



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

December 14, 2007

Email / US Mail

Commission Filing Center
Public Utility Commission of Oregon
550 Capital Street, N.E.
Salem, OR 97310-1380

Re: UF___ PGE Finance Application

Enclosed please find one original and two copies of Portland General Electric Company's application requesting authority to issue up to \$250 million of its First Mortgage Bonds.

We ask that this Application be placed on the docket for consideration at the Commission's January 22, 2008 meeting, or as soon thereafter as possible.

If you should have questions regarding this matter, please contact me at 503-464-7580 or Jim Warberg at 503-464-7085.

PGE waives paper service of documents in this proceeding and has E-filed a copy on this date.

Please direct all formal correspondence and requests to the following email address:
pge.opuc.filings@pge.com.

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

encls.

cc: Bryan Conway - OPUC
Jim Warberg
Kirk Stevens
Doug Tingey

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

In the Matter of the Application of PORTLAND)
GENERAL ELECTRIC COMPANY for authority) APPLICATION
to issue and sell not more than \$250 million of)
First Mortgage Bonds) UF-_____

Portland General Electric Company (the "PGE" or the "Applicant") is submitting this financing application requesting authority to issue up to \$250 million of its First Mortgage Bonds described herein ("Bonds"). PGE believes the transaction set forth in this application will produce the lowest cost of funds for a similar maturity currently available to PGE for borrowing. PGE will issue Bonds under PGE's existing Indenture of Mortgage and Deed of Trust ("First Mortgage Indenture").

(1) In accordance with ORS 757.410(1), ORS 757.415(1) and OAR 860-27-030 of the Oregon Administrative Rules of the Public Utility Commission ("Commission"), PGE respectfully represents:

(a) The name and address of the Applicant is Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204.

(b) The Applicant is a corporation organized and existing under and by virtue of the laws of the State of Oregon, and the date of its incorporation is July 25, 1930. The Applicant is authorized to transact business in the states of Oregon, California, Idaho, Montana, Utah, and Washington and in Alberta, Canada, but conducts utility business only in the State of Oregon.

(c) The name and address of the persons authorized on behalf of the Applicant to receive notices and communications in respect of this Application are:

Patrick G. Hager
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, OR 97204
(503) 464-7857 (telephone)
(503) 464-7651 (fax)
pge.opuc.filings@pgn.com

Doug Tingey
Assistant General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC-1301
Portland, OR 97204
(503) 464-8926 (telephone)
(503) 464-2200 (fax)
doug.tingey@pgn.com

PGE waives paper service in this proceeding. In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Kristin A. Stathis, Assistant Treasurer
E-Mail: Kristin.Stathis@pgn.com, and

Kimberly Gilman
E-Mail: Kimberly.Gilman@pgn.com

(d) As of November 1, 2007, the names and titles of the principal officers of the Applicant are as follows:

Peggy Y. Fowler	Chief Executive Officer & President
James J. Piro	Executive Vice President Finance, CFO & Treasurer
Stephen R. Hawke	Senior Vice President, Customer Service and Delivery
Arleen N. Barnett	Vice President
Carol A. Dillin	Vice President
J. Jeffrey Dudley	Vice President, General Counsel
Campbell A. Henderson	Vice President & Chief Information Officer
Pamela G. Lesh	Vice President
James F. Lobdell	Vice President
Joe A. McArthur	Vice President
William O. Nicholson	Vice President
Stephen M. Quennoz	Vice President, Nuclear & Power Supply / Generation
Kirk M. Stevens	Controller and Assistant Treasurer
Marc S. Bocci	Corporate Secretary
Kristin A. Stathis	Assistant Treasurer
Nora E. Arkonovich	Assistant Secretary
Cheryl A. Chevis	Assistant Secretary
Karen J. Lewis	Assistant Secretary

(e) The Applicant is engaged in the generation, purchase, transmission, distribution, and sale of electric energy for public use in Oregon in Clackamas, Columbia, Hood River, Jefferson, Marion, Morrow, Multnomah, Polk, Washington, and Yamhill counties.

(f) The capital stock as of September 30, 2007 is as follows:

	Outstanding Shares	Amount (\$000s)
Cumulative Preferred Stock:		
None authorized	0	\$0
Common Stock:		
No Par Value (80,000,000 shares authorized):	62,519,160	\$644,778

(g) The long-term debt as of September 30, 2007 is as follows:

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
5.6675% series due 10-25-2012	100,000	100,000
5.279% series due 4/1/2013	50,000	50,000
6.26% series due 5-1-2031	100,000	100,000
6.31% series due 5-1-2036	175,000	175,000
5.625% series VI due 8-1-2013	50,000	50,000
MTN series due 8-11-2021 9.31%	20,000	20,000
6.75% series VI due 8-1-2023	50,000	50,000
6.875% series VI due 8-1-2033	50,000	50,000
5.80% series due 6-1-2039	170,000	170,000
5.81% series due 10-1-2037	<u>130,000</u>	<u>130,000</u>
Total First Mortgage Bonds	895,000	895,000
Pollution Control Bonds:		
City of Forsyth, MT		
5.45% series B 5-1-2033	21,000	21,000
5.20% series A 5-1-2033	97,800	97,800
Port of Morrow, OR		
5.20% series A 5-1-2033	23,600	23,600
Variable % due 12- 1-2031	5,800	5,800
Port of St Helens, OR		
4.80% series due 4-01-2010	20,200	20,200
4.80% series due 6-01-2010	16,700	16,700

Description	Authorized (\$000s)	Outstanding (\$000s)
5.25% series due 8-1-2014	9,600	9,600
Total Pollution Control Bonds	194,700	194,700
Other Long Term Debt:		
7.875% notes due March 15, 2010	150,000	149,250
Capital lease obligations	0	0
Long-Term Contracts	59	59
Unamortized Debt Discount and Other	(1,378)	(1,378)
Total Other Long-Term Debt	148,681	147,931
Total Long-Term Debt	1,238,381	1,237,631

None of the long-term debt is pledged or held as reacquired securities, by affiliated corporations, or in any fund, except as may be noted above.

(h) The Applicant proposes to enter into the following transactions:

1) Type and nature of securities

The Bonds would be issued in one or more transactions as conditions permit. The Bonds would have a maturity of up to 35 years and would be issued under PGE's First Mortgage Indenture. The Bonds may have a sinking fund provision and may have a feature that allows for early redemption. The Bonds may be wrapped by an insurance policy purchased by PGE that would lower the all-in cost of the Bonds.

(2) Amount of securities

PGE expects to issue Bonds in amounts of not more than \$250,000,000 aggregate principal amount or, if the Bonds are issued at an original issue discount of up to one percent, such greater amount as will result in an aggregate offering price of not more than \$250,000,000.

(3) Interest rate

The interest rate on the Bonds would be fixed and would be payable semi-annually in arrears. The proposed maximum spread over the respective Treasury security is set forth later in this application.

(4) Date of issuance and maturity

PGE expects to issue the Bonds in one or more series from time to time in amounts not to exceed \$250,000,000 in the aggregate. The Bonds may be issued as public offerings or on a private placement basis.

The maturities of the various series are expected to be up to 35 years. The Bonds may be priced with a delayed settlement feature which allows PGE to execute a binding purchase and sale agreement establishing the interest rate and other terms of the sale, but postpone the actual sale of the Bonds and receipt of funds to a date of PGE's choice up to one year later. The delayed settlement feature would allow PGE to lock-in interest rates but defer the sale of the Bonds to correspond with the Applicant's cash needs.

(5) Institutional rating or, if not rated, an explanation

As of November 1, 2007, PGE's outstanding First Mortgage Bonds are currently rated:

Moody's	Baa1
Standard & Poor's	A

PGE may apply for a rating on the Bonds issued if it is required by the market.

