

February 25, 2005

Via E-Filing and US Mail

Oregon Public Utility Commission
550 Capitol Street NE, # 215
P. O. Box 2148
Salem, OR 97308-2148

Re: Application for approval to contribute property in
Washington County to Earth Advantage, Inc.

Attention: Commission Filing Center

Enclosed PGE's original signed application to contribute the above property to Earth Advantage, Inc. A copy of this application was E-Filed on 2/25/05.

We ask that this Application be placed on the docket for consideration at the Commission's March 22, 2005 meeting, or as soon thereafter as possible.

If there are any questions or if I can provide further information to assist you in your review, please call me at (503) 464-7580 or Alex Tooman at (503) 464-7623. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com.

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

Enclosures

cc: Rand Sherwood
Steve McCarrel
Barbara Halle
Dorothy Sosnowski

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UP-___

In the Matter of the Application of)
PORTLAND GENERAL ELECTRIC COMPANY in) APPLICATION
Regard to the Contribution of its Property)

Pursuant to ORS 757.480 and OAR 860-027-0025, Portland General Electric Company ("PGE") seeks approval from the Oregon Public Utility Commission ("Commission") for the contribution of certain PGE property no longer useful or necessary for providing utility service to the public.

Introduction

PGE created Earth Advantage® in 2001 to enhance the energy efficiency, indoor environmental quality, and environmental impact of Oregon's residential housing and commercial buildings for the benefit of Oregon's citizens, economy, and environment. The Earth Advantage program provides green building standards, design and installation assistance, education & training, and home certification to single and multi-family homebuilders, remodelers, and the manufactured homes industry on a fee-for-service basis. The Earth Advantage program also provides an outreach and education to builders and consumers at the Earth Advantage National Center training and display facility. After several years of support and development, the Earth Advantage program has successfully established a local client base for its services. The Earth Advantage program serves over 120 builders and remodelers in Oregon and southwest Washington.

The Earth Advantage program is currently administered by PGE using shareholder dollars. As the only for-profit residential green building program in the country, Earth Advantage is unable to access the sizeable government grant, private foundation, and product sponsor support available to nonprofit companies. Thus, Earth Advantage is at a cost disadvantage to other similar programs.

To remedy this cost disadvantage, PGE will place the Earth Advantage program into a separate nonprofit entity, unrelated to PGE. By contributing property to Earth Advantage, Inc., as an independent 501(c)(3) nonprofit corporation, PGE will allow the Earth Advantage program to better fulfill its mission and serve the public, with no harm to PGE customers because the program has not been funded with customer dollars.

PGE requests approval to contribute certain property, no longer useful or necessary for providing utility service to the public, to Earth Advantage Inc., a new Oregon nonprofit company incorporated on January 20, 2005. Earth Advantage Inc. will be independent, will not be affiliated with PGE, and will be governed by its own board of directors. The property that PGE proposes to contribute include the trademark; intellectual property; builder, sponsor, and consulting contracts; and related tangible property. We anticipate that PGE will continue to be involved with Earth Advantage, Inc. as: 1) a sponsor, by having the right to designate a single director on the Earth Advantage, Inc. board, and 2) a licensee that will sublicense the Earth Advantage program to other utilities outside Oregon and southwest Washington. PGE will retain a non-exclusive, paid-up, perpetual license in the Earth Advantage program and trademark, as consideration for the contribution of the trademark. Earth Advantage, Inc. will begin operations on April 1, 2005.

1) Pursuant to the requirements of OAR 860-027-0025, PGE represents that:

a) PGE's name and address are Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204.

b) PGE is a corporation organized and existing under and by the laws of the State of Oregon, and the date of its incorporation is July 25, 1930. PGE is authorized to transact business in the states of Oregon, Washington, California, Arizona and Montana, and in the District of Columbia, but conducts retail utility business only in the State of Oregon. As of February 21, 1995, PGE is also registered as an extra provincial corporation in Alberta, Canada.

c) *The names and addresses of the persons authorized to receive notices and communications in respect of this Application:*

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC0702
Portland, OR 97204
(503) 464-7857 (telephone)
(503) 464-7651 (telecopier)
pge.opuc.filings@pgn.com

The names and addresses to receive notices and communications via the e-mail service list are:

