

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

DR ____

In the Matter of the Petition for Declaratory Ruling by Harbinger Capital Partners Master Fund I, Ltd.

PETITION FOR DECLARATORY RULING

I. DECLARATORY RULING REQUESTED

Harbinger Capital Partners Master Fund I, Ltd. ("Master Fund") respectfully petitions the Commission for a declaratory ruling, pursuant to ORS 756.450, that Harbinger is not required to file an application for authorization under ORS 757.511 with respect to the acquisition of common stock of Portland General Electric Company ("PGE") based upon the facts alleged in this petition. Master Fund seeks to obtain a Commission decision on the issue presented in advance of the Commission's conducting any other proceeding or investigation regarding the subject matter of this petition, and respectfully requests that the Commission give this petition priority over any such other proceeding or investigation.

II. FACTS ALLEGED

1. PGE is a public utility as that term is defined in ORS 757.005.
2. Master Fund is a private investment fund.
3. On April 3, 2006, PGE issued 62,500,000 shares of common stock ("PGE Stock"). PGE has not issued any other voting securities.
4. The Disbursing Agent on Behalf of the Reserve for Disputed Claims in the Enron bankruptcy case acquired and holds 35,463,555 shares of PGE Stock, representing approximately 57 percent of PGE's voting securities.

1- PETITION FOR DECLARATORY RULING

5. Master Fund acquired and holds 4,625,000 shares of PGE Stock (the "Shares"), representing 7.4 percent of the outstanding shares of PGE Stock. The Shares were purchased on the New York Stock Exchange in March and April 2006.

6. When it acquired the Shares, Master Fund became an "affiliated interest" with PGE pursuant to ORS 757.015.

7. On April 13, 2006, Master Fund and certain other persons filed a Schedule 13G with the Securities and Exchange Commission ("SEC") (amended May 4, 2006), reporting the acquisition of more than 5 percent of PGE Stock. A true and correct copy of the Amended Schedule 13G is attached to this Petition as Exhibit 1. The Amended Schedule 13G states, among other things:

". . . the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities [PGE] and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect."

Exhibit 1 at 12.

8. As of the date of this Petition, neither Master Fund nor any other person affiliated with Master Fund has made any additional filings with the SEC with respect to PGE.

9. On April 21, 2006, and May 19, 2006, Master Fund's attorneys sent letters to Paul A. Graham of the Oregon Department of Justice regarding its investment in PGE, in response to letters sent by Mr. Graham. True and correct copies of Master Fund's letters are attached to this Petition as Exhibit 2.

10. Under PGE's governing corporate documents, Master Fund, as owner of the Shares, does not have "the power to exercise any substantial influence over the policies and actions" of PGE. Master Fund cannot cause the hiring or firing of any officer or employee; elect or remove a director; call a meeting of shareholders; prevent or cause the taking of any action required to be approved by shareholders or veto any decision by management, the board of

directors or shareholders. PGE can simply ignore any comment, request or demand by Master Fund.

11. Master Fund has no agreement with any other shareholder of PGE that relates to voting of PGE stock. Master Fund has no special rights to consent to, or to veto, any actions or decisions of PGE.

12. Master Fund has not taken any steps to exercise any substantial influence over the policies and actions of PGE.

13. Master Fund does not intend to exercise any substantial influence over the policies and actions of PGE, nor does it think it has the power to do so. Master Fund will notify the PUC if its intentions change.

14. Master Fund will promptly provide the Commission copies of all filings it makes with the SEC in regard to its ownership of the PGE Stock.

15. Attached as Exhibit 3 is a list of other investors who have filed a SEC Schedule 13G with respect to stock of an Oregon public utility. The Commission did not institute proceedings, nor require any of those investors to apply to the Commission, with regard to the acquisition which generated the filings. The Commission has not instituted proceedings of any sort with respect to any of these investors.

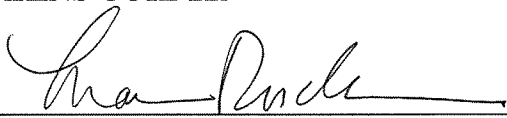
16. Master Fund intends that this petition present a limited issue to the Commission for resolution, and reserves its right to assert other claims relating to the underlying facts and law in this or another forum.