A brief description of the First Mortgage Bonds is as follows:

The Bonds would be issued under PGE's First Mortgage Indenture. The Bonds will be secured equally with all other First Mortgage Bonds of PGE as part of a lien against substantially all of PGE's utility property. The Bonds will be equal in right of payment to all other First Mortgage Bonds. The Trustee under the First Mortgage Indenture is HSBC Bank USA, National Association. The Bonds may be issued in one or more separate series pursuant to supplements to the First Mortgage Indenture or as a single series. The Bonds or any series thereof, if there is more than one series, will most likely be without coupons. The Bonds may or may not be registered and could be in any amount in excess of \$25 per bond. First Mortgage Bonds currently represent the least expensive long-term debt financing available to PGE.

Fixed Rate Bonds

The interest rate on the Bonds will be determined at the time of issuance unless the Bonds have the delayed settlement feature (discussed above), in which case the interest rate will be determined on the date PGE and Bond purchasers enter into a binding agreement for the purchase and sale of the Bonds.

The maximum spread over the applicable Treasury securities for various maturities is listed below for the Bonds. The Bonds may have a feature which allows them to be redeemed prior to maturity at specified prices.

Greater Than or Equal To	Equal to or Less Than	Maximum Spread Over Benchmark Treasury Yield
3 years	9 years	+ 210 basis points
10 years	14 years	+ 220 basis points
15 years	19 years	+ 230 basis points
20 years	24 years	+ 240 basis points
25 years	35 years	+ 250 basis points

(i) (A) See paragraph (h) above

(B) The Bonds will not be issued pro rata to existing holders of the Applicant's securities and will not be issued pursuant to any preemptive right or in connection with any liquidation or reorganization.

(C) The proposed method of issuance and sale and the reasons that the Applicant has proposed the types of debt are described above in Paragraph (h).

(D) In the opinion of Applicant's legal counsel, the Applicant is not subject to the competitive bidding requirements of federal or state regulatory bodies in connection with the issuance of the Bonds.

(j) If Bonds are issued, PGE may name as possible managing underwriters/agents Deutsche Bank, Lehman Brothers, JP Morgan, Wells Fargo or others. The Bonds may be sold on a negotiated or competitive bid basis. The Bonds may be sold directly to a limited number of purchasers or to a single purchaser. The underwriters/agents will receive as compensation (assuming a public offering) the difference between the price at which they purchase the Bonds from the Applicant and the price at which the Bonds are sold by the underwriters/agents to the public. If the Bonds are sold on a private basis, the underwriters/agents will receive the usual and customary amount prevailing for such sales and will not exceed .875 percent of the aggregate principal amount of the Bonds, the final amount to be negotiated by PGE.

(k) Total amount of the Bonds to the ultimate purchaser(s) and expenses and net proceeds to the Applicant resulting from the sale are estimated to be as follows:

Item	Debt	
	Amount	Per \$100
1. Face value or principal amount	\$250,000,000	\$100.00
2. Plus premium or less discount		
3. Gross proceeds	\$250,000,000	\$100.00
4. Underwriters' spread or commission (.875%)	2,187,500	
5. Securities and Exchange Commission registration fee	-	
6. Printing and engraving expenses	30,000	
7. Trustee's charges	13,000	
8. Fees and expenses of independent public accountants	15,000	
9. Rating agency fees	70,000	
10. Legal fees	75,000	
12. Total deductions	\$2,390,500	0.96
13. Estimated net amount to be realized	\$247,609,500	\$99.04

(l) The above-described issuance expenses will be paid out of the general funds of the Applicant.

The Applicant will defer the issuance expenses and amortize them equitably over the life of the Bonds.

The purposes for which securities are proposed to be issued in this matter are the acquisition of utility property, the construction, extension or improvement of utility facilities, the improvement or maintenance of service, the discharge or lawful refunding of obligations which were incurred for utility purposes permitted under ORS 757.415 (l)(a), (l)(b), (l)(c), (l)(d), or (l)(e) or the reimbursement of PGE treasury for funds used for the foregoing purposes, except the maintenance of service and replacements. To the extent proceeds are used to discharge or lawfully refund obligations, they or their precedents were originally incurred for purposes described in ORS 757.415 (l)(a), (l)(b) or (l)(e). To the extent proceeds are used to reimburse the treasury for funds used to discharge or lawfully refund obligations, such obligations were incurred for purposes described in ORS 757.415 (l)(a), (l)(b) or (l)(e), or for the purposes described in ORS 757.415 (l)(a), (l)(b) or (l)(e) directly. The Applicant requests that it not be required to file a supplemental application provided the terms of the Bonds are within the parameters set forth in this Application.

(m) No other application is required to be filed with any federal or other state regulatory body.

(n) As a public utility, Applicant is obligated to secure sufficient generating, transmission, and

distribution capacity to serve its customers reliably at the lowest reasonable cost. Applicant believes the loans made in the manner proposed, will minimize the overall capital costs associated with such public utility obligations for the reasons stated above. Therefore, the transaction proposed is for a lawful object within the corporate purposes of the Applicant; is compatible with the public interest; is necessary and appropriate for and consistent with the proper performance by the Applicant of service as a public utility; will not impair its ability to perform such service; is reasonably appropriate for such purposes; and in accordance with ORS 757.495, is fair and reasonable and not contrary to public interest. This Application is not filed under ORS 757.495.

(o) The requirements of OAR 860-027-030 (o) are not applicable.

(p) The requirements of OAR 860-027-030 (p) are not applicable.

(2) Exhibits

The following exhibits are made a part of this application:

Exhibit A	Articles of Incorporation, as amended (Previously filed in Docket UP 234, and by reference made a part of this application.).
Exhibit B	Fifth Amended and Restated Bylaws adopted on August 2, 2007.
Exhibit C	Directors' Resolution to be filed when available.
Exhibit D	Indenture copy to be filed when available.
Exhibit E	Balance sheets as of September 30, 2007 and pro forma.
Exhibit F	Attached.
Exhibit G	Income statement for the 12-month period ended September 30, 2007 and pro forma.
Exhibit H	Analysis of retained earnings for the 12-month period ended September 30, 2007 and pro forma.
Exhibit I	Not Applicable.
Exhibit J	Not Applicable.
Exhibit K	To be filed when available.

WHEREFORE, the Applicant respectfully requests an Order authorizing PGE to issue and sell not more than \$250 million of First Mortgage Bonds

DATED this 14th day of December, 2007.

PORTLAND GENERAL ELECTRIC COMPANY

By Alex Tooman for
Patrick G. Hager, Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
Telephone: 503.464.7580
E-Mail: patrick.hager@pgn.com

g:\ratecase\opue\doctets\finance\financing application \$250m1_lbh.doc

Attach "B"
UF _____

**FIFTH AMENDED AND RESTATED BYLAWS
OF
PORTLAND GENERAL ELECTRIC COMPANY**

An Oregon Corporation

**Date of Adoption May 1, 1998
Amended December 31, 1999
Amended February 1, 2004
Amended March 14, 2006
Amended May 12, 2006
Amended November 15, 2006
Amended August 2, 2007**

FIFTH AMENDED AND RESTATED BYLAWS
OF
PORTLAND GENERAL ELECTRIC COMPANY
(An Oregon corporation)

ARTICLE I
OFFICES

1.1 Registered Office. The registered office of the corporation required by the Oregon Business Corporation Act (the "Act") to be maintained in the State of Oregon shall be the office of the General Counsel, Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204, or such other office as may be designated from time to time by the Board of Directors in the manner provided by law.

1.2 Other Offices. The corporation may also have offices at such other places both within and without the State of Oregon as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
SHAREHOLDERS

2.1 Annual Meeting. The annual meeting of the shareholders shall be held on the date and at the time as fixed by the Board of Directors and stated in the notice of the meeting.

2.2 Special Meetings. Special meetings of the shareholders may be called by the Chairman of the Board, the Chief Executive Officer, the President or by the Board of Directors, and shall be called by the President (or in the event of absence, incapacity or refusal of the President, by the Secretary or any other officer) at the request of the holders of not less than 10 percent (unless the Articles of Incorporation provide otherwise) of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting. The requesting shareholders shall sign, date and deliver to the Secretary a written demand describing the purpose or purposes for holding the special meeting.

2.3 Place of Meetings. Meetings of the shareholders shall be held at the principal business office of the corporation or at such other places within or without the State of Oregon as may be determined by the Board of Directors.

2.4 Notice of Meetings. Written notices stating the date, time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed to each shareholder entitled to vote at the meeting at the

shareholder's address shown in the corporation's current record of shareholders, with postage thereon pre-paid, not less than 10 nor more than 60 days before the date of the meeting and to nonvoting shareholders as required by law. Any previously scheduled meeting of the shareholders called by or at the direction of Board of Directors may be postponed, and (unless the Articles of Incorporation or applicable law otherwise provide) any such meeting of the shareholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of shareholders.

2.5 Waiver of Notice. A shareholder may at any time waive any notice required by law, the Articles of Incorporation or these Bylaws. The waiver must be in writing, be signed by the shareholder entitled to the notice and be delivered to the corporation for inclusion in the minutes for filing with the corporate records. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. The shareholder's attendance also waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

2.6 Record Date.

(a) For the purpose of determining shareholders entitled to notice of a shareholders' meeting, to demand a special meeting or to vote or to take any other action, the Board of Directors of the corporation may fix a future date as the record date for any such determination of shareholders, such date in any case to be not more than 70 days nor less than ten days before the meeting or action requiring a determination of shareholders. The record date shall be the same for all voting groups.

(b) A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

(c) If a court orders a meeting adjourned to a date more than 120 days after the date fixed for the original meeting, it may provide that the original record date continue in effect or it may fix a new record date.

2.7 Shareholders' List for Meeting. After a record date for a meeting is fixed, the corporation shall prepare an alphabetical list of the names of all its shareholders entitled to notice of a shareholders' meeting. The list must be arranged by voting group and within each voting group by class or series of shares and show the address of and number of shares held by each shareholder. The shareholders' list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city

where the meeting will be held. The corporation shall make the shareholders' list available at the meeting, and any shareholder or the shareholder's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment. Refusal or failure to prepare or make available the shareholders' list does not affect the validity of action taken at the meeting.

2.8 Quorum; Adjournment. Shares entitled to vote may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. A majority of the votes entitled to be cast on the matter constitutes a quorum for action on that matter. If, however, such quorum is not present or represented at any meeting of the shareholders, then either: (i) the chairman of the meeting, or (ii) the shareholders by the vote of the holders of a majority of votes present in person or represented by proxy at the meeting, shall have power to adjourn the meeting to a different time and place without further notice to any shareholder of any adjournment except that notice is required if a new record date is or must be set for the new meeting. At such adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting originally held. Once a share is represented for any purpose at a meeting, it shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is set for the adjourned meeting.

2.9 Voting Requirements. If a quorum exists, action on a matter, other than the election of directors, is approved if the votes cast by the shares entitled to vote favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by law or the Articles of Incorporation. Directors are elected by a plurality of votes cast by the shares entitled to vote in an election at a meeting at which a quorum is present. Except as provided in the Act, or unless the Articles of Incorporation provide otherwise, each outstanding share is entitled to one vote on each matter voted on at a shareholders' meeting. Unless otherwise provided in the Articles of Incorporation, cumulative voting for the election of directors shall be prohibited.

2.10 Proxies.

(a) A shareholder may vote shares in person or by proxy by signing an appointment, either personally or by the shareholder's designated officer, director, employee, agent, or attorney-in-fact. An appointment of a proxy shall be effective when received by the Secretary or other officer of the corporation authorized to tabulate votes. An appointment is valid for 11 months unless a longer period is expressly provided for in the appointment form. An appointment is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest that has not been extinguished.

(b) The death or incapacity of the shareholder appointing a proxy shall not affect the right of the corporation to accept the proxy's authority unless notice of the

death or incapacity is received by the Secretary or other officer authorized to tabulate votes before the proxy exercises the proxy's authority under the appointment.

2.11 Organization. Meetings of shareholders shall be presided over by the Chairman of the Board, or in his or her absence by the Vice Chairman of the Board of Directors, if any, or in his or her absence by the Chief Executive Officer, or in his or her absence by the President. The Secretary, or in his or her absence, an Assistant Secretary, or, in the absence of the Secretary and all Assistant Secretaries, a person whom the chairman of the meeting shall appoint shall act as secretary of the meeting and keep a record of the proceedings thereof.

The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of shareholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to shareholders of record of the corporation and their duly authorized and constituted proxies, and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants, and regulation of the opening and closing of the polls for balloting and matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with rules of parliamentary procedure.

2.12 Inspectors of Election. Before any meeting of shareholders, the Board of Directors shall appoint one or more inspectors of election to act at the meeting or its adjournment. If any person appointed as inspector fails to appear or fails or refuses to act, then the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

Such inspectors shall:

- (a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity and validity of proxies and ballots;
- (b) receive votes, ballots or consents;
- (c) hear and determine all challenges and questions in any way arising in connection with the right to vote;

- (d) count and tabulate all votes or consents;
- (e) determine the result; and
- (f) do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

The inspector(s) of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there is more than one (1) inspector of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

2.13 Business to be Brought before Annual Shareholder Meeting.

(a) No business may be transacted at an annual meeting of shareholders other than business that is (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (iii) otherwise properly brought before the meeting by any shareholder of the corporation (A) who is a shareholder of record on the date of the giving of notice provided for in this Section 2.13 and on the record date for the determination of shareholders entitled to vote at such meeting and (B) who complies with the notice procedures in this Section 2.13.

(b) In addition to any other applicable requirements, including, without limitation, requirements relating to solicitations of proxies under the Securities Exchange Act of 1934, as amended, for business to be properly brought before an annual meeting of shareholders by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

(c) To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation, not less than one hundred twenty (120) days prior to the first anniversary of the date of the prior year's annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the first anniversary of the date of the prior year's annual meeting of shareholders, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

(d) To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii)

the name and record address of such shareholder, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such shareholder, (iv) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business, and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

(e) No business shall be conducted at any annual meeting of shareholders except business brought before such meeting in accordance with the procedures set forth in this Section 2.13; provided, however, that unless limited by the procedural rules adopted by the meeting or established by the presiding officer, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.13 shall be deemed to preclude discussion by any shareholder of any such business. If the presiding officer of an annual meeting determines that business was not properly brought before such meeting in accordance with the procedures in this Section 2.13, the presiding officer shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

2.14 Nomination of Directors.

(a) Only persons who are nominated in accordance with the procedures in this Section 2.14 shall be eligible for election as directors of the corporation, except as may be otherwise provided in the articles of incorporation with respect to the right of holders of preferred stock of the corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the corporation (A) who is a shareholder of record on the date of the giving of notice provided for in this Section 2.14 and on the record date for the determination of shareholders entitled to vote at such meeting and (B) who complies with the notice procedures in this Section 2.14. In addition to any other applicable requirements, for a nomination to be made by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary.

(b) To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation (a) in the case of an annual meeting, not less than one hundred twenty (120) days prior to the first anniversary of the date of the prior year's annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the first anniversary of the date of the prior year's annual meeting of shareholders, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual

meeting was made, whichever first occurs; and (b) in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of such special meeting was mailed or public disclosure of the date of such special meeting was made, whichever first occurs.

(c) To be in proper written form, a shareholder's notice to the Secretary must (i) set forth as to each person whom the shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the nominee, and (D) any other information relating to the nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (ii) set forth as to the shareholder giving the notice (A) the name and record address of such shareholder, (B) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such shareholder, (C) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination or nominations are to be made by such shareholder, (D) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to nominate the persons named in the notice and (E) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a signed written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(d) No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 2.14. If the presiding officer at a meeting of the shareholders determines that a nomination was not made in accordance with the procedures set forth in this 2.14, the presiding officer shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

2.15 Action Without a Meeting. Except as otherwise provided under the Articles of Incorporation and applicable law, and subject to restrictions on the taking of shareholder action without a meeting under applicable law or the rules of a national securities association or exchange, action required or permitted by law to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all shareholders entitled to vote on the action. The action will be evidenced by one or more written consents describing the action taken, signed by all the shareholders entitled to vote on the action and delivered to the corporation for inclusion in the minutes or filing

with the corporate records. Action taken under this Section 2.15 is effective when the last shareholder signs the consent or consents, unless the consent or consents specify an earlier or later effective date. If not otherwise determined by law, the record date for determining shareholders entitled to take action without a meeting under this Section 2.15 is the date the first shareholder signs the consent. A consent signed under this Section 2.15 has the effect of a meeting vote and may be described as such in any document.

ARTICLE III BOARD OF DIRECTORS

3.1 Duties of Board of Directors. All corporate powers shall be exercised by or under the authority of and the business and affairs of the corporation shall be managed by its Board of Directors. In addition to the powers and authorities these Bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not required by the Act, the Articles of Incorporation, or these Bylaws to be exercised or done by the shareholders.

3.2 Number, Election and Qualification. The number of directors of the corporation shall be determined from time to time by the Board of Directors. The Board of Directors may periodically change the number of directors by resolution, provided that no decrease shall have the effect of shortening the term of any incumbent director. The directors shall hold office until the next annual meeting of shareholders, and until their successors shall have been elected and qualified, until earlier death, resignation or removal or until there is a decrease in the number of directors. Directors need not be residents of the State of Oregon or shareholders of the corporation.

3.3 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Oregon, for the holding of additional regular meetings without other notice than the resolution.

3.4 Election of Chairman. At the regular meeting held after the annual meeting of shareholders, or as soon thereafter as is convenient, the Board of Directors shall elect one of its members as Chairman of the Board to serve until his or her successor shall have been elected and qualified, or until earlier death, resignation or removal, or until he or she ceases to be a director. The Chairman of the Board shall not be an officer of the corporation unless so designated by the Board of Directors. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed from time to time by the Board of Directors. In the absence of the Chairman of the Board at any meeting, the directors then present shall select one member to preside at such meeting.

3.5 Special Meetings. Special meetings of the Board of Directors may be called by a majority of the directors, or at the request of the Chairman of the Board, or, if the Chief Executive Officer is a director, by the Chief Executive Officer, or, if the

President is a director, by the President. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Oregon, as the place for holding any special meeting of the Board of Directors called by them.

3.6 Notice. Notice of the date, time and place of any special meetings of the Board of Directors shall be given in any manner reasonably likely to be received at least 24 hours prior to the meeting orally or in writing by mail, telephone, voice mail or any other means provided by law. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.7 Waiver of Notice. A director may at any time waive any notice required by law, the Articles of Incorporation or these Bylaws. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.8 Quorum; Majority Vote. Unless otherwise set forth in these Bylaws or the Articles of Incorporation, a majority of the number of directors established by the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 Meeting by Telephone Conference; Action Without Meeting.

(a) Members of the Board of Directors may hold a board meeting by conference telephone or other communications equipment by means of which all persons participating in the meeting can simultaneously hear each other. Participation in such a meeting shall constitute presence in person at the meeting.

(b) Any action that is required or permitted to be taken by the directors at a meeting may be taken without a meeting if one or more written consents setting forth the action so taken shall be signed by each director entitled to vote on the matter. The action shall be effective on the date when the last director signs the consent, unless the consent specifies an earlier or later time. Such consent, which shall have the same effect as a unanimous vote of the directors, shall be filed with the minutes of the corporation.

3.10 Vacancies. Any vacancy, including a vacancy resulting from an increase in the number of directors, occurring on the Board of Directors may be filled by the shareholders, the Board of Directors or the affirmative vote of a majority of the

remaining directors if less than a quorum of the Board of Directors or by a sole remaining director. If the vacancy is filled by the shareholders and was held by a director elected by a voting group of shareholders, then only the holders of shares of that voting group are entitled to vote to fill the vacancy. Any vacancy not so filled by the directors may be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of shareholders and until a successor shall be elected and qualified. A vacancy that will occur at a specific later date, by reason of a resignation or otherwise, may be filled before the vacancy occurs, and the new director shall take office when the vacancy occurs.

3.11 Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a such compensation as the Board of Directors from time to time shall determine to be appropriate.

3.12 Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors shall be deemed to have assented to the action taken unless: (a) the director's dissent to, or abstention from, the action is entered in the minutes of the meeting, (b) a written dissent or abstention to the action is filed with the presiding officer of the meeting before the adjournment thereof or forwarded by certified or registered mail to the Secretary of the corporation immediately after the adjournment of the meeting, or (c) the director objects at the beginning of the meeting, or promptly upon arrival, to the holding of the meeting or transacting business at the meeting. The right to dissent or abstention shall not apply to a director who voted in favor of the action.

3.13 Director Conflict of Interest.

(a) A transaction in which a director of the corporation has a direct or indirect interest shall be valid notwithstanding the director's interest in the transaction if: (1) the material facts of the transaction and the director's interest are disclosed or known to the Board of Directors or a committee thereof and it authorizes, approves or ratifies the transaction, (2) the material facts of the transaction and the director's interest are disclosed or known to shareholders entitled to vote and they authorize, approve or ratify the transaction, or (3) the transaction is fair to the corporation.

(b) For purposes of Section 3.13(a)(1) above, a conflict of interest transaction may be authorized, approved or ratified if it receives the affirmative vote of a majority of directors or committee members thereof, who have no direct or indirect interest in the transaction. If such a majority of such members vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action.

(c) For purposes of Section 3.13(a)(1) above, a conflict of interest transaction may be authorized, approved or ratified by a majority vote of shareholders entitled to vote thereon. Shares owned by or voted under the control of a director, or an

entity controlled by a director, who has a direct or indirect interest in the transaction may be counted in a vote of shareholders to determine whether to authorize, approve or ratify a conflict of interest transaction under Section 3.13(a)(1) above.

(d) A director has an indirect interest in a transaction if another entity in which the director has a material financial interest or in which the director is a general partner is a party to the transaction or another entity of which the director is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the Board of Directors of the corporation.

3.14 Removal. The shareholders may remove one or more directors with or without cause at a meeting called expressly for that purpose, unless the Articles of Incorporation provide for removal for cause only. A director may be removed only if the number of votes cast to remove a director exceeds the number cast not to remove the director. If a director is elected by a voting group of shareholders, only those shareholders may participate in the vote to remove the director.

3.15 Resignation. Any director may resign by delivering written notice to the Board of Directors, the Chairman of the Board or the Secretary of the corporation. Such resignation shall be effective: (a) on receipt, (b) five days after its deposit in the United States mails, if mailed postpaid and correctly addressed, or (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by addressee, unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors.

ARTICLE IV COMMITTEES OF THE BOARD

4.1 Appointment. Unless the Articles of Incorporation provide otherwise, the Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee shall have one or more members who serve at the pleasure of the Board of Directors. A majority of all directors in office must approve the creation of a committee and the appointment of its members. The Board of Directors shall have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof and to change the functions or terminate the existence thereof.

4.2 Limitation on Powers of a Committee. A committee shall not have or exercise any power or authority of the Board of Directors prohibited by the Act.

4.3 Conduct of Meetings. Each committee shall conduct its meetings in accordance with the applicable provisions of these Bylaws relating to meetings and action without meetings of the Board of Directors. Each committee shall adopt any further rules regarding its conduct, keep minutes and other records and appoint subcommittees and assistants as it deems appropriate and in accordance with the Act.

4.4 Compensation. By resolution of the Board of Directors, committee members may be paid reasonable compensation for services on committees and their expenses of attending committee meetings.

ARTICLE V OFFICERS

5.1 Number. The Board of Directors shall appoint a Chief Executive Officer, a President and a Secretary, with such powers and duties as set forth in these Bylaws and as prescribed by the Board of Directors. The Board of Directors may appoint such other officers and assistant officers as may be deemed necessary or desirable, with such powers and duties as set forth in these Bylaws and as prescribed by the Board of Directors. A duly appointed officer may appoint one or more officers or assistant officers and may prescribe the powers and duties of officers or assistant officers if such appointment and authority is authorized by the Board of Directors. Any two or more offices may be held by the same person.

5.2 Appointment and Term of Office. The officers of the corporation shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the shareholders, and at such other times as determined by the Board of Directors or, if authorized pursuant to Section 5.1 of this Article V, at such time determined by a duly authorized officer. If the officers shall not be appointed at such meeting, they shall be appointed as soon thereafter as is convenient. Each officer shall hold office from the date of appointment by the Board of Directors or a duly authorized officer until the next annual meeting of the Board of Directors, or until a successor shall have been duly appointed and shall have qualified or until the officer's death, resignation or removal in the manner hereinafter provided.

5.3 Qualification. No officer need be a director, shareholder or Oregon resident.

5.4 Resignation and Removal. An officer may resign at any time by delivering notice to the corporation. A resignation is effective on receipt unless the notice specifies a later effective date. If the corporation accepts a specified later effective date, the Board of Directors may fill the pending vacancy before the effective date but the successor may not take office until the effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors. Any officer appointed by the Board of Directors or, as allowed in Section 5.1 of this Article V, by another officer may be removed from the officer position by the Board of Directors at any time with or without cause. Appointment of an officer shall not of itself create contract rights. Removal or resignation of an officer shall not affect the contract rights, if any, of the corporation or the officer.

5.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

5.6 Chief Executive Officer. Subject to the control of the Board of Directors, the Chief Executive Officer shall be in general charge of the business and affairs of the corporation and shall have supervision, direction, and control of the officers of the corporation. The Chief Executive Officer shall have such other authority and perform such other duties as may be prescribed by the Board of Directors.

5.7 President. Unless otherwise designated by the Board of Directors, the Chief Executive Officer shall also be the President. The President shall have the authority and perform the duties and responsibilities prescribed by the Board of Directors.

5.8 Secretary. The Secretary shall keep the minutes of all meetings of the directors and shareholders and shall have custody of the minute books and other records pertaining to the corporate business. The Secretary shall have the usual power and authority of such office. The Secretary shall have such other authority and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE VI INDEMNIFICATION

6.1 Directors and Officers. The corporation shall indemnify to the fullest extent not prohibited by applicable law each current or former officer or director who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise (including an action, suit or proceeding by or in the right of the corporation) by reason of the fact that the person is or was acting as a director, officer or agent of the corporation or as a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation, or serves or served at the request of the corporation as a director or officer, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise. The indemnification specifically provided hereby shall not be deemed exclusive of any other rights to which such person may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the official capacity of the person indemnified and as to action in another capacity while holding such office.

6.2 Employees and Other Agents. The corporation shall have power to indemnify its employees and other agents as set forth in the Act.

6.3 No Presumption of Bad Faith. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, that the person had reasonable cause to believe that the conduct was unlawful.

6.4 Advances of Expenses. The expenses incurred by a director or officer in any proceeding shall be paid by the corporation in advance at the written request of the director or officer, if the director or officer:

(a) furnishes the corporation a written affirmation of such person's good faith belief that such person has met the standard of conduct required by the Act and is entitled to be indemnified by the corporation; and

(b) furnishes the corporation a written undertaking to repay such advance to the extent that it is ultimately determined by a court that such person is not entitled to be indemnified by the corporation. Such advances shall be made without regard to the person's ability to repay such expenses, and without regard to the person's ultimate entitlement to indemnification under this Article VI or otherwise.

6.5 Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Article VI shall be deemed to be contractual rights and to be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Article VI and relevant provisions of the Act and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Article VI to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if: (a) the claim for indemnification or advances is denied, in whole or in part, or (b) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting a claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any proceeding in advance of its final disposition when the required affirmation and undertaking have been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Act for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its shareholders) to have made a determination prior to a commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the Act, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

6.6 Non-Exclusivity of Rights. The right conferred on any person by this Article VI shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, bylaws, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all

of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent permitted by applicable law.

6.7 Survival of Rights. The right conferred on any person by this Article VI shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

6.8 Insurance. To the fullest extent permitted by the Act, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Article VI.

6.9 Amendments. Any repeal of or modification or amendment to this Article VI shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article VI in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

6.10 Savings Clause. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, the corporation shall indemnify each director and officer to the fullest extent permitted by any applicable portion of this Article VI that shall not have been invalidated, or by any other applicable law.

6.11 Certain Definitions. For the purposes of this Article VI, the following definitions shall apply:

(a) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement and appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative;

(b) The term "expenses" shall be broadly construed and shall include, without limitation, expense of investigations, judicial or administrative proceedings or appeals, attorneys' fees and disbursements and any expenses of establishing a right to indemnification under Section 6.5 of this Article VI, but shall not include amounts paid in settlement by the indemnified party or the amount of judgments or fines against the indemnified party;

(c) The term "corporation" shall include, in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation,

partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as the person would have with respect to such constituent corporation if its separate existence had continued;

(d) References to a "director," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise; and

(e) References to "other enterprises" shall include employee benefit plans; references to "fines" in the Act shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involved services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VI.

ARTICLE VII ISSUANCE OF SHARES

7.1 Certificate for Shares.

(a) Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed, either manually or in facsimile, by two officers of the corporation, at least one of whom shall be the Chief Executive Officer or President and the other of whom shall be the Secretary or an Assistant Secretary and may be sealed with the seal of the corporation or a facsimile thereof. All certificates or shares shall be consecutively numbered or otherwise identified.

(b) Every certificate for shares of stock that are subject to any restriction on transfer pursuant to the Articles of Incorporation, the Bylaws, applicable securities laws, agreements among or between shareholders or any agreement to which the corporation is a party shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction and that the corporation retains a copy of the restriction. Every certificate issued when the corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text of the designations, relative rights, preferences and limitations of the shares of each class and series authorized to be issued and the authority of the Board of Directors to determine variations for future series or a statement of the existence of such designations, relative rights, preferences and

limitations and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

(c) The name and mailing address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. Each shareholder shall have the duty to notify the corporation of his or her mailing address. All certificates surrendered to the corporation for transfer shall be canceled, and no new certificates shall be issued until a former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors prescribes.

7.2 Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by the holder's legal representative, who shall furnish proper evidence of authority to transfer, or by the holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

7.3 Transfer Agent and Registrar. The Board of Directors may from time to time appoint one or more Transfer Agents and one or more Registrars for the shares of the corporation, with such powers and duties as the Board of Directors determines by resolution. The signature of officers upon a certificate may be facsimiles if the certificate is manually signed on behalf of a Transfer Agent or by a Registrar other than the corporation itself or an employee of the corporation.

7.4 Officer Ceasing to Act. If the person who signed a share certificate, either manually or in facsimile, no longer holds office when the certificate is issued, the certificate is nevertheless valid.

7.5 Fractional Shares. The corporation shall not issue certificates for fractional shares.

ARTICLE VIII CONTRACTS, EVIDENCE OF INDEBTEDNESS, CHECKS AND OTHER INSTRUMENTS

8.1 Contracts. In addition to any authority provided in these Bylaws, the Board of Directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

8.2 Evidence of Indebtedness. Notwithstanding any other provision of these Bylaws, no indebtedness for borrowed money shall be contracted on behalf of the

corporation and no evidence of indebtedness for borrowed money shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

8.3 Checks, Drafts, Etc. Checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers and agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors. Such authority may be general or confined to specific instances.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1 Seal. The seal of the corporation, if any, shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal."

9.2 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

ARTICLE X AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws may be adopted by the Board of Directors or the shareholders of the corporation.

Exhibit "E"
UF _____

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheet
September 30, 2007
(In Millions, Except Share Amounts)

	<u>September 30, 2007</u>	<u>Adjustments (1)</u>	<u>Adjusted Total</u>
Assets			
Electric Utility Plant - Original Cost			
Utility plant (includes construction work in progress of \$357)	\$ 4,942		\$ 4,942
Accumulated depreciation	(1,936)		(1,936)
	<u>3,006</u>	<u>-</u>	<u>3,006</u>
Other Property and Investments			
Nuclear decommissioning trust, at market value	45		45
Non-qualified benefit plan trust	71		71
Miscellaneous	22		22
	<u>138</u>	<u>-</u>	<u>138</u>
Current Assets			
Cash and cash equivalents	60	248 (a)	308
Accounts and notes receivable (less allowance for uncollectible accounts of \$5)	172		172
Unbilled revenues	64		64
Assets from price risk management activities	65		65
Inventories, at average cost	63		63
Margin deposits	39		39
Prepayments and other	40		40
Deferred income taxes	20		20
	<u>523</u>	<u>248</u>	<u>771</u>
Deferred Charges			
Regulatory assets	385		385
Miscellaneous	36	2 (a)	38
	<u>421</u>	<u>2</u>	<u>423</u>
	<u>\$ 4,088</u>	<u>250</u>	<u>\$ 4,338</u>
Capitalization and Liabilities			
Capitalization			
Common stock, no par value, 80,000,000 shares authorized; 62,519,160 shares outstanding	\$ 645		\$ 645
Retained earnings	664	(10) (b,c,d)	654
Accumulated other comprehensive income (loss):	(6)		(6)
Pension and other postretirement plans	1,238	250 (a)	1,488
Long-term debt	2,541	240	2,781
	<u>2,541</u>	<u>240</u>	<u>2,781</u>
Commitments and Contingencies (see Exhibit F)			
Current Liabilities			
Long-term debt due within one year	-		-
Short-term borrowings	-		-
Accounts payable and other accruals	215		215
Liabilities from price risk management activities	121		121
Customer deposits	5		5
Accrued interest	21	16 (b)	37
Accrued taxes	59	(6) (d)	53
Dividends payable	15		15
	<u>436</u>	<u>10</u>	<u>446</u>
Other			
Deferred income taxes	275		275
Deferred investment tax credits	4		4
Trojan asset retirement obligation	111		111
Accumulated asset retirement obligation	21		21
Regulatory liabilities:			
Accumulated asset retirement removal costs	445		445
Other	118		118
Non-qualified benefit plan liabilities	87		87
Miscellaneous	50		50
	<u>1,111</u>	<u>-</u>	<u>1,111</u>
	<u>\$ 4,088</u>	<u>250</u>	<u>\$ 4,338</u>

(1) Reflects journal entries in Exhibit "J"

Exhibit "F"
Statement of Contingent Liabilities
As of September 30, 2007

Trojan Investment Recovery - In 1993, PGE closed the Trojan Nuclear Plant as part of the Company's least cost planning process. PGE sought full recovery of, and a rate of return on, its Trojan plant costs, including decommissioning, in a general rate case filing with the OPUC. In 1995, the OPUC issued a general rate order which granted the Company recovery of, and a rate of return on, 87% of its remaining investment in Trojan plant costs, and full recovery of its estimated decommissioning costs through 2011.

Numerous challenges, appeals and reviews were subsequently filed in the Marion County Circuit Court, the Oregon Court of Appeals, and the Oregon Supreme Court on the issue of the OPUC's authority under Oregon law to grant recovery of, and a return on, the Trojan investment. The primary plaintiffs in the litigation were the Citizens' Utility Board (CUB) and the Utility Reform Project (URP). The Oregon Court of Appeals issued an opinion in 1998, stating that the OPUC does not have the authority to allow PGE to recover a return on the Trojan investment, but upholding the OPUC's authorization of PGE's recovery of the Trojan investment and ordering remand of the case to the OPUC. PGE, the OPUC, and URP each requested the Oregon Supreme Court to conduct a review of the Court of Appeals decision. On November 19, 2002, the Oregon Supreme Court dismissed the petitions for review. As a result, the 1998 Oregon Court of Appeals opinion stands and the case has been remanded to the OPUC (1998 Remand).

In 2000, while the petitions for review of the 1998 Oregon Court of Appeals decision were pending at the Oregon Supreme Court, PGE, CUB, and the staff of the OPUC entered into agreements to settle the litigation related to PGE's recovery of, and return on, its investment in the Trojan plant. The URP did not participate in the settlement. The settlement, which was approved by the OPUC in September 2000, allowed PGE to remove from its balance sheet the remaining before-tax investment in Trojan of approximately \$180 million at September 30, 2000, along with several largely offsetting regulatory liabilities. The largest of such amounts consisted of before-tax credits of approximately \$79 million in customer benefits related to the previous settlement of power contracts with two other utilities and the approximately \$80 million remaining credit due customers under terms of the 1997 merger of the Company's parent corporation at the time (Portland General Corporation) with Enron Corp. The settlement also allowed PGE recovery of approximately \$47 million in income tax benefits related to the Trojan investment which had been flowed through to customers in prior years; such amount was substantially recovered from PGE customers by the end of 2006. After offsetting the investment in Trojan with these credits and prior tax benefits, the remaining Trojan regulatory asset balance of approximately \$5 million (after tax) was expensed. As a result of the settlement, PGE's investment in Trojan is no longer included in prices charged to customers, either through a return of or a return on that investment. Authorized collection of Trojan decommissioning costs is unaffected by the settlement agreements or the OPUC orders.

URP filed a complaint with the OPUC challenging the settlement agreements and the OPUC's September 2000 order. In March 2002, the OPUC issued an order (2002 Order) denying all of URP's challenges, and approving the accounting and ratemaking elements of the 2000 settlement. URP appealed the 2002 Order to the Marion County Circuit Court. On November 7, 2003, the

Marion County Circuit Court issued an opinion remanding the case to the OPUC for action to reduce prices or order refunds (2003 Remand). The opinion does not specify the amount or timeframe of any reductions or refunds. PGE and the OPUC have appealed the 2003 Remand to the Oregon Court of Appeals. On October 10, 2007, the Oregon Court of Appeals issued an opinion that vacated the 2003 Remand and remanded the 2002 Order to the OPUC for reconsideration.

Prior to the October 10, 2007 opinion of the Court of Appeals, the OPUC combined the 1998 Remand and the 2003 Remand into one proceeding and has been considering the matter in two phases. The first phase involves a determination of what prices would have been if, in 1995, the OPUC had interpreted the law to prohibit a return on the Trojan investment. The second phase involves a determination of whether the OPUC has authority to engage in retroactive ratemaking.

In Order No. 07-157 (the Order), entered on April 19, 2007, the OPUC denied the motion PGE filed in November 2006 to consolidate phases and re-open the record. In addition, the Order abated the first phase of the proceeding pending a decision by the Oregon Court of Appeals on the 2003 Remand, and ordered that the second phase of the remand proceeding be immediately commenced to investigate the OPUC's authority to engage in retroactive ratemaking. The Order further stated that parties not now participating in the joint remand proceedings will be allowed to intervene and participate in the second phase. Oral argument was held on August 9, 2007.

In a separate legal proceeding, two class action suits were filed in Marion County Circuit Court against PGE on January 17, 2003 on behalf of two classes of electric service customers. One case seeks to represent current PGE customers that were customers during the period from April 1, 1995 to October 1, 2000 (Current Class) and the other case seeks to represent PGE customers that were customers during the period from April 1, 1995 to October 1, 2000, but who are no longer customers (Former Class, together with the Current Class, the Class Action Plaintiffs). The suits seek damages of \$190 million for the Current Class and \$70 million for the Former Class, as a result of the inclusion of a return on investment of Trojan in the prices PGE charges its customers. On December 14, 2004, the Judge granted the Class Action Plaintiffs' motion for Class Certification and Partial Summary Judgment and denied PGE's motion for Summary Judgment. On March 3, 2005 and March 29, 2005, PGE filed two Petitions for an Alternative Writ of Mandamus with the Oregon Supreme Court, asking the Court to take jurisdiction and command the trial Judge to dismiss the complaints or to show cause why they should not be dismissed, and seeking to overturn the Class Certification. On August 31, 2006, the Oregon Supreme Court issued a ruling on PGE's Petitions for Alternative Writ of Mandamus, abating the class action proceedings until the OPUC responds to the 2003 Remand (described above). The Oregon Supreme Court concluded that the OPUC has primary jurisdiction to determine what, if any, remedy it can offer to PGE customers, through price reductions or refunds, for any amount of return on the Trojan investment PGE collected in prices for the period from April 1995 through October 2000. The Supreme Court further stated that if the OPUC determines that it can provide a remedy to PGE's customers, then the class action proceedings may become moot in whole or in part, but if the OPUC determines that it cannot provide a remedy, and that decision becomes final, the court system may have a role to play. The Supreme Court also ruled that the plaintiffs retain the right to return to the Marion County Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings. On October 5, 2006, the Marion County Circuit Court issued an Order of Abatement in response to the ruling of the Oregon Supreme Court, abating the class actions, but inviting

motions to lift the abatement after one year. On October 17, 2007, the plaintiffs filed a motion to lift the abatement. PGE's response is due on November 5, 2007.

On February 14, 2005, PGE received a Notice of Potential Class Action Lawsuit for Damages and Demand to Rectify Damages from counsel representing Frank Gearhart, David Kafoury and Kafoury Brothers, LLC (Potential Plaintiffs), stating that Potential Plaintiffs intend to bring a class action lawsuit against the Company. Potential Plaintiffs allege that for the period from October 1, 2000 to the present, PGE's electricity prices have included unlawful charges for a return on investment in Trojan in an amount in excess of \$100 million. Under Oregon law, there is no requirement as to the time the lawsuit must be filed following the 30-day notice period. No action has been filed to date.

Management cannot predict the ultimate outcome of the above matters. However, it believes these matters will not have a material adverse impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows for a future reporting period. No reserves have been established by PGE for any amounts related to this issue.

Colstrip Royalty Claim - Western Energy Company (WECO) supplies coal from the Rosebud Mine in Montana under a Coal Supply Agreement and a Transportation Agreement with owners of Colstrip Units 3 and 4 (Colstrip), in which PGE has a 20% ownership interest. In 2002 and 2003, WECO received two orders from the Office of Minerals Revenue Management of the U.S. Department of the Interior which asserted underpayment of royalties and taxes by WECO related to transportation of coal from the mine to Colstrip during the period October 1991 through December 2001. WECO subsequently appealed the two orders to the Minerals Management Service (MMS) of the U.S. Department of the Interior. On March 28, 2005, the appeal by WECO was substantially denied. On April 28, 2005, WECO appealed the decision of the MMS to the Interior Board of Land Appeals of the U.S. Department of the Interior. In late September 2006, WECO received an additional order from the Office of Minerals Revenue Management to report and pay additional royalties for the period January 2002 through December 2004. On September 12, 2007, the Interior Board of Land Appeals issued a decision affirming the March 28, 2005 MMS decision.

In May 2005, WECO received a "Preliminary Assessment Notice" from the Montana Department of Revenue, asserting claims similar to those of the Office of Minerals Revenue Management.

WECO has indicated to the owners of Colstrip that, if WECO is unsuccessful in the above appeal process, it will seek reimbursement of any royalty payments by passing these costs on to the owners. The owners of Colstrip advised WECO that their position would be that these claims are not allowable costs under either the Coal Supply Agreement or the Transportation Agreement.

Management cannot predict the ultimate outcome of the above matters or estimate any potential loss. Based on information currently known to the Company's management, PGE does not expect that this issue will have a material adverse effect on its financial condition, results of operations or cash flows. If WECO is able to pass any of these costs on to the owners, the Company would likely seek recovery through the ratemaking process.

Refunds on Wholesale Market Transactions in the Pacific Northwest - On July 25, 2001, the Federal Energy Regulatory Commission (FERC) called for a preliminary evidentiary hearing to explore whether there may have been unjust and unreasonable charges for spot market sales of electricity in the Pacific Northwest from December 25, 2000 through June 20, 2001. During that period, PGE both sold and purchased electricity in the Pacific Northwest. In September 2001, upon completion of hearings, the appointed administrative law judge issued a recommended order that the claims for refunds be dismissed. In December 2002, the FERC re-opened the case to allow parties to conduct further discovery. In June 2003, the FERC issued an order terminating the proceeding and denying the claims for refunds. In November 2003 and February 2004, the FERC denied all requests for rehearing of its June 2003 decision. Parties appealed various aspects of these FERC orders to the U.S. Ninth Circuit Court of Appeals (Ninth Circuit).

On August 24, 2007, the Ninth Circuit issued its decision on appeal, concluding that the FERC failed to adequately explain how it considered or examined new evidence showing intentional market manipulation in California and its potential ties to the Pacific Northwest and that the FERC should not have excluded from the Pacific Northwest refund proceeding purchases of energy made by the California Energy Resources Scheduling (CERS) division in the Pacific Northwest spot market. The Ninth Circuit remanded the case to the FERC (i) to address the new market manipulation evidence in detail and account for it in any future orders regarding the award or denial of refunds in the proceedings, (ii) to include sales to CERS in its analysis, and (iii) to further consider its refund decision in light of related, intervening opinions of the court. The Ninth Circuit offered no opinion on the FERC's findings based on the record established by the administrative law judge and declined to reach the merits of the FERC's ultimate decision to deny refunds. On September 18, 2007, the Ninth Circuit deferred the deadline for parties to file for rehearing until November 16, 2007.

The settlement between PGE and certain other parties in the California refund case in Docket No. EL00-95, et seq., approved by the FERC on May 17, 2007, resolves all claims as between PGE and the California parties named in the settlement as to transactions in the Pacific Northwest during the settlement period, January 1, 2000 through June 21, 2001, but does not settle potential claims from other market participants relating to transactions in the Pacific Northwest.

Management cannot predict the ultimate outcome of the above matter related to wholesale transactions in the Pacific Northwest. However, it believes that the outcome will not have a material adverse impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows for future reporting periods.

Complaint and Application for Deferral - Income Taxes - On October 5, 2005, the URP and Ken Lewis (together, the Complainants) filed a Complaint and an Application for Deferred Accounting with the OPUC alleging that, since the September 2, 2005 effective date of Oregon Senate Bill 408 (SB 408), PGE's rates were not just and reasonable and were in violation of SB 408 because they contained approximately \$92.6 million in annual charges for state and federal income taxes that are not being paid to any governmental entity. The Complaint and Application for Deferred Accounting requested that the OPUC order the creation of a deferred account for all amounts charged to customers since September 2, 2005 for state and federal income taxes, less amounts actually paid by or on behalf of PGE to the federal and state governments for income taxes. PGE contends that no adjustment for taxes may be made prior to the January 1, 2006

effective date of the automatic adjustment clause included in SB 408. For further information, see Note 5, Utility Rate Treatment of Income Taxes.

On August 14, 2007, the OPUC issued an order granting the Application for Deferred Accounting for the period from October 5, 2005 through December 31, 2005 (Deferral Period). The OPUC's order also dismissed the Complaint, without prejudice, on grounds that it is superfluous to the Complainants' request for deferred accounting. The order requires that PGE calculate the amounts applicable to the Deferral Period, along with calculations of PGE's earnings and the effect of the deferral on the Company's return on equity. PGE is to submit these calculations to the OPUC by December 1, 2007. The order also provides that the OPUC will review PGE's earnings at the time it considers amortization of the deferral. PGE understands that the OPUC will consider the potential impact of the deferral on its earnings over a relevant twelve-month period, which will include the Deferral Period. After consideration of these matters, the OPUC will determine whether a rate adjustment is required. The OPUC decision is expected prior to June 1, 2008. On October 15, 2007, PGE filed a petition for judicial review with the Oregon Court of Appeals, seeking review of the OPUC's August 14, 2007 order.

Management cannot predict the ultimate outcome of this matter. However, based on information currently known to management, it believes this matter will not have a material adverse effect on PGE's financial condition, results of operations or cash flows.

Harborton - Since 1973, PGE has operated the Harborton Substation on land owned by the Company located near the Willamette River. A 1997 investigation by the Environmental Protection Agency (EPA) of a 5.5 mile segment of the river, known as the Portland Harbor, revealed significant contamination of sediments within the harbor. The EPA subsequently included the Portland Harbor on the federal National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (Superfund).

In December 2000, PGE received from the EPA a "Notice of Potential Liability" regarding the Harborton Substation facility. The notice listed sixty-eight other companies that the EPA believes may be Potentially Responsible Parties (PRPs) with respect to the Portland Harbor Superfund Site.

In February 2002, PGE provided a report on its remedial investigation of the Harborton Substation site to the Oregon Department of Environmental Quality (DEQ). The report concluded that there is no likely present or past source or pathway for release of hazardous substances to surface water or sediments in the Portland Harbor Superfund Site at or from the site and that the site does not present a high priority threat to present and future public health, safety, welfare, or the environment. The DEQ submitted the report to the EPA and, in a May 18, 2004 letter, the EPA notified the DEQ that, based on the summary information from the DEQ and the stage of the process, the EPA, as of that time, agreed that the Harborton Substation site does not appear to be a current source of contamination to the river.

In a December 6, 2005 letter, the DEQ notified PGE that the site is not likely a current source of contamination to the river and that the site is a low priority for further action. On October 17, 2007, the EPA notified PGE of a meeting to be held on November 7, 2007 regarding the convening of the process for allocation of costs for investigation and remediation activities. Management believes

that the Company's contribution to the sediment contamination, if any, from the Harborton Substation site would qualify it as a de minimis PRP.

Sufficient information is currently not available to determine the total cost of any required investigation or remediation of the Portland Harbor or the liability of PRPs, including PGE. Management cannot predict the ultimate outcome of this matter. However, it believes this matter will not have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Harbor Oil - Harbor Oil, Inc. (Harbor Oil), located in north Portland, was utilized by PGE to process used oil from the Company's power plants and electrical distribution system from at least 1990 until 2003. Harbor Oil is also utilized by other entities for the processing of used oil and other lubricants.

In 1974 and 1979, major oil spills occurred at the Harbor Oil site that impacted an approximate two acre area. Elevated levels of contaminants, including metals, pesticides, and polychlorinated biphenyls (PCBs), have been detected at the site. On September 29, 2003, Harbor Oil was included on the federal National Priority List as a federal Superfund site.

PGE received a Special Notice Letter for Remedial Investigation/Feasibility Study (RI/FS) from the EPA, dated June 27, 2005, in which the Company was named as one of fourteen PRPs with respect to the Harbor Oil site. The letter started a period for the PRPs to participate in negotiations with the EPA to reach a settlement to conduct or finance an RI/FS of the Harbor Oil site. On May 31, 2007, an Administrative Order on Compliance was signed by the EPA and six other parties, including PGE, to implement an RI/FS at the Harbor Oil site.

Sufficient information is currently not available to determine the total cost of investigation and remediation of the Harbor Oil site or the liability of the PRPs, including PGE. Management cannot predict the ultimate outcome of this matter. However, it believes this matter will not have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Exhibit "G"
UF_____

Portland General Electric Company and Subsidiaries
Consolidated Statement of Income
Twelve Months Ended
September 30, 2007
(Dollars In Millions, Except per Share Amounts)

	<u>Twelve Months Ended</u> <u>9/30/2007</u>	<u>Adjustments</u>	<u>Adjusted Total</u>
Operating Revenues	\$1,689		\$1,689
Operating Expenses			
Purchased power and fuel	810		810
Production and distribution	146		146
Administrative and other	181		181
Depreciation and amortization	188		188
Taxes other than income taxes	78		78
Income taxes	77	(6) (d)	71
	<u>1,480</u>	<u>(6)</u>	<u>1,474</u>
Net Operating Income	<u>209</u>	<u>6</u>	<u>215</u>
Other Income (Deductions)			
Allowance for equity funds used during construction	18		18
Miscellaneous	11		11
Income taxes	(2)		(2)
	<u>27</u>	<u>-</u>	<u>27</u>
Interest Charges			
Interest on long-term debt and other	75	16 (b, c)	91
	<u>75</u>	<u>16</u>	<u>91</u>
Net Income	<u>\$161</u>	<u>(10)</u>	<u>\$151</u>

Exhibit "H"
UF__

Portland General Electric Company and Subsidiaries
Consolidated Statement of Retained Earnings
Twelve Months Ended
September 30, 2007
(In Millions)

	<u>September 30, 2007</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
Balance at Beginning of Period	\$561		\$561
Net Income	161	(10)	151
	<u>\$722</u>	<u>(10)</u>	<u>\$712</u>
Dividends Declared			
Common stock	58		58
	<u>58</u>		<u>58</u>
Balance at End of Period	<u>\$664</u>	<u>(10)</u>	<u>\$654</u>

(1) Reflects journal entries in Exhibit "J"

PORTLAND GENERAL ELECTRIC COMPANY
PRO FORMA JOURNAL ENTRIES

The following journal entries record the issuance of long-term debt and related interest expense.

Account	Description	Debit	Credit
	(a)		
131	Cash	\$ 247,609,500	
181	Unamortized debt expense	2,390,500	
224	Other long-term debt		\$ 250,000,000
	To record the issuance of long-term debt and related issuance expense (to be amortized over the life of the debt).		
	(b)		
427	Interest on long-term debt	\$15,625,000	
237	Interest accrued		\$15,625,000
	To record interest expense at 6.25%		
	(c)		
428	Amortization of debt discount and expense	\$79,683	
181	Unamortized debt expense		\$79,683
	To amortize debt issuance expense over the life of the debt (1st year)		
	(d)		
236	Taxes accrued	\$6,124,827	
409.1	Income taxes, utility operating income		\$6,124,827
	To record the tax effect of interest expense on long-term debt.		

ASSUMPTIONS

LOAN

Maximum amount of LOAN	\$	250,000,000
Interest Rate		6.250%
Issuance costs		0.06%
Estimated years to be outstanding		30
Income tax rates:		
Federal		32.846%
State & Local		6.154%
Effective statutory rate		<u>39.000%</u>
Interest Expense	\$	15,625,000
Debt Amortization - 1st yr	\$	79,683
Total Interest Expense	\$	<u>15,704,683</u>
Tax effect on the interest expense	\$	6,124,827
Issuance Expense		
Initial Commitment amount		
One-time syndication agent fee		
Annual agent fee		
Total Issuance Expense	\$	<u>2,390,500</u>

No issuance expense for letters of credit, assumes only debt