Patrick G. Hager, Manager Regulatory Affairs
E-Mail: Patrick.Hager@pgn.com, and

Barbara Halle, Assistant General Counsel
E-Mail: Barbara.Halle@pgn.com

d) *The names, titles and addresses of the principal officers: as of February 1, 2004*

<u>NAME</u>	<u>TITLE</u>
Peggy Y. Fowler	Chief Executive Officer & President
James J. Piro	Executive Vice President, Finance, Chief Financial Officer & Treasurer
Arleen Barnett	Vice President, Administration
Carol A. Dillin	Vice President, Public Policy
Stephen R. Hawke	Vice President, Customer Service & Delivery
Ronald W. Johnson	Vice President, Business & Government Customers; Economic Development
Pamela G. Lesh	Vice President, Regulatory Affairs & Strategic Planning
James F. Lobdell	Vice President, Power Operations & Resource Planning
Joe A. McArthur	Vice President, Distribution
Douglas R. Nichols	Vice President, General Counsel & Secretary
Stephen M. Quennoz	Vice President, Nuclear & Power Supply / Generation
Kirk M. Stevens	Controller and Assistant Treasurer
William J. Valach	Assistant Treasurer
Steven F. McCarrel	Assistant Secretary
J. Mack Shively	Assistant Secretary

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

f) *The capital stock as of the date of the Balance Sheet: September 30, 2004.*

	Outstanding	
	Shares	Amount (\$000s)
<i>Cumulative Preferred Stock * :</i>		
7.75% Series No Par Value (30,000,000 shares authorized):	204,727	\$20,473
\$1 Par Value Limited voting Jr.	1	-
Total Preferred Stock	204,728	\$20,473
 <i>Common Stock ** :</i>		
\$3.75 Par Value (100,000,000 shares authorized):	42,758,877	\$160,346
	42,758,877	\$160,346

*As required by SFAS No. 150, PGE's 7.75% Series preferred stock has been reclassified Long-Term Debt, effective July 1, 2003, and the Company began recording the related dividends as interest expense.

**All of the common stock is held by Enron Corp., parent corporation of the Applicant. Applicant has been informed by Enron management that shortly after the filing of Enron's bankruptcy petition, Enron entered into a debtor in possession credit agreement with Citicorp USA, Inc. and JP Morgan Chase Bank. The agreement was amended and restated in July 2002. Company management has been advised by Enron management and its legal advisors that, under the amended and restated agreement and related security agreement, all of which were approved by the Bankruptcy Court, Enron has pledged its stock in a number of subsidiaries, including the Applicant, to secure the repayment of any amounts due under the debtor in possession financing. The pledge will be automatically released upon a sale of the Applicant otherwise permitted under the terms of the credit agreement. Enron also granted the lenders a security interest in the proceeds of any sale of the Applicant. The lenders may not exercise substantially all of their rights to foreclose against the pledged shares of the Applicant's common stock or to exercise control over the Applicant unless and until the lenders have obtained the necessary regulatory approvals for the transfer of the Applicant's common stock to the lenders.

None of the capital stock is held as reacquired securities, pledged, held by affiliated corporations, or held in any sinking or other fund, except as noted above.

