M. Hirko  
Name: Joseph M. Hirko  
Title: Vice President and  
Chief Financial Officer

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.  
GOLDMAN, SACHS & CO.  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED  
SMITH BARNEY INC.

By:       /s/ GOLDMAN, SACHS & CO. \_\_\_\_\_  
GOLDMAN, SACHS & CO.  
On behalf of the Underwriters

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SCHEDULE A

UNDERWRITER	PRINCIPAL AMOUNT
Goldman, Sachs & Co.	\$17,167,500
Merrill Lynch, Pierce, Fenner & Smith Incorporated	17,166,250
Smith Barney Inc.	17,166,250
Robert W. Baird & Co. Incorporated	500,000
J.C. Bradford & Co.	500,000
Alex. Brown & Sons Incorporated	1,125,000
Crowell, Weedon & Co.	500,000
Dain Bosworth Incorporated	500,000
Dillon, Read & Co. Inc.	1,125,000
Doft & Co., Inc.	500,000
A.G. Edwards & Sons, Inc.	1,125,000
Everen Securities, Inc.	1,125,000
Fahnestock & Co. Inc.	500,000
Interstate/Johnson Lane Corporation	500,000
Janney Montgomery Scott Inc.	500,000
Kennedy, Cabot & Co.	500,000
Legg Mason Wood Walker, Incorporated	500,000
McDonald & Company Securities, Inc.	500,000
McGinn, Smith & Co., Inc.	500,000
Morgan Keegan & Company, Inc.	500,000
The Ohio Company	500,000
Olde Discount Corporation	500,000
Oppenheimer & Co., Inc.	1,125,000
Pacific Crest Securities	500,000
PaineWebber Incorporated	1,125,000
Piper Jaffray Inc.	500,000
Prudential Securities Incorporated	1,125,000
Ragen MacKenzie Incorporated	500,000
Rauscher Pierce Refsnes, Inc.	500,000
Redwood Securities Group, Inc.	500,000
The Robinson-Humphrey Company, Inc.	500,000
Roney & Co.	500,000
SBC Capital Markets Inc.	1,125,000
Sutro & Co. Incorporated	500,000
Trilon International Inc.	500,000
Tucker Anthony Incorporated	500,000
U.S. Clearing Corp.	500,000
Van Kasper & Company	500,000
Wedbush Morgan Securities	500,000
Wheat, First Securities, Inc.	500,000
Total .....	\$75,000,000

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POWER OF ATTORNEY

The undersigned Joseph M. Hirko, in his capacity as Senior Vice President and Chief Financial Officer of Portland General Corporation (the "Corporation"), hereby appoints Joseph E. Feltz, Assistant Controller of the Corporation, as the attorney-in-fact, in any and all capacities stated herein, to execute on behalf of the undersigned and to file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Portland General Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 1995.

Dated: October 27, 1995  
Portland, Oregon

/s/ Joseph M. Hirko  
Joseph M. Hirko

POWER OF ATTORNEY -- 10-Q

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