III. CONCLUSION

Based upon the facts alleged in this petition, Master Fund respectfully requests that the Commission issue an order declaring that Master Fund is not required to file an application for authorization under ORS 757.511. Master Fund reserves the right to supplement the facts alleged in this petition and to file legal arguments supporting this petition, pursuant to a schedule to be adopted by the Commission.

DATED: June 12, 2006.

PERKINS COIE LLP

By  _____

Lawrence H. Reichman, OSB No. 86083

Ivan L. Gold, OSB No. 72102

Attorneys for Harbinger Capital Partners Master Fund
I, Ltd.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Portland General Electric Company

(Name of Issuer)

Common Stock

(Title of Class of Securities)

736508847

(CUSIP Number)

April 6, 2006 (1)

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

(1) A Schedule 13G was filed on behalf of the Reporting Persons on April 13, 2006. In the initial filing, a purchase of 50,000 shares made on April 6, 2006 was inadvertently not included. This filing is being made solely to correct the initial filing's misreporting. The Reporting Persons have made no trades with regards to this issuer since the initial filing.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

<PAGE>

CUSIP No. 736508847

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbinger Capital Partners Master Fund I, Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

4,625,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

4,625,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,625,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.4%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

<PAGE>

CUSIP No. 736508847

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbinger Capital Partners Offshore Manager, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

4,625,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

4,625,000

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

HMC Investors, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

4,625,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

4,625,000

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12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

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CUSIP No. 736508847

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Management Corporation

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
3. SEC USE ONLY (b)

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

4,625,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

4,625,000

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12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

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CUSIP No. 736508847

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Philip Falcone

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
3. SEC USE ONLY (b)

4. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

4,625,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

4,625,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,625,000

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11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.4%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

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CUSIP No. 736508847

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raymond J. Harbert

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

4,625,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

4,625,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,625,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.4%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

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CUSIP No. 736508847

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Michael D. Luce
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
 3. SEC USE ONLY
(b)
 4. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
5. SOLE VOTING POWER

0
 6. SHARED VOTING POWER

4,625,000
 7. SOLE DISPOSITIVE POWER

0
 8. SHARED DISPOSITIVE POWER

4,625,000
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4,625,000
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SHARES (SEE INSTRUCTIONS)
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7.4%
 12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN
-

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CUSIP No. 736508847

Item 1(a). Name of Issuer:

Portland General Electric Company

(b). Address of Issuer's Principal Executive Offices:

121 SW Salmon Street
Portland, Oregon 97204

Item 2(a). Name, Principal Business Address, and Citizenship of Persons Filing:

Harbinger Capital Partners Master Fund I, Ltd. - Cayman Islands
c/o International Fund Services (Ireland) Limited
Third Floor, Bishop's Square
Redmond's Hill
Dublin 2, Ireland

Philip Falcone - U.S.A.
555 Madison Avenue
16th Floor
New York, New York 10022
United States of America

Harbinger Capital Partners Offshore Manager, L.L.C. - Delaware
HMC Investors, L.L.C. - Delaware
Harbert Management Corporation - Alabama
Raymond J. Harbert - U.S.A.
Michael D. Luce - U.S.A.
One Riverchase Parkway South
Birmingham, Alabama 35244
United States of America

(d). Title of Class of Securities:

Common Stock

(e). CUSIP Number:

736508847

Item 3. If This Statement is filed pursuant to ss.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Exchange Act (15 U.S.C. 78c).
- (b) Bank as defined in Section 3(a)(6) of the Exchange Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with s.240.13d-1(b)(1)(ii)(E);

- (f) An employee benefit plan or endowment fund in accordance with s.240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with s.240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Harbinger Capital Partners Master Fund I, Ltd. - 4,625,000
 Harbinger Capital Partners Offshore Manager, L.L.C. - 4,625,000
 HMC Investors, L.L.C. - 4,625,000
 Harbert Management Corporation - 4,625,000
 Philip Falcone - 4,625,000
 Raymond J. Harbert - 4,625,000
 Michael D. Luce - 4,625,000

(b) Percent of class:

Harbinger Capital Partners Master Fund I, Ltd. - 7.4%
 Harbinger Capital Partners Offshore Manager, L.L.C. - 7.4%
 HMC Investors, L.L.C. - 7.4%
 Harbert Management Corporation - 7.4%
 Philip Falcone - 7.4%
 Raymond J. Harbert - 7.4%
 Michael D. Luce - 7.4%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote:

Harbinger Capital Partners Master Fund I, Ltd. - 0
 Harbinger Capital Partners Offshore Manager, L.L.C. - 0
 HMC Investors, L.L.C. - 0
 Harbert Management Corporation - 0
 Philip Falcone - 0
 Raymond J. Harbert - 0
 Michael D. Luce - 0

(ii) Shared power to vote or to direct the vote:

Harbinger Capital Partners Master Fund I, Ltd. - 4,625,000
 Harbinger Capital Partners Offshore Manager, L.L.C. - 4,625,000
 HMC Investors, L.L.C. - 4,625,000
 Harbert Management Corporation - 4,625,000
 Philip Falcone - 4,625,000
 Raymond J. Harbert - 4,625,000
 Michael D. Luce - 4,625,000

(iii) Sole power to dispose or to direct the disposition of:

Harbinger Capital Partners Master Fund I, Ltd. - 0

Harbinger Capital Partners Offshore Manager, L.L.C. - 0
HMC Investors, L.L.C. - 0
Harbert Management Corporation - 0
Philip Falcone - 0
Raymond J. Harbert - 0
Michael D. Luce - 0

(iv) Shared power to dispose or to direct the disposition of:

Harbinger Capital Partners Master Fund I, Ltd. - 4,625,000
Harbinger Capital Partners Offshore Manager, L.L.C. - 4,625,000
HMC Investors, L.L.C. - 4,625,000
Harbert Management Corporation - 4,625,000
Philip Falcone - 4,625,000
Raymond J. Harbert - 4,625,000
Michael D. Luce - 4,625,000

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

N/A

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

If a parent holding company or Control person has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company or control person has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

N/A

Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to s.240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to s.240.13d-1(c) or s.240.13d-1(d), attach an exhibit stating the identity of each member of the group.

N/A

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to

transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

N/A

Item 10. Certification.

- (b) The following certification shall be included if the statement is filed pursuant to Rule 13d-1(c):

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

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After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Harbinger Capital Partners Master Fund I, Ltd.
By: Harbinger Capital Partners Offshore Manager, L.L.C.
By: HMC Investors, L.L.C., Managing Member

By:

Harbinger Capital Partners Offshore Manager, L.L.C.*
By: HMC Investors, L.L.C., Managing Member

By:

HMC Investors, L.L.C.*

By:

Harbert Management Corporation*

By:

Philip Falcone

Raymond J. Harbert

Michael D. Luce

May 4, 2006

*The Reporting Persons disclaim beneficial ownership in the shares reported herein except to the extent of their pecuniary interest therein.

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Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13G, Amendment No. 1, dated May 4, 2006 relating to the Common Stock of Portland General Electric Company shall be filed on behalf of the undersigned.

Harbinger Capital Partners Master Fund I, Ltd.
By: Harbinger Capital Partners Offshore Manager, L.L.C.
By: HMC Investors, L.L.C., Managing Member

By:

Harbinger Capital Partners Offshore Manager, L.L.C.*
By: HMC Investors, L.L.C., Managing Member

By:

HMC Investors, L.L.C.*

By:

Harbert Management Corporation*

By:

Philip Falcone

Raymond J. Harbert

Michael D. Luce

*The Reporting Persons disclaim beneficial ownership in the shares reported herein except to the extent of their pecuniary interest therein.

SK 03773 0001 667496



Ivan L. Gold
PHONE: 503.727.2214
EMAIL: igold@perkinscoie.com

1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

April 21, 2006

Paul A. Graham, Esq.
Attorney-in-Charge
Regulated Utility & Business Section
General Counsel Division
State of Oregon Department of Justice
1162 Court Street, N.E.
Salem, OR 97301-4096

Re: Harbinger Portland General Electric Stock Acquisition

Dear Mr. ~~Graham~~, *Paul*

Thank you for meeting with us today. This letter confirms that we represent Harbinger Capital Partners Master Fund I, Ltd. (the "Fund"), Harbinger Capital Partners Offshore Fund I, Ltd. (the "Ltd. Fund"), and Harbinger Capital Partners Fund I, L.P. (the "LP Fund"). We refer to the Fund, the Ltd. Fund, and the LP Fund collectively as "Harbinger."

The Fund owns 4,750,000 shares of the common stock (the "Shares") of Portland General Electric Company ("PGE"). The Ltd. Fund and the LP Fund together own the Fund, and each owns more than 5 percent of the Fund.¹ The Fund received a letter from your office dated April 14, 2006, regarding its acquisition of the Shares.

The Fund's acquisition of the Shares took place over the course of several weeks in late March and early April. Upon its acquisition of more than 5% of PGE stock, the fund, as required by federal securities laws, filed a Schedule 13G reporting

¹ None of the other entities addressed in your letter owns 5 percent or more of the Fund.

[09901-9700/PA061100.102]

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MENLO PARK · OLYMPIA · PHOENIX · PORTLAND · SAN FRANCISCO · SEATTLE · WASHINGTON, D.C.

Perkins Coie LLP and Affiliates

Exhibit 2
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Paul A. Graham, Esq.
April 21, 2006
Page 2

the acquisition with the Securities and Exchange Commission ("SEC"). We attach a copy of the Fund's April 13, 2006 SEC 13G filing in which the Fund stated, among other things:

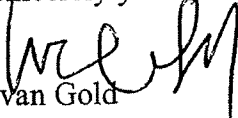
"...[the Shares] were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of [PGE] and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect."

At present, in light of the SEC filing, the controlling interest of PGE's 53 percent shareholder (which is not affiliated with Harbinger in any way), and PGE's corporate structure, Harbinger does not have the power to exercise any substantial influence over PGE's policies or actions. ORS 757.511 applies only to persons which acquire such power.

Harbinger will provide the Commission copies of any other filings required by SEC rules regarding its investment in PGE. Harbinger would notify the Commission if its holdings were to change in a manner to which ORS 757.511 refers. When – and if – ORS 757.511 requires, Harbinger would file the required application.

If you have questions, or would like to discuss this matter further, please contact me or my partner, Larry Reichman.

Sincerely yours,


Ivan Gold

ILG:ilg

Encl.: Harbinger SEC 13G filing

Ivan L. Gold
PHONE: 503.727.2214
EMAIL: igold@perkinscoie.com



1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4328
PHONE: 503.727.2200
FAX: 503.727.2227
WWW: PERKINS-COIE.COM

May 19, 2006

BY ELECTRONIC DELIVERY & U.S. MAIL

Paul A. Graham, Esq.
Attorney-in-Charge
Regulated Utility & Business Section,
General Counsel Division
State of Oregon Department of Justice
1162 Court Street, N.E.
Salem, OR 97301-4096

Re: Harbinger – Portland General Electric Stock Acquisition

Dear Mr. Graham,

I am writing in response to your May 9, 2006 letter. It suggested that our clients request a Declaratory Ruling under ORS 756.450 in which the Commission would determine whether Harbinger need apply under ORS 757.511 to avoid a proceeding under ORS 756.515. We think such an undertaking would duplicate the assurances provided you to date. Your letter suggests that a request for a declaratory ruling would give Harbinger an opportunity to "set out the facts;" however, we already have done so, and do so again here.

In Order No. 01-778, the Commission characterized ORS 757.511 as "the merger statute" which applies to "mergers" or "acquisitions" of utilities. Harbinger has no intent to merge with or acquire Portland General Electric (PGE), or to use its ownership of PGE shares to accomplish a merger or acquisition. Why does the Commission seek to investigate passive minority investors under Oregon's "merger statute"?

To our knowledge, there is no allegation that Harbinger has attempted to exercise, or could exercise, influence or control over PGE. Harbinger already has certified that it does not intend to merge with or acquire PGE. We do not understand why a passive investor's arm's-length acquisition of 7.4% of PGE's stock, fully disclosed to the PUC and the Securities and Exchange Commission, with disclaimer of any intent to change the control of PGE, even raises an issue under ORS 757.511.

In particular, we note that the Commission has not previously applied the statute when similar facts were present. The Commission has chosen to apply the statute only to persons

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MENLO PARK • OLYMPIA • PHOENIX • PORTLAND • SAN FRANCISCO • SEATTLE • WASHINGTON, D.C.

Perkins Coie LLP and Affiliates

Paul A. Graham, Esq.
May 19, 2006
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who actually had power to exercise substantial influence over, or sought to acquire, a utility. In the past, the Commission has not instituted proceedings, nor required other investors to apply to the Commission solely because they acquired more than 5% of the stock of an Oregon public utility and filed a SEC Schedule 13G.

For example, Barclay's Global Investors, NA acquired more than 5% of Cascade Natural Gas Corporation, Avista Utilities Corporation and Northwest Natural Gas, thereby becoming an affiliated interest with three Oregon utilities. To our knowledge, the Commission never asked Barclay's to request a declaratory ruling, nor to make an application under the statute. Similarly, American Century Companies, Inc. acquired 8.4% of Idacorp, thereby becoming an affiliated interest of another Oregon utility. To our knowledge, the Commission never told American Century to make an application under the statute. We suggest the Commission should treat investors in similar positions the same, and that to do otherwise in this case raises significant Constitutional issues.

ORS 757.511 does not require an application or investigation of every affiliated interest with a public utility. An explicit statutory precondition is that the affiliated interest must have the "power to exercise any substantial influence over" the public utility. Based on PGE's articles of incorporation and bylaws read in conjunction with Oregon corporation law, Harbinger does not have that power.

Harbinger is not part of any group of shareholders of PGE. There are no shareholder actions that can be "forced" by a 7.4% holder, nor are there any actions that can be "blocked" by a 7.4% holder under these charter documents and laws. Furthermore, because a single stockholder (the Enron Disputed Claim Reserve Trust) owns and controls more than 50% of the outstanding shares of PGE, there is no reasonable way that Harbinger could exercise "any substantial influence" over PGE.

To be clear that no special power arises from Harbinger's ownership of such a small percentage of PGE's shares: Harbinger cannot cause the hiring or firing of any PGE officer or employee; elect or remove a PGE director; call a meeting of PGE shareholders; prevent or cause the taking of any action required to be approved by PGE shareholders; or veto any decision by PGE's management, its Board of Directors or its shareholders.

Although we do not think you have suggested this, we want to be clear that Harbinger does not disclaim the rights it has as a shareholder. As a PGE shareholder, Harbinger expects that PGE's management and board will act in accordance with law and their fiduciary obligations to every shareholder, irrespective of the number of shares held.

We understand the scope of the Commission's authority, jurisdiction and purpose. However, we respectfully suggest the language of the applicable statutes, the Commission's previous lack of inquiry in similar circumstances, and our clients' actions to date indicate they

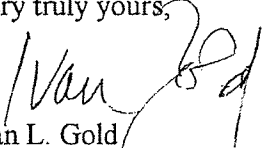
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are not required to petition the Commission for authority they do not seek. Nor should they be required to seek a Commission declaratory ruling to avoid investigation or complaint.

Our clients and we want to resolve this matter productively and amicably. If you think it would be useful, representatives of our client would come to Oregon to meet with you and members of the Commission staff.

As always I would be pleased to discuss this with you at your convenience.

Very truly yours,


Ivan L. Gold

ILG:mka

EXHIBIT 3

OTHER INVESTORS WHO HAVE FILED A SEC SCHEDULE 13G WITH RESPECT TO STOCK OF AN OREGON PUBLIC UTILITY

Investor	Public Utility
Barclay's Global Investors, NA	Cascade Natural Gas Corporation
Barclay's Global Investors, NA	NW Natural Gas
Barclay's Global Investors, NA	Avista Utilities Corporation
American Century Companies, Inc.	Idacorp