g) *The long-term debt as of the date of the balance Sheet: September 30, 2004.*

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
MTN Series due August 15, 2005 9.07%	18,000	18,000
MTN Series due June 15, 2007 7.15%	50,000	50,000
MTN Series due August 11, 2021 9.31%	20,000	20,000
8-1/8% Series due February 1, 2010	150,000	150,000
5.6675% Series due October 25, 2012	100,000	100,000
5.279% Series due April 1, 2013	50,000	50,000
5.625% Series due April 1, 2013	50,000	50,000
6.75% Series due April 1, 2023	50,000	50,000
6.875% Series due April 1, 2033	<u>50,000</u>	<u>50,000</u>
Total First Mortgage Bonds	<u>538,000</u>	<u>538,000</u>
Pollution Control Bonds:		
City of Forsythe, Montana		
5.45% Series due May 1, 2033	21,000	21,000
5.20% Series due May 1, 2033	97,800	97,800
Port of Morrow		
5.20 % Series May 1, 2033	23,600	23,600
Port of St. Helens, Oregon		
4.80% Series due April 1, 2010	20,200	20,200
4.80% Series due June 1, 2010	16,700	16,700
5.25% Series due August 1, 2014	9,600	9,600
7.125% Series due December 15, 2014	5,100	5,100
Total Pollution Control Bonds	<u>194,000</u>	<u>194,000</u>
Other Long-Term Debt:		
6.91% Conservation Bonds	75,000	21,680
7-7/8% Notes due March 15, 2010	150,000	149,250
Other Long-Term Obligation		107
Unamortized Debt Discount and Other	<u>(1,500)</u>	<u>(1,451)</u>
Total Other Long-Term Debt	<u>298,500</u>	<u>169,586</u>
Less Maturities and Sinking Funds Included in Current Liabilities		
	<u>54,847</u>	<u>28,018</u>
Total Long-Term Debt	<u>975,653</u>	<u>873,567</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) *Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for mortgaging or encumbering its property, or for the acquisition of stock, bonds, or property of another utility, also a description of the consideration, if any, and the method of arriving at the amount thereof:* PGE will contribute the property to Earth Advantage, Inc. for no consideration except that PGE will retain a non-exclusive, paid-up, perpetual license in the Earth Advantage program and trademark in order to market the program to utilities outside of Oregon and southwest Washington as part of a package of services offered. PGE estimates that the market value of the property contributed is \$562,000. Provided that Earth Advantage, Inc. receives tax-exempt status under section 501(c)(3) of the Internal Revenue Code, PGE will receive a tax deduction for the value of certain property that had been capitalized. (Per Internal Revenue Service guidelines, items that were expensed, as well as intangibles such as the trademark, are not deductible.) PGE used an independent appraisal to determine the value of PGE's contribution. The Earth Advantage Asset Appraisal will be submitted as part of Exhibit I when completed by February 28, 2005.

i) *A statement and general description of facilities to be disposed of, consolidated, merged, or acquired from another utility, giving a description of their present use and of their proposed use after disposition, consolidation, merger, or acquisition:* The assets include: the Earth Advantage registered and pending trade and service marks; building standards; marketing materials; training and education materials; home testing equipment; builder, sponsor, and consulting contracts; records; and office furniture, lighting displays, audio/visual equipment, and other tenant improvements in the display and training areas of the Earth Advantage National Center. All of the property is located at the Earth Advantage National Center at 16280 SW Upper Boones Ferry Rd., Tigard, OR 97224, except for one set of home-testing equipment located in Bend, OR, for use in home certifications in central Oregon.

Earth Advantage, Inc. will sublease 6,732 square feet of space from PGE at the Earth Advantage National Center (located at 16280 SW Upper Boones Ferry Rd., Tigard, OR 97224). Earth Advantage operations will be physically separate from PGE facilities, with each entity maintaining its own entrance and mailing address. PGE will remove all property from the subleased space (e.g., office equipment, furniture, etc.) that are not contributed to Earth Advantage, Inc. Earth Advantage, Inc. will move from PGE facilities to the subleased space all of the contributed property, including records, testing equipment, office and computer equipment, and marketing materials. The sublease will include utilities and standard maintenance. Earth Advantage Inc. will be responsible for janitorial service. For a period of three to four months after the disposition of assets, PGE will enter into a service agreement with Earth Advantage, Inc. to provide hosting and other technical services related to the Earth Advantage website. These services are an interim arrangement to allow PGE to convert its proprietary code to a standard format that Earth Advantage can then have serviced by its own IT consultant and internet services provider going forward. Other than these IT services, Earth Advantage, Inc. will not utilize the services of any PGE employees but will hire its own personnel and contractors and will contract for any professional services needed for its business (i.e., computer support, internet access, accounting, payroll, human resources, etc.).

PGE currently uses the property and the Earth Advantage name to provide green building standards, design and installation assistance, education & training, and home certification to single and multi-family homebuilders, remodelers, and the manufactured homes industry on a fee-for-service basis. The Earth Advantage program also provides outreach and education to builders and consumers at the Earth Advantage National Center training and display facility. After disposition, Earth Advantage, Inc., will continue to use the property in the same manner. Please see Exhibit I, Bill of Sale, for a detailed description of the property.

j) *A statement by primary account of the cost of the facilities and applicable depreciation reserve involved in the sale, lease, or other disposition, merger or consolidation, or acquisition of property of another utility, and a statement indicating where all existing data and records may be found:* Provided as Attachment 1 to this application.

