



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

June 1, 2012

via Email and US Mail

puc.filingcenter@state.or.us

Commission Filing Center
Public Utility Commission of Oregon
550 Capitol Street NE., Suite 215
Salem, OR 97301-2148

Re: **UF____ PGE Finance Application**
\$400 Million Revolving Credit Agreement

Enclosed, please find one original and three copies of Portland General Electric Company's application requesting authority to enter into a revolving credit agreement.

We ask that this Application be placed on the docket for consideration at the Commission's July 3, 2012, public meeting, or as soon thereafter as possible.

If you should have questions regarding this matter, please contact Jim Warberg at 503-464-7085 or Robert Brown at 503-464-8237.

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: Jorge Ordonez – OPUC
Steve Storm – OPUC
Matt Muldoon – OPUC
Jim Warberg
Tamara Neitzke
Cheryl Chevis

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 agreement) UF ____
)

Pursuant to ORS 757.400 et seq., and OAR 860-027-0030, Portland General Electric Company (“PGE” or the “Applicant”) submits this financing application requesting authority to enter into a new revolving credit agreement for a term of up to five years in an amount up to \$400 million. PGE believes the new revolving credit facility set forth in this application will produce the lowest cost of funds for a facility of this type currently available to PGE. The new facility will increase PGE’s revolving credit to \$700 million in total, which is consistent with the Applicant’s 2012 Finance and Investment Plan and is also equal to the amount of short-term debt authorized for the Applicant by the Federal Energy Regulatory Commission in February 2012.

PGE requests that the reporting requirements for this facility as well as the \$300 million facility under UF 4268 be changed from quarterly to annually and that the filing be made no later than 60 days after the end of each calendar year.

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, and 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:

Patrick Hager	Doug Tingey
PGE-OPUC Filings	Assistant General Counsel
Rates & Regulatory Affairs	Portland General Electric Company
Portland General Electric Company	121 SW Salmon Street, 1WTC-1301
121 SW Salmon Street, 1WTC-0702	Portland, OR 97204
Portland, OR 97204	(503) 464-8926 (telephone)
(503) 464-7857 (telephone)	(503) 464-2200 (fax)
(503) 464-7651 (fax)	doug.tingey@pgn.com
pge.opuc.filings@pgn.com	

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

(d) As of March 31, 2012, 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
Arleen N. Barnett	Vice President
Carol A. Dillin	Vice President
Campbell A. Henderson	Vice President & Chief Information Officer

James F. Lobdell	Vice President
Dave Robertson	Vice President
J. Jeffrey Dudley	Vice President, General Counsel & Corporate Compliance Officer
William O. Nicholson	Vice President
O. Bruce Carpenter	Vice President
Stephen M. Quennoz	Vice President
Kristin A. Stathis	Vice President
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 **March 31, 2012**, the date of PGE's last major SEC filing (10-Q):

	<u>Outstanding Shares</u>	<u>Amount (\$000s)</u>
Common Stock: *		
No Par Value	75,504,580	\$835,526
(160,000,000 shares authorized)		

* Company Directors hold 157,211 shares.

None of the outstanding shares of common stock referenced above are held as reacquired securities or have been pledged by the Applicant. The Vanguard Group, Inc. held 5.89% and the BlackRock, Inc. family of funds held 5.09% of the outstanding PGE common stock reported as of March 31, 2012, in SEC Form 13-F filings. PGE does not have enough information to conclude whether or not these funds qualify as affiliates.

(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 **March 31, 2012** is as follows:*

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
5.6675% series due 10-25-2012	100,000	100,000
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	130,000	130,000
5.80% series due 3-1-2018	75,000	75,000
4.45% series due 4-1-2013	50,000	50,000
6.80% series due 1-15-2016	67,000	67,000
3.46% series due 1-15-2015	70,000	70,000
3.81% series due 6-15-17	58,000	58,000
6.10% series due 4-15-19	300,000	300,000
5.43% series due 5-03-40	<u>150,000</u>	<u>150,000</u>
Total First Mortgage Bonds	<u>1,615,000</u>	<u>1,615,000</u>
Pollution Control Bonds:		
City of Forsyth, MT		
5.45% series B 5-1-2033*	21,000	21,000
Series A 5-1-2033, remarketed 3-11-10 at 5%	97,800	97,800
Port of Morrow, OR		
Series A 5-1-2033, remarketed 3-11-10 at 5%	23,600	23,600

Description	Authorized (\$000s)	Outstanding (\$000s)
	<u>(21,000)</u>	<u>(21,000)</u>
*This debt instrument, purchased by the Company on May 1, 2009, is currently held for possible remarketing		
Total Pollution Control Bonds outstanding	<u>121,400</u>	<u>121,400</u>
Other Long Term Debt:		
Long-Term Contracts	108	108
Unamortized Debt Discount and Other	<u>(1,045)</u>	<u>(1,045)</u>
Total Other Long-Term Debt	<u>(937)</u>	<u>(937)</u>
Total Classified as Short-Term	-	-
Net Long Term Debt	<u>1,735,463</u>	<u>1,735,463</u>

None of the long-term debt is pledged or held as reacquired securities, by affiliated corporations, or in any fund, except as 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 \$370 million credit facility, of which \$360 million expires in July 2013 and \$10 million in July 2012. PGE expects to replace that facility with a new credit agreement ("Credit Agreement") of up to \$400 million and an initial maturity not to exceed five years. The existing \$370 million credit facility will be terminated upon closing of the Credit Agreement. The proposed Credit Agreement may contain a bi-lateral provision that allows it to be extended annually for an additional year at no cost (other than legal cost of documentation). 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. PGE may also have the ability to issue letters of credit under the facility. The Applicant can repay loans and re-borrow under the Credit Agreement so long as the total outstanding amount of all borrowings and letters of credit issued at any one-time does not exceed the commitments under the facility at the time of borrowing and all other representations and covenants are met

The Applicant will have the option to borrow under the Credit Agreement at either a Eurodollar based fixed-rate option or a floating rate option. The Eurodollar based option would allow PGE to borrow for a fixed period of 1, 2, 3 or 6 months at a fixed rate based on the applicable Eurodollar rate for such maturity on the date of borrowing plus a margin based on the PGE's unsecured debt rating (see table below). The floating rate is estimated to be at a rate reset daily equal to the higher of 1) federal funds plus up to .50%, 2) the Prime Rate, or 3) the one-month Eurodollar rate plus up to 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 .60% of their initial commitment amount and an annual facility fee not to exceed .60% of their average commitment amount based on the Applicant's unsecured debt rating in effect during the period (see table below). These fees are the standard fees currently required by banks for this type of facility. Listed below are the maximum Eurodollar margin and facility fee rates that PGE would be required to pay under the new facility based on different unsecured PGE debt 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>	1.500%	1.750%	2.000%	2.500%
<i>Facility Fee Rate</i>	0.350%	0.400%	0.50%	.650%

(2) Amount of securities

The amount of the Credit Agreement and the amount of borrowings and letters of credit issued under the Credit Agreement will not exceed \$400 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. The cost for letters of credit will be the same as the Applicable Eurodollar Margin in the table in paragraph (1) above.

(4) Date of issuance and maturity

PGE expects to close the Credit Agreement by December 2012 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 five years but may be extended annually for an additional year if the Applicant and the participating 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 the Company'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) 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.

(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 will select a bank to act as syndication agent for the facility and will pay the agent a one-time syndication fee not to exceed \$400,000 and an annual agent fee of \$30,000 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, such obligations 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.

(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, the 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.

(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. *Second Amended and Restated Articles of Incorporation*, effective as of May 13, 2009, were previously filed in Docket UF 4264, and by reference made a part of this application.

EXHIBIT B. *A copy of the bylaws with amendments to date:* Ninth Amended and Restated Bylaws adopted October 26, 2011, were previously filed in Docket UP 278, 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: See attached. [Electronic format]

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 March 31, 2012, are attached. [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 March 31, 2012:* 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 March 31, 2012:* See attached Income Statement for the 12-month period ended March 31, 2012, 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 March 31, 2012 and pro forma:* See attached analysis of retained earnings for the 12-month period ended March 31, 2012, 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.

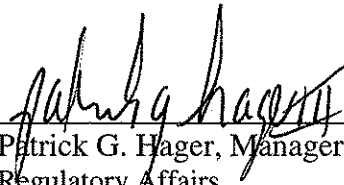
EXHIBIT J. *A copy of each proposed and of the published invitation of proposals for the purchase of underwriting of the securities to be issued; of each proposal received; and of each contract, underwriting, and other arrangement entered into for the sale or marketing of securities:* Not Applicable.

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 authorizing the Applicant to issue debt pursuant to a revolving credit facility.

Dated this 1st day of June, 2012.

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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UF_XXXX
Exhibit "C"

**EXCERPT FROM OCTOBER 26, 2011 BOARD MINUTES
APPROVAL OF 2012 FINANCE AND INVESTMENT PLAN AND
REPLACEMENT OF \$370 MILLION REVOLVING CREDIT FACILITY WITH \$400 MILLION
REVOLVING CREDIT FACILITY**

RESOLVED, that the 2012 Finance and Investment Plan (the "Plan") of Portland General Electric Company (the "Company") is hereby approved in the form presented at this meeting; and

RESOLVED FURTHER, that the Company is hereby authorized from October 26, 2011 through 2012 to undertake each of the action items set forth in the Plan, including (i) the replacement of the Company's \$370 million revolving credit facility with a new \$400 million revolving credit facility with a group of banks for an initial term not to exceed 5 years, (ii) the early redemption of \$63 million Series 6.50% First Mortgage Bonds due January 15, 2014 and (iii) the contingency financing of up to \$200 million through the issuance of first mortgage bonds or unsecured debt or the remarketing of tax-exempt bonds, or any combination of the foregoing, provided that such financing shall be subject to (a) the Company being the winning bidder for one or more of the Company's requests for proposals to be issued in 2012 with respect to capacity, energy and renewable resources and (b) the Finance Committee's approval of the terms of the bonds or other debt securities to be issued or remarketed.

Exhibit "E"
UF_XXXX

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheet
March 31, 2012
(In Millions)

	<u>March 31, 2012</u>	<u>Adjustments (1)</u>	<u>Adjusted Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8		\$ 8
Accounts receivable, net	156		156
Unbilled revenues	79		79
Inventories	81		81
Margin deposits	98		98
Regulatory assets - current	232		232
Other current assets	126		126
Total current assets	<u>780</u>	<u>-</u>	<u>780</u>
Electric utility plant	6,630		6,630
Construction work in progress	129		129
Total cost	6,759		6,759
Less: accumulated depreciation and amortization	<u>(2,471)</u>		<u>(2,471)</u>
Electric utility plant, net	<u>4,288</u>		<u>4,288</u>
Regulatory assets - noncurrent	588		588
Non-qualified benefit plan trust	36		36
Nuclear decommissioning trust	36		36
Other noncurrent assets	61		61
Total assets	<u>\$ 5,789</u>	<u>\$ -</u>	<u>\$ 5,789</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	\$ 80		\$ 80
Short-term debt	-		-
Liabilities from price risk management activities - current	242		242
Current portion of long-term debt	100		100
Accrued expenses and other current liabilities	166		166
Total current liabilities	<u>588</u>	<u>-</u>	<u>588</u>
Long-term debt, net of current portion	1,635		1,635
Regulatory liabilities - noncurrent	742		742
Deferred income taxes	557		557
Liabilities from price risk management activities - noncurrent	173		173
Unfunded status of pension and postretirement plans	197		197
Non-qualified benefit plan liabilities	102		102
Other noncurrent liabilities	100		100
Total liabilities	<u>\$ 4,094</u>	<u>\$ -</u>	<u>\$ 4,094</u>
Commitments and contingencies (see notes)	-		-
Equity			
Portland General Electric Company shareholders' equity			
Preferred stock	-		-
Common stock	836		836
Accumulated other comprehensive loss	(6)		(6)
Retained earnings	862		862
Total Portland General Electric Company shareholders' equity	<u>1,692</u>	<u>-</u>	<u>1,692</u>
Noncontrolling interests' equity	3		3
Total Equity	<u>1,695</u>	<u>-</u>	<u>1,695</u>
Total liabilities and equity	<u>\$ 5,789</u>	<u>\$ -</u>	<u>\$ 5,789</u>

(1) Reflects journal entries in Exhibit "J"

Exhibit "F" **UF_XXXX**

Statement of Contingent Liabilities **As of March 31, 2012**

PGE is subject to legal, regulatory, and environmental proceedings, investigations, and claims that arise from time to time in the ordinary course of its business. Contingencies are evaluated using the best information available at the time the consolidated financial statements are prepared. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Loss contingencies are accrued and disclosed when it is probable that an asset has been impaired, or a liability incurred, as of the financial statement date and the amount of the loss can be reasonably estimated. If a reasonable estimate of probable loss cannot be determined, a range of loss may be established, in which case the minimum amount in the range is accrued, unless some other amount within the range appears to be a better estimate.

Loss contingencies are also disclosed when it is reasonably possible that an asset has been impaired, or a liability incurred. If a probable or reasonably possible loss can be reasonably estimated, then the Company discloses an estimate of such loss or the range of such loss. If a reasonable estimate cannot be made, disclosure will include the reason for such determination.

If an asset has been impaired or a liability incurred after the financial statement date, but prior to the issuance of the financial statements, the loss contingency is disclosed, if material, and the amount of any estimated loss is recorded in the appropriate reporting period.

The Company evaluates, on a quarterly basis, developments in such matters that could affect the amount of any accrual, as well as the likelihood of developments that would make a loss contingency both probable and reasonably estimable. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves a series of complex judgments about future events. Management is often unable to estimate a reasonably possible loss, or a range of loss, particularly in cases in which (i) the damages sought are indeterminate or the basis for the damages claimed is not clear, (ii) the proceedings are in the early stages, (iii) discovery is not complete, (iv) the matters involve novel or unsettled legal theories, (v) there are significant facts in dispute, (vi) there are a large number of parties (including cases in which it is uncertain how liability, if any, would be shared among multiple defendants), or (vii) there is a wide range of potential outcomes. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

Trojan Investment Recovery

Regulatory Proceedings. In 1993, PGE closed the Trojan Nuclear Plant (Trojan) and sought full recovery of, and a rate of return on, its Trojan costs in a general rate case filing with the OPUC. 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.

Numerous challenges and appeals were subsequently filed in various state courts on the issue of the OPUC's authority under Oregon law to grant recovery of, and a return on, the Trojan investment. In 1998, the Oregon Court of Appeals upheld the OPUC's order authorizing PGE's recovery of the Trojan investment, but held that the OPUC did not have the authority to allow the Company to recover a return on the Trojan investment and remanded the case to the OPUC for reconsideration.

In 2000, PGE entered into agreements to settle the litigation related to recovery of, and return on, its investment in Trojan. The Utility Reform Project (URP) did not participate in the settlement and filed a complaint with the OPUC challenging the settlement agreements. In 2002, the OPUC issued an order (2002 Order) denying all of the URP's challenges. In 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.

The OPUC then issued an order in 2008 (2008 Order) that required PGE to provide refunds, including interest from September 30, 2000, to customers who received service from the Company during the period October 1, 2000 to September 30, 2001. PGE recorded a charge of \$33.1 million in 2008 related to the refund and accrued additional interest expense on the liability until refunds to customers were completed in the first quarter of 2010. The URP and the plaintiffs in the class actions described below separately appealed the 2008 Order to the Oregon Court of Appeals. Oral arguments in the appeal occurred in February 2012 and a decision by the Oregon Court of Appeals remains pending.

Class Actions. In two separate legal proceedings, lawsuits were filed in Marion County Circuit Court against PGE in 2003 on behalf of two classes of electric service customers. The class action lawsuits seek damages of \$260 million, plus interest, as a result of the Company's inclusion, in prices charged to customers, of a return on its investment in Trojan.

In 2006, the Oregon Supreme Court issued a ruling ordering the abatement of the class action proceedings until the OPUC responded 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 the Company 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 added 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 Marion County Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings. The Marion County Circuit Court subsequently abated the class actions in response to the ruling of the Oregon Supreme Court.

Because the above matters involve unsettled legal theories and have a broad range of potential outcomes, management cannot estimate a range of potential loss. However, management believes that these matters will not have a material impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows in future reporting periods.

Pacific Northwest Refund Proceeding

In 2001, the FERC called for a 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 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).

In August 2007, the Ninth Circuit issued a 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 the evidence 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. After denying requests for rehearing, the Ninth Circuit in April 2009 issued a mandate giving immediate effect to its August 2007 order remanding the case to the FERC.

In October 2011, the FERC issued an Order on Remand, establishing an evidentiary hearing to determine whether any seller had engaged in unlawful market activity in the Pacific Northwest spot markets during the December 25, 2000 through June 20, 2001 period by violating specific contracts or tariffs, and, if so, whether a direct connection existed between the alleged unlawful conduct and the rate charged under the applicable contract. The FERC held that the *Mobile-Sierra* public interest standard governs challenges to the bilateral contracts at issue in this proceeding, and the strong presumption under *Mobile-Sierra* that the rates charged under each contract are just and reasonable would have

to be specifically overcome before a refund could be ordered. FERC directed the presiding judge, if necessary, to determine a refund methodology and to calculate refunds, but held that a market-wide remedy was not appropriate, given the bilateral contract nature of the Pacific Northwest spot markets. Certain parties claiming refunds filed requests for rehearing of the Order on Remand, contesting, among other things, the applicable refund period reflected in the Order, the use of the *Mobile-Sierra* standard, any restraints in the Order on the type of evidence that could be introduced in the hearing, and the lack of a market-wide remedy. The rehearing requests remain pending.

In its October 2011 Order on Remand, the FERC held the hearing procedures in abeyance pending the results of settlement discussions, which it ordered be convened before a FERC settlement judge. The settlement proceedings are ongoing.

The settlement between PGE and certain other parties in the California refund case in Docket No. EL00-95, et seq., approved by the FERC in May 2007, resolved all claims between the Company and the California parties named in the settlement (including CERS) as to transactions in the Pacific Northwest during the settlement period, January 1, 2000 through June 20, 2001, but did not settle potential claims from other market participants relating to transactions in the Pacific Northwest.

Management cannot predict whether the FERC will order refunds in the Pacific Northwest Refund proceeding, which contracts would be subject to refunds, or how such refunds, if any, would be calculated. Accordingly, management cannot estimate a range of potential loss. However, management believes that the outcome will not have a material impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows in future reporting periods.

EPA Investigation of Portland Harbor

A 1997 investigation by the EPA of a segment of the Willamette River known as Portland Harbor revealed significant contamination of river sediments. The EPA subsequently included Portland Harbor on the National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as a federal Superfund site and listed 69 Potentially Responsible Parties (PRPs). PGE was included among the PRPs as it has historically owned or operated property near the river. In January 2008, the EPA requested information from various parties, including PGE, concerning properties near the river. Subsequently, the EPA has listed additional PRPs, which now number over one hundred.

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 known as the Lower Willamette Group (LWG), which does not include PGE.

In March 2012, the LWG submitted a draft FS to the EPA for review and approval. The draft FS, along with the RI, provide the framework for the EPA to determine a cleanup remedy for Portland Harbor, which will be documented in a Record of Decision. The EPA is not expected to issue the Record of Decision until 2014.

The draft FS evaluates several alternative cleanup approaches. These approaches would take from two to 28 years with costs ranging from \$169 million to \$1.8 billion, depending primarily on the selected remedial action levels. The draft FS does not address responsibility for the costs of cleanup, allocate such costs among PRPs, or define precise boundaries for the cleanup. Responsibility for funding and implementing the EPA's selected cleanup will be determined after the issuance of the Record of Decision.

Sufficient information is currently not available to determine PGE's liability for the cost of any required investigation or remediation of the Portland Harbor site or to estimate a range of potential loss. Management believes, however, that the outcome will not have a material impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows in future reporting periods.

DEQ Investigation of Downtown Reach

The Oregon Department of Environmental Quality (DEQ) has executed a memorandum of understanding with the EPA to administer and enforce clean-up activities for portions of the Willamette River that are upriver from the Portland

Harbor Superfund site (the "Downtown Reach"). In January of 2010, the DEQ issued an order requiring PGE to perform an investigation of certain portions of the Downtown Reach. PGE completed this investigation in December 2011 and is awaiting the DEQ's certification of completion of the investigation. PGE and the DEQ are discussing the development of a feasibility study of alternatives for remedial action for the portions of the Downtown Reach that were included within the scope of PGE's investigation.

Sufficient information is currently not available to determine PGE's liability for the cost of any required investigation or remediation of the Downtown Reach site or to estimate a range of potential loss. However, management believes that the outcome will not have a material impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows in future reporting periods.

EPA Investigation of Harbor Oil

Harbor Oil, Inc. operated an oil reprocessing business on a site located in north Portland (Harbor Oil) until about 1999. Subsequently, other companies have continued to conduct operations on the site. Until 2003, PGE contracted with the operators of the site to provide used oil from the Company's power plants and electrical distribution system to the operators for use in their reprocessing business. Other entities continue to utilize Harbor Oil for the reprocessing 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. In September 2003, the EPA included the Harbor Oil site on the National Priority List as a federal Superfund site.

PGE received a Notice from the EPA in 2005, in which the Company was named as one of fourteen PRPs with respect to Harbor Oil. Subsequently, an AOC was signed by the EPA and six other parties, including PGE, to implement an RI/FS at Harbor Oil. In 2011, the final draft of the remedial investigation report was submitted to the EPA.

In March 2012, the EPA approved the remedial investigation and stated that it intends to recommend no further cleanup action on the site, based on the conclusions of the risk assessment conducted under the CERCLA. Following a public notice and comment period, the EPA is expected to issue a final Record of Decision in September 2012.

Based on information currently available, management cannot estimate a range of potential loss with respect to this matter. However, management believes that the outcome will not have a material impact on the financial condition of the Company, but may have a material impact on the results of operations and cash flows in future reporting periods.

Revenue Bonds

In 2008, PGE repurchased \$5.8 million of Pollution Control Revenue Bonds Series 1996 (Bonds) issued through the Port of Morrow. In connection with the repurchase, PGE paid the \$5.8 million repurchase price to Lehman Brothers Inc. (Lehman) as remarketing agent for the Bonds, who in turn paid off the beneficial owner of the Bonds. As a result of the payment, PGE became the beneficial owner of the Bonds and requested that Lehman safe-keep the Bonds in Lehman's Depository Trust Company participant account until such time as the Bonds could be remarketed. After repurchase of the Bonds, PGE removed the liability for the Bonds from its financial statements.

In September 2008, Lehman filed for protection under Chapter 11 of the U.S. Bankruptcy Code. PGE subsequently filed a claim for return of the Bonds from Lehman. In November 2009, the trustee appointed to liquidate the assets of Lehman (Trustee) allowed PGE's claim as a net equity claim for securities. At the time, PGE believed it would receive back the entire amount of the Bonds at some point during the bankruptcy proceedings.

It is not certain that the Company will receive the full amount of the Bonds but could, along with other claimants, potentially receive a pro-rata share of certain assets. The timing and extent of distributions on claims are subject to the ultimate disposition of numerous claims in the proceedings and certain major contingencies which the Trustee must resolve. PGE cannot currently estimate how much of the value of the Bonds will ultimately be returned to the Company or the timing of the distribution from Lehman. Management does not expect the outcome of this matter to have a material impact on the Company's financial condition, but it may have a material impact on the results of operations and cash flows in a future interim reporting period.

Other Matters

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

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Exhibit G"
UF-XXXX

Portland General Electric Company and Subsidiaries
Consolidated Statement of Income

Three Months Ended

March 31, 2012

(In Millions)

	<u>Three Months Ended</u> <u>March 31, 2012</u>	<u>Adjustments</u>	<u>Adjusted Total</u>
Revenues	\$479		\$479
Operating Expenses:			
Purchased power and fuel	195		195
Production and distribution	53		53
Administrative and other	54		54
Depreciation and amortization	62		62
Taxes other than income taxes	27		27
Total operating expenses	<u>391</u>		<u>391</u>
Income from Operations	88	-	88
Other Income:			
Allowance for equity funds used during construction	1		1
Miscellaneous income, net	<u>3</u>		<u>3</u>
Other Income, net	4	-	4
Interest Expense	<u>28</u>		<u>28</u>
Income before income taxes	64	-	64
Income Taxes	<u>15</u>		<u>15</u>
Net Income	49	-	49
Less: net loss attributable to noncontrolling interests	-		-
 Net Income attributable to Portland General Electric Company	 <u>\$49</u>	 \$ -	 <u>\$49</u>

Exhibit "H"
UF_XXXX

Portland General Electric Company and Subsidiaries
Consolidated Statement of Retained Earnings
Three Months Ended
March 31, 2012
(In Millions)

	<u>Retained Earnings</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
Balance at Beginning of Period, January 1, 2012	\$833		\$833
Net Income	49		49
	<u>882</u>		<u>882</u>
Dividends Declared			
Common stock	(20)		(20)
	<u>(20)</u>		<u>(20)</u>
Balance at End of Period, March 31, 2012	<u>\$862</u>	<u>\$0</u>	<u>\$862</u>

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