



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

October 16, 2009

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 debt pursuant to a revolving credit facility up to \$200 million.

We ask that this Application be placed on the docket for consideration at the Commission's November 24, 2009 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@pgn.com

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

encls.

cc: Steve Storm - 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) **APPLICATION**
authority to issue debt pursuant to a revolving)
credit facility) **UF-_____**

Pursuant to ORS 757.410(1), and OAR 860-027-0030, Portland General Electric Company (“PGE” or the “Applicant”) submits this financing application requesting authority to enter into a revolving credit facility of up to \$200 million with a group of banks for an initial term not to exceed three years. The facility is expected to have a bi-lateral provision that would allow the facility to be extended on an annual basis under the same terms. The facility will be unsecured and will replace a \$125 million, 364-day facility that expires on December 8, 2009. PGE believes the credit facility will provide the necessary liquidity required to operate the business and represents the lowest cost of funds currently available for this type of agreement.

I. Required Information Under OAR 860-027-0030:

Pursuant to the requirements of OAR 860-027-0030, PGE represents as follows:

(a) *The applicant’s exact name and address of its principal business office:* The name and address of the Applicant is Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204.

(b) *The state in which incorporated, the date of incorporation, and the other states in which authorized to transact utility business:* 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, Idaho, Montana, Utah, Washington and in Alberta, Canada, but conducts utility business only in the State of Oregon.

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

PGE-OPUC Filings
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, the names and addresses to receive notices and communications via the e-mail service list are:

James A. Warberg,
E-Mail: james.warberg@pgn.com,

Patrick G. Hager
E-Mail: patrick.hager@pgn.com

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

Launa Harmon
E-Mail: launa.harmon@pgn.com

(d) As of October 1, 2009, the following are the principal officers of PGE with primary business offices located at 121 SW Salmon Street, Portland, Oregon 97204:

James J. Piro	Chief Executive Officer & President
Maria M. Pope	Senior Vice President Finance, CFO & Treasurer
Stephen R. Hawke	Senior Vice President
Arleen N. Barnett	Vice President
Carol A. Dillin	Vice President
Campbell A. Henderson	Vice President & Chief Information Officer
James F. Lobdell	Vice President
Joe A. McArthur	Vice President
J. Jeffrey Dudley	Vice President & General Counsel

William O. Nicholson	Vice President
O. Bruce Carpenter	Vice President
Stephen M. Quennoz	Vice President Power Supply/Generation
Kirk M. Stevens	Controller and Assistant Treasurer
Marc S. Bocci	Corporate Secretary
Nora E. Arkonovich	Assistant Secretary
Cheryl A. Chevis	Assistant Secretary
Karen J. Lewis	Assistant Secretary

(e) *A description of the general character of the business done, and a designation of the territories served, by counties and states:* 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) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of capital stock: brief description; the amount authorized (face value and number of shares); the amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount owned by affiliated interests; and amount held in any fund:* The following represents PGE's capital stock as of **June 30, 2009**, the date of PGE's last major SEC filing (10-Q):

	<u>Outstanding</u> <u>Shares</u>	<u>Amount (\$000s)</u>
Cumulative Preferred Stock:	0	0
None authorized		
Common Stock:		
No Par Value		
(80,000,000 shares authorized):	75,148,908	\$829,521

None of the above is held as reacquired securities or was pledged by the applicant.

(g) A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of long-term debt and notes: brief description (amount, interest rate and maturity); amount authorized; amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount held by affiliated interests; and amount in sinking and other funds: PGE's long-term debt as of **June 30, 2009** is as follows:

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
5.6675% series due 10-25-2012	100,000	100,000
4.45% series due 4/1/2013	50,000	50,000
6.50% series due 1/15/2014	63,000	63,000
6.80% series due 1/15/2016	67,000	67,000
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
5.80% series due 3-1-2018	75,000	75,000
6.10% series due 4-15-2019	300,000	300,000
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	1,400,000	1,400,000
Pollution Control Bonds:		
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
5.25% series due 8-1-2014	<u>9,600</u>	<u>9,600</u>
Total Pollution Control Bonds	46,500	46,500
Other Long-Term Debt:		
7.875% notes due March 15, 2010	150,000	149,250
Capital lease obligations	0	0
Long-Term Contracts	25	25
Unamortized Debt Discount and Other	<u>(1,729)</u>	<u>(1,729)</u>
Total Other Long-Term Debt	148,296	147,546
Less long-term debt due within one year	(186,900)	(186,150)
Total Long-Term Debt	1,407,896	1,407,896

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) *Full description of securities proposed to be issued showing: kind and nature of securities or liabilities; amount (face value and number of shares); interest or dividend rate, if any; date of issue and date of maturity; and voting privileges, if any:* PGE proposes to enter into the following transactions:

(1) *Type and nature of securities*

The Applicant has a \$125 million 364-day credit facility that expires on December 8, 2009. PGE expects to replace that facility with a new credit agreement (“Credit Agreement”) of up to \$200 million and an initial maturity not to exceed three years with a group of banks. The Credit Agreement may contain a bi-lateral provision that allows it to be extended annually for an additional year. PGE may issue individual notes to each bank in the Credit Agreement for amounts equal to their commitment level.

The Credit Agreement will allow the Applicant to borrow at its option a minimum amount of \$1 million up to the total amount of the commitments under the Credit Agreement. The Applicant can repay loans and re-borrow under the Credit Agreement so long as the total outstanding amount of all borrowings at any one time does exceed the commitments under the facility at the time of borrowing and all other representations and covenants are met. PGE also expects to have the ability to issue letters of credit under the facility.

The Applicant has the option to borrow under the Credit Agreement at either a Eurodollar based option or a floating rate option. The Eurodollar based option allows PGE to borrow for a fixed period of one, two, three or six months at a rate based on the applicable Eurodollar rate for such maturity on the date of borrowing plus a margin based on PGE’s unsecured debt rating. The floating rate allows the Applicant to borrow under at a rate reset daily equal to the higher of 1) federal funds plus 1.50%, 2) the Prime Rate, or 3) the one-month

Eurodollar rate plus 1.50%. In addition to the borrowing rates, PGE will be required to pay a one time upfront fee to each bank not to exceed 1.00% of their initial commitment amount and an annual facility fee not to exceed 1.00% of their average commitment amount based on PGE's unsecured debt rating in effect during the period. These fees are the standard fees currently required by banks for this type of facility. Listed below are the maximum LIBOR margin and facility fee amounts that PGE would be required to pay based on different ratings in effect at the time. In the event PGE is split rated, the higher rating will apply:

PRICING	LEVEL I STATUS A-/A3	LEVEL II STATUS BBB+/BAA1	LEVEL III STATUS BBB/BAA2	LEVEL IV STATUS < BBB/BAA2
<i>Applicable Eurodollar Margin</i>	1.750%	2.250%	2.500%	2.750%
<i>Facility Fee Rate</i>	0.650%	0.750%	0.850%	1.000%

(2) Amount of securities

The amount of the Credit Agreement and the amount of borrowings under the Credit Agreement will not exceed \$200 million at any one time.

(3) Interest rate

The interest rate on loans under the Credit Agreement will depend on the type of loan and the applicable rate and spread in effect from time to time as described in paragraph (1) above.

(4) Date of issuance and maturity

PGE expects to close the Credit Agreement by December 8, 2009 and borrowings could occur on the day of closing up to the final maturity date. The facility is expected to have an initial maturity of not more than three years but may be extended annually for an additional year if the Applicant and the banks agree.

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

The Credit Agreement will not require a rating. However, as discussed above the fees are based on PGE's unsecured rating. PGE's unsecured debt is currently rated:

Moody's	Baa2
Standard & Poor's	BBB+

(i) *A reasonably detailed and precise description of proposed transaction, including a statement of the reasons why it is desired to consummate the transaction and the anticipated effect thereof:*

(A) *Description of proposed method of issuance and selling the securities:* See paragraph (h) above.

(B) *Statement of whether securities are to be issued pro rata to existing holders of the applicant's securities or issued pursuant to any preemptive right or in connection with any liquidation or reorganization:* The borrowings under the Credit Facility 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) *Statement showing why it is in applicant's interest to issue securities in the manner proposed and the reason(s) why it selected the proposed method of sale:* The proposed Credit Agreement is a standard form of primary liquidity maintained by most utilities across the country to ensure they have access to working capital to meet current obligations. A facility of this type is also required by the rating agencies to permit companies to issue commercial paper and to support long-term credit ratings. PGE has chosen to replace

a 364-day facility with a new facility of up to three years to partially ensure its liquidity needs for multiple years.

(D) *Statement that exemption from the competitive bidding requirements of any federal or other state regulatory body has or has not been requested or obtained, and a copy of the action taken thereon when available:* 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 entering into the Credit Agreement or the borrowings or letters of credit issued pursuant to the Credit Agreement.

The proposed transactions are not part of a general program.

(j) *The name and address of any person receiving or entitled to a fee for service:* The Applicant has selected Bank of America to act as syndication agent for the facility and will pay the agent a one-time fee not to exceed \$200,000 and an annual fee of \$25,000 to act in that capacity. These fees are standard for this type of agreement. In addition, the Applicant will pay fees discussed in paragraph (h)(1) above.

(k) *A statement showing both in total amount and per unit the price to the public, underwriting commission and net proceeds to the applicant:* Not applicable

(l) *Purposes for which the securities are to be issued:* 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) *A statement as to whether or not any application, registration statement, etc., with respect to the transaction or any part thereof, is required to be filed with any federal or state regulatory body:* No other application is required to be filed with any federal or other state regulatory body.

(n) *The facts relied upon by the application to show that the issue: is for a lawful object within the corporate purposes; is compatible with public interest; is necessary or appropriate for proper performance by application of service as a utility; will not impair its ability to perform the service; is reasonably necessary and appropriate for such purposes; and if filed under ORS 757.495, is fair and reasonable and not contrary to public interest:* 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) *A brief statement of all rights to be a corporation, franchises, permits and contracts for*

consolidation, merger or lease included as assets of the applicant or any predecessor there, the amounts actually paid as consideration therefore, respectively, and the facts relied upon to show the issuance of securities for which approval is requested: The requirements of OAR 860-027-030 (o) are not applicable.

(p) *If filed under ORS 757.490, 757.495, 759.385, or 759.390 a statement describing relationship between utility and the affiliated interest:* The requirements of OAR 860-027-030 (p) are not applicable.

II. Required Exhibits Under OAR 860-027-0030(2)

The following exhibits are submitted and by reference made a part of this application:

EXHIBIT A. *Articles of Incorporation, as Amended and Restated, effective on April 3, 2006*

(Amended and Restated Articles previously filed in Docket **UP 234** and by reference made a part of this application).

EXHIBIT B. *A copy of the bylaws with amendments to date:* (Sixth Amended and Restated Bylaws adopted May 13, 2009, and previously filed in Docket **UF-4259**, and by reference made a part of this application).

EXHIBIT C. *Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished:* Directors' Resolution to be filed when available.

EXHIBIT D. *Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction:* Not applicable.

EXHIBIT E. *Balance sheets showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report, which applicant(s) is required, or will be required, to file with the Commission: Balance sheets showing booked amounts, adjustments to record the proposed transactions and pro forma Balance sheets as of June 30, 2009 are attached. [Attached in electronic format]*

EXHIBIT F. *A statement of all known contingent liabilities, except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application, as of June 30, 2009: See Attached. [electronic format]*

EXHIBIT G. *Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report which applicant(s) is required, or will be required, to file with the Commission, as of June 30, 2009: See Attached Income Statement for the 12-month period ended June 30, 2009 and pro forma. [electronic format]*

EXHIBIT H. *An analysis of surplus for the period covered by the income statements referred to in Exhibit G, as of June 30, 2009 and pro forma: See Attached Analysis of retained earnings for the 12-month period ended June 30, 2009 and pro forma. [electronic format]*

EXHIBIT I. *A copy of registration statement proper, if any, and financial exhibits made a part thereof, filed with the Securities and Exchange Commission: Not applicable*

EXHIBIT J. *A copy of each proposed and of the published invitation of proposals for the purchase of underwriting of the securities to be issued; of each proposal received; and of each contract, underwriting, and other arrangement entered into for the sale or marketing of*


securities: Not applicable.

EXHIBIT K. *Copies of the stock certificates, notes, or other evidences of indebtedness proposed to be issued:* To be filed when available.

WHEREFORE, the Applicant respectfully requests an Order for authorizing the Applicant to issue debt pursuant to a revolving credit facility.

Dated this 16th day of October, 2009.

PORTLAND GENERAL ELECTRIC COMPANY

By  _____
Patrick G. Hager,
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, Oregon 97204
Phone: (503) 464-7580
E-Mail: patrick.hager@pgn.com

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Exhibit "E"
UF-__
\$200 mil revolver

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheet
June 30, 2009
(In Millions, Except Share Amounts)

	June 30, 2009	Adjustments (1)	Adjusted Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 58		\$ 58
Accounts and notes receivable, net	150		150
Unbilled revenues	63		63
Assets from price risk management activities - current	26		26
Inventories, at average cost	75		75
Margin deposits	127		127
Current deferred income taxes	120		120
Regulatory assets - current	244		244
Other current assets	29		29
Total current assets	<u>892</u>	<u>-</u>	<u>892</u>
Electric utility plant, net	3,662		3,662
Non-qualified benefit plan trust	45		45
Nuclear decommissioning trust	47		47
Regulatory assets - noncurrent	585		585
Other noncurrent assets	53		53
Total assets	<u>\$ 5,284</u>	<u>\$ -</u>	<u>\$ 5,284</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	\$ 186		\$ 186
Long-term debt due within one year	186		186
Short-term borrowings	-		-
Liabilities from price risk management activities - current	254		254
Regulatory liabilities - current	66		66
Other current liabilities	72		72
Total current liabilities	<u>764</u>	<u>-</u>	<u>764</u>
Long-term debt, net of current portion	1,408		1,408
Regulatory liabilities - noncurrent	645		645
Liabilities from price risk management activities - noncurrent	168		168
Noncurrent deferred income taxes	414		414
Unfunded status of pension and postretirement benefits	176		176
Non-qualified benefit plan liabilities	94		94
Other noncurrent liabilities	71		71
Total liabilities	<u>\$ 3,740</u>	<u>\$ -</u>	<u>\$ 3,740</u>
Commitments and contingencies (see notes)			
Shareholders' equity:			
Common stock	830		830
Accumulated other comprehensive loss	(5)		(5)
Retained earnings	717		717
Total shareholders' equity	<u>1,542</u>	<u>-</u>	<u>1,542</u>
Noncontrolling interests' equity	2		2
Total liabilities and shareholders' equity	<u>\$ 5,284</u>	<u>\$ -</u>	<u>\$ 5,284</u>

(1) Reflects journal entries in Exhibit "J"

Exhibit "F"
Statement of Contingent Liabilities
As of June 30, 2009

Legal Matters

Trojan Investment Recovery

Background. 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 in a general rate case filing with the OPUC. In 1995, the OPUC issued a general rate order that granted the Company recovery of, and a rate of return on, 87% of its remaining investment in Trojan plant costs.

Court Proceedings on OPUC Authority to Grant Recovery of Return on Trojan Investment. Numerous challenges, appeals and reviews were subsequently filed in the Marion County Circuit Court (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, which upheld the OPUC's authorization of PGE's recovery of the Trojan investment, but stated that the OPUC did not have the authority to allow PGE to recover a return on the Trojan investment and remanded the case to the OPUC.

Settlement of Court Proceedings on OPUC Authority. In 2000, 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, which was approved by the OPUC in September 2000. The settlement 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.

Challenge to Settlement of Court Proceeding. The 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 the URP's challenges, and approving the accounting and ratemaking elements of the 2000 settlement. On October 10, 2007, following several appeals by various parties, the Oregon Court of Appeals issued an opinion that remanded the 2002 Order to the OPUC for reconsideration.

Remand of 2002 Order. As a result of the Oregon Court of Appeals remand of the 2002 Order, the OPUC considered whether the OPUC has authority to engage in retroactive ratemaking and what prices would have been if, in 1995, the OPUC had interpreted the law to prohibit a return on the Trojan investment. On September 30, 2008, the OPUC issued an order that requires PGE to refund \$15.4 million, plus interest at 9.6% from September 30, 2000, to customers who received service from PGE during the period October 1, 2000 to September 30, 2001. The order also provides that the total refund amount will accrue interest at 9.6% from October 1, 2008 until all refunds are issued to customers. The URP and the plaintiffs in the class actions described below have separately appealed the order to the Oregon Court of Appeals.

The \$15.4 million amount, plus accrued interest, resulted in a total refund of \$33.1 million as of September 30, 2008. As a result of the September 30, 2008 order, PGE recorded, as a regulatory liability, the total refund due to customers of \$33.1 million, which reduced 2008 revenues.

Class Actions. In a separate legal proceeding, two class action suits were filed in Circuit Court against PGE on January 17, 2003 on behalf of two classes of electric service customers (the Class Action Plaintiffs). The

cases seek to represent PGE customers during the period from April 1, 1995 to October 1, 2000. The suits seek damages of \$260 million plus interest as a result of the inclusion of a return on investment of Trojan in the prices PGE charged 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 responded with respect to the 2002 Order (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 1, 1995 through October 1, 2000. The Oregon Supreme Court further stated that if the OPUC determined that it can provide a remedy to PGE's customers, then the class action proceedings may become moot in whole or in part. The Oregon Supreme Court further stated that, if the OPUC determined that it cannot provide a remedy, the court system may have a role to play. The Oregon Supreme Court also ruled that the plaintiffs retain the right to return to the Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings.

On October 5, 2006, the 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. On February 10, 2009, the Circuit Court judge denied the plaintiffs' motion to lift the abatement.

Management cannot predict the ultimate outcome of the above matters. However, it believes that these matters will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on the results of operation and cash flows for a future reporting period.

Regulatory Matters

Pacific Northwest Refund Proceeding

On July 25, 2001, the 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 (Pacific Northwest Refund proceeding). 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 June 2003, the FERC issued an order terminating the proceeding and denying the claims for refunds. Parties appealed various aspects of the FERC order to the U.S. Ninth Circuit Court of Appeals (Ninth Circuit).

On August 24, 2007, the Ninth Circuit issued its decision, 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 to (i) 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) include sales to CERS in its analysis, and (iii) 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 did not rule on the FERC's ultimate decision to deny refunds. Two requests for rehearing were filed with the court. On April 9, 2009, the Ninth Circuit denied the requests for rehearing. On April 16, 2009, the Ninth Circuit issued a mandate giving immediate effect to its August 24, 2007 order remanding the case to the FERC.

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 outcome of the Pacific Northwest Refund proceeding, or whether the FERC will order refunds in this proceeding, and if so, how such refunds would be calculated. Management believes that the outcome will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on PGE's results of operation and cash flows in future reporting periods.

Complaint and Application for Deferral – Income Taxes

On October 5, 2005, the URP and another party (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.

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 was superfluous to the Complainants' request for deferred accounting. The order required 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. The order also provided that the OPUC would 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 PGE's earnings over a relevant 12-month period, which will include the Deferral Period.

On December 1, 2007, PGE filed its report as required by the OPUC. In the report, PGE determined that (i) the amount of any deferral would be between zero and \$26.6 million; (ii) a relevant 12-month period would be the 12-month period ended September 30, 2006; and (iii) PGE's earnings over such period would preclude any refund. The OPUC has indicated that it will determine whether any necessary rate adjustment should be made to amortize the deferral granted in its August 14, 2007 order.

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. The Court of Appeals has granted PGE's request to stay the proceedings pending the OPUC decision on amortization of the deferral.

Management cannot predict the ultimate outcome of this matter. However, management believes this matter will not have a material adverse effect on PGE's financial condition, results of operation or cash flows.

FERC Investigation

In May 2008, PGE received a notice of a preliminary non-public investigation from the FERC Division of Investigations concerning PGE's compliance with its Open Access Transmission Tariff. The investigation involves certain issues identified during an audit by FERC staff.

Management cannot predict the final outcome of the investigation or what actions, if any, the FERC will take or require the Company to take. Management believes that the outcome will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on PGE's results of operation and cash flows in future reporting periods.

Environmental Matters

Portland Harbor

A 1997 investigation by the U.S. Environmental Protection Agency (EPA) of a segment of the Willamette River known as the Portland Harbor revealed significant contamination of river sediments. The EPA subsequently included this segment on the federal National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act as a federal Superfund site and listed sixty-nine Potentially Responsible Parties (PRPs). PGE was included among the PRPs as it has historically owned or operated property near the river.

The Portland Harbor site is currently undergoing a remedial investigation and feasibility study (RI/FS) pursuant to an Administrative Order on Consent (AOC) between the EPA and several PRPs, not including PGE. In the AOC, the EPA determined that the RI/FS would focus on a segment of the river approximately 5.7 miles in length.

On January 22, 2008, PGE received a Section 104(e) Information Request from the EPA requiring the Company to provide information concerning its properties in or near the segment of the river being examined in the RI/FS, as well as several miles beyond that 5.7 mile segment. PGE has requested, and the EPA granted, an extension until August 2009 for the Company to respond. During 2009, the EPA sent General Notice Letters to 15 additional PRPs.

The EPA will determine the boundaries of the site at the conclusion of the RI/FS in a Record of Decision, now expected in 2012, in which it will document its findings and select a preferred cleanup alternative.

Sufficient information is currently not available to determine the total cost of any required investigation or remediation of the Portland Harbor site or the liability of PRPs, including PGE. Management cannot predict the ultimate outcome of this matter. Management believes that the outcome will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on PGE's results of operation and cash flows in future reporting periods.

The OPUC issued an order authorizing the deferral, for later ratemaking treatment, of incremental investigation and remediation costs related to the Portland Harbor site incurred during the twelve month period ended March 31, 2009. As of June 30, 2009, the Company had not deferred any costs related to Portland Harbor. The OPUC is considering PGE's request for a second twelve month deferral period. Ratemaking treatment of any costs which may be deferred would be determined in a future regulatory proceeding that includes both a prudency review with respect to the costs incurred and a regulated earnings test. Accordingly, there can be no assurance that recovery of such costs would be granted.

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 continues to be 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. Elevated levels of contaminants, including metals, pesticides, and polychlorinated biphenyls, have been detected at the site. On September 29, 2003, the Harbor Oil facility was included on the federal National Priority List as a federal Superfund site.

PGE received a Special Notice Letter for 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. On May 31, 2007, an Administrative Order on Consent was signed by the EPA and six other parties, including PGE, to implement an RI/FS at the Harbor Oil site. The EPA has approved an RI/FS work plan. On-site sampling commenced in 2008 and has yet to be completed.

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. Management believes that the outcome of this matter will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on PGE's results of operation and cash flows in future reporting periods.

The OPUC issued an order authorizing the deferral, for later ratemaking treatment, of incremental costs related to RI/FS work and any resulting remediation costs incurred in relation to the Harbor Oil site incurred during the twelve month period ended March 31, 2009. As of June 30, 2009, the Company had not deferred any costs related to Harbor Oil. The OPUC is considering PGE's request for a second twelve month deferral period. Ratemaking treatment of any costs which may be deferred would be determined in a future regulatory proceeding that includes both a prudence review with respect to the costs incurred and a regulated earnings test. Accordingly, there can be no assurance that recovery of such costs would be granted.

Other Matters

PGE is subject to other regulatory, environmental, and legal proceedings that arise from time to time in the ordinary course of its business, which may result in adverse judgments against the Company. Although management currently believes that resolution of such matters will not have a material adverse effect on its financial position, results of operation, or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

Exhibit "G"
UF-__
\$200 mil revolver

Portland General Electric Company and Subsidiaries
Consolidated Statement of Income

Six Months Ended

June 30, 2009

(Dollars In Millions, Except per Share Amounts)

	Six Months Ended June 30, 2009	Adjustments	Adjusted Total
Revenues	\$874		\$874
Operating Expenses			
Purchased power and fuel	439		439
Production and distribution	85		85
Administrative and other	91		91
Depreciation and amortization	107		107
Taxes other than income taxes	44		44
	<u>766</u>		<u>766</u>
Income from Operations	108	-	108
Other Income (Deductions)			
Allowance for equity funds used during construction	8		8
Miscellaneous	1		1
Other Income	9	-	9
Interest Charges	51		51
Income before income taxes	66	-	66
Income Taxes	16		16
Net Income	<u>50</u>	-	<u>50</u>
Less: net income (loss) attributable to the noncontrolling interests	(5)		
Net Income attributable to Portland General Electric	<u>\$ (55)</u>	\$ -	<u>\$ (50)</u>

Exhibit "H"
UF-__
\$200 mil revolver

Portland General Electric Company and Subsidiaries
Consolidated Statement of Retained Earnings
Six Months Ended
June 30, 2009
(In Millions)

	<u>Retained Earnings</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
Balance at Beginning of Period, January 1, 2009	\$700		\$700
Net Income	55		55
	<u>755</u>		<u>755</u>
Dividends Declared			
Common stock	38		38
	<u>38</u>		<u>38</u>
Balance at End of Period, June 30, 2009	<u>\$717</u>		<u>\$717</u>

(1) No preliminary adjusting entries to the Statement of Retained Earnings.