k) *A statement as to whether or not any application with respect to the transaction or any part thereof, is required to be filed with any federal or other state regulatory body:* PGE is taking the appropriate steps to transfer the registration of the Earth Advantage trademark ownership from PGE to Earth Advantage, Inc. Other than this pro forma process, no other application with respect to the contribution of the property is required to be filed with any federal or state regulatory body.

l) *The facts relied upon by applicants to show that the proposed sale, lease, assignment, or consolidation of facilities, mortgage or encumbrance of property, or acquisition of stock, bonds, or property of another utility will be consistent with the public interest:* As a nonprofit 501(c)(3) entity, Earth Advantage, Inc. can pursue diverse funding sources in the form of government and private foundation grants and sponsorships that are not available to for-profit companies such as PGE. In addition, the Oregon Department of Energy can endorse the non-profit Earth Advantage as a state-wide program, which it could not do when the program was owned by PGE. In short, the additional resources available to Earth Advantage, Inc. will enable the program to cover its costs and expand.

As an independent, non-affiliated, nonprofit company, Earth Advantage, Inc. can better focus on the goal of becoming a recognized role model for healthy, resource-efficient buildings and homes. It can also better meet the increasing demands of homebuilders, remodelers, and homeowners for home certification and training classes. Oregon's economy, environment, and citizens can all benefit from these activities. In addition, most of the costs that PGE incurred for the

property to be contributed were expensed in 2001, and not included in any rate proceedings, as SB1149 significantly narrowed PGE's responsibilities in the area of energy efficiency (none of the energy efficiency costs, including the lease for the Earth Advantage National Center, are in rates). Contributed property that was originally recorded in PGE's general plant accounts in 2001, was allocated to non-utility accounts in UE-115 (PGE's most recent general rate case) through the unbundling process prescribed by ORS 757.642 and OAR 860-038-0200. PGE subsequently reclassified those assets to non-utility accounts.

Residential green building programs do not generate enough revenue in fees from builders to cover the full costs of the programs. Similarly, the Earth Advantage program has not covered its costs with revenue from builders alone in the last few years, so contributing it to another entity, and allowing the new entity to access grants and sponsorships to cover costs, will allow PGE to focus on more cost-effective uses of its resources, while preserving the benefits of the program for Oregon. Consequently, there is no harm to PGE customers. Finally, PGE will retain a non-exclusive, paid-up, perpetual license in the Earth Advantage program and trademark, to sublicense the Earth Advantage program to other utilities outside Oregon and southwest Washington, as consideration for the contribution of the trademark.

m) *The reasons, in detail, relied upon by each applicant, or party to the application, for entering into the proposed sale, lease, assignment, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, and the benefits, if any, to be derived by the customers of the applicants and the public: See paragraphs i) and l) above.*

n) *The amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired: Not applicable.*

o) *A brief statement of franchises held, showing date of expiration if not perpetual, or, in case of transfer, that transferee has the necessary franchises:* Not applicable.

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

Exhibit A Articles of Incorporation, as amended. (Previously filed in Docket UP-79 and by reference made a part of this application.)

Exhibit B Bylaws, as Amended and Restated. (Previously filed in Docket UF-4206 and by reference made a part of this application.)

Exhibit C Copies of resolutions of directors authorizing the proposed disposition. A draft resolution is attached as Exhibit C.

Exhibit D Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction. Not Applicable.

Exhibit E Balance sheet showing booked amounts, adjustments to record the proposed transactions and pro forma: As of September 30, 2004.

Exhibit F Statement of contingent liabilities as of September 30, 2004.

Exhibit G Income statement for the 3-month period ended September 30, 2004.

Exhibit H Analysis of retained earnings for the 3-month period September 30, 2004.

Exhibit I Documents supporting the Transaction: A draft Contribution, Assignment and Assumption Agreement and a draft Sublease from PGE to Earth Advantage, Inc. are attached as Exhibit I. A draft Earth Advantage Program Licensing Agreement will be forwarded in late February when completed.

Exhibit J Proposed journal entries.

Exhibit K Worksheets and supporting documentation, if applicable, to show benefit or public interest. Not Applicable.

Dated this 25th day of February, 2005.

Respectfully Submitted,

/s/ Patrick G. Hager

Patrick G. Hager
Manager, Regulatory Affairs
On Behalf of Portland
General Electric Company

Cost and Description of Property

The accounting history for property to be
donated to Earth Advantage

<u>FERC Account</u>	<u>Description</u>	<u>Bookcost</u>	<u>Accum. Depr.</u>
121 - Nonutility Property	Computer Equipment	\$ 15,727	\$ 11,625
121 - Nonutility Property	Tenant Improvements & Furniture	\$ 310,650	\$ 84,578
908 - Customer assistance expense	Lighting displays, tenant improvements	\$ 480,777	\$ -
		<hr/>	<hr/>
		\$ 807,154	\$ 96,203

**DRAFT RESOLUTIONS FOR EARTH ADVANTAGE
CONTRIBUTION, ASSIGNMENT AND ASSUMPTION AGREEMENT
FOR MARCH 10, 2005 PGE BOARD MEETING**

RESOLVED, that that the Board of Directors of Portland General Electric Company hereby approves the Contribution, Assignment and Assumption Agreement between Earth Advantage, Inc. (“Earth Advantage”) and Portland General Electric Company (“PGE”) in substantially the same form as presented and thereby grants, contributes, transfers and assigns to Earth Advantage all rights, title and interest, inchoate or otherwise, in the assets and properties of PGE as set forth on Exhibit A thereto; and further

RESOLVED, that the officers of the Company are hereby, individually, authorized to take all actions and do all things, including the execution and delivery of any and all certificates, contracts and other documents and instruments as they may deem necessary and appropriate to carry out the intent and purposes of the foregoing resolution.

Exhibit C

Exhibit "E"

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheets
(Unaudited)
For the Nine Months Ended September 30, 2004
(Millions of Dollars)

		Adjustments (1)	Adjusted Total
Assets			
Electric Utility Plant - Original Cost			
Utility plant (includes construction work in progress of \$108 and \$89)	\$3,960	\$0	\$3,960
Accumulated depreciation	(<u>\$1,703</u>)	\$0	(<u>\$1,703</u>)
	<u>2,257</u>	\$0	<u>2,257</u>
Other Property and Investments			
Receivable from parent (less allowance for uncollectible accounts of \$73 and \$73)			
Nuclear decommissioning trust, at market value	23		23
Non-qualified benefit plan trust	63		63
Miscellaneous	<u>31</u>	\$0	<u>31</u>
	<u>117</u>	\$0	<u>117</u>
Current Assets			
Cash and cash equivalents	199	\$0	199
Accounts and notes receivable (less allowance for uncollectible accounts of \$54 and \$51)	211		211
Unbilled revenues	46		46
Assets from price risk management activities	123		123
Inventories, at average cost	49		49
Margin deposits	1		1
Prepayments and other	<u>112</u>		<u>112</u>
	<u>741</u>	\$0	<u>741</u>
Deferred Charges			
Regulatory assets	321		321
Miscellaneous	<u>26</u>	\$0	<u>26</u>
	<u>347</u>	\$0	<u>347</u>
	<u>\$3,462</u>	\$0	<u>\$3,462</u>
Capitalization and Liabilities			
Capitalization			
Common stock, \$3.75 par value per share, 100,000,000 shares authorized; 42,758,877 shares outstanding	160		160
Other paid-in capital - net	481		481
Retained earnings	609		609
Accumulated other comprehensive income (loss):			
Unrealized gain on derivatives classified as cash flow hedges	2		2
Minimum pension liability adjustment	-4		-4
Limited voting junior preferred stock	0		0
Long-term obligations	<u>894</u>	\$0	<u>894</u>
	<u>2142</u>		<u>2142</u>
Commitments and Contingencies (see Notes)			
Current Liabilities			
Long-term debt due within one year	29		29
Accounts payable and other accruals	195		195
Liabilities from price risk management activities	62		62
Customer deposits	21		21
Accrued interest	15		15
Accrued taxes	64		64
Deferred income taxes	<u>18</u>	\$0	<u>18</u>
	<u>404</u>	\$0	<u>404</u>

Exhibit "E"

Other

Deferred income taxes	329		329
Deferred investment tax credits	14		14
Trojan asset retirement obligation	98		98
Accumulated asset retirement obligation	17		17
Regulatory liabilities:			
Accumulated asset retirement removal costs	278		278
Other: unamortized regulatory liabilities	73	\$0	73
Non-qualified benefit plan liabilities	69		69
Miscellaneous	38		38
	<u>916</u>		<u>916</u>
	<u>\$3,462</u>	\$0	<u>\$3,462</u>

1: Proposed transaction is too small to affect PGE's Balance Sheet at this level

Exhibit E

Exhibit "F"
Statement of Contingent Liabilities

Trojan Investment Recovery - In 1993, following the closure of Trojan, 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. The filing was a result of PGE's decision earlier in the year to cease commercial operation of Trojan as a part of its least cost planning process. In 1995, the OPUC issued a general rate order (1995 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 requested reviews were subsequently filed in the Marion County, Oregon 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 CUB and the URP. The 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 and the OPUC requested the Oregon Supreme Court to conduct a review of the Court of Appeals decision on the return on investment issue. In addition, URP requested the Oregon Supreme Court to review the Court of Appeals decision on the return of investment issue. PGE requested the Oregon Supreme Court to suspend its review of the 1998 Court of Appeals opinion pending resolution of URP's complaint with the OPUC challenging the accounting and ratemaking elements of the settlement agreements approved by the OPUC in September 2000 (discussed below). On November 19, 2002, the Oregon Supreme Court dismissed PGE's and URP's petitions for review of the 1998 Oregon Court of Appeals decision. As a result, the 1998 Oregon Court of Appeals opinion stands and the case has been remanded to the OPUC.

While the petitions for review of the 1998 Court of Appeals decision were pending at the Oregon Supreme Court, 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. 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 PGC's 1997 merger with Enron. The settlement also allows 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 is being recovered from PGE customers, with no return on the unamortized balance, over an approximate five-year period, beginning in October 2000. 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 rates charged to customers, either through a return of or a return on that investment. Authorized collection of decommissioning costs of Trojan is unaffected by the settlement agreements or the OPUC orders.

The URP filed a complaint challenging the settlement agreements and the OPUC's September 2000 order. In March 2002, after a full contested case hearing, 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, Oregon Circuit Court. On November 7, 2003, the Marion County Circuit Court issued an opinion remanding the case to the OPUC for action to reduce rates or order refunds. The opinion does not specify the amount or timeframe of any reductions or refunds. PGE and the OPUC have filed appeals to the Oregon Court of Appeals.

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, 2001 (Current Class) and the other case seeks to represent PGE customers that were customers during the period from April 1, 1995 to October 1, 2001, but who are no longer customers (Former Class). 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 rates PGE charges its customers. On April 28, 2004, the plaintiffs filed a Motion for Partial Summary Judgment and on July 30, 2004, PGE also moved for Summary Judgment in its favor on all of Plaintiff's claims. Hearings on both the motion for Summary Judgment and class certification are pending.

On March 3, 2004, the OPUC re-opened three dockets in which it had addressed the issue of a return on PGE's investment in Trojan, including the 1995 Order and 2002 Order related to the settlement of 2000, and issued a notice of a consolidated procedural conference before an administrative law judge to determine what proceedings are necessary to comply with the court orders remanding this matter to the OPUC.

On August 31, 2004, the administrative law judge issued an Order defining the scope of the proceedings necessary to comply with the Marion County Circuit Court orders remanding this matter to the OPUC. On October 18, 2004, the OPUC affirmed the August 31, 2004 Order.

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 for a future reporting period.

Union Grievances - In November 2001, grievances were filed by several members of the International Brotherhood of Electrical Workers (IBEW) Local 125, the bargaining unit representing PGE's union workers, alleging that losses in their pension/savings plan were caused by Enron's manipulation of its stock. The grievances, which do not specify an amount of claim, seek binding arbitration. PGE filed for relief in Multnomah County, Oregon Circuit Court seeking a ruling that the grievances are not subject to arbitration. On August 14, 2003, the Court granted PGE's motion for summary judgment, finding that the grievances are not subject to arbitration. A final judgment was entered on October 6, 2003. On October 22, 2003, the IBEW appealed the decision. Management cannot predict the ultimate outcome of this matter or estimate any potential loss.

Refunds on Wholesale Transactions –

California - In a June 2001 order adopting a price mitigation program for 11 states within the WECC area, the FERC referred to a settlement judge the issue of refunds for non federally-mandated transactions made between October 2, 2000 and June 20, 2001 in the spot markets operated by the ISO and the PX.

On July 25, 2001, the FERC issued another order establishing the scope of and methodology for calculating the refunds and ordering evidentiary hearings to develop a factual record to provide the basis for the refund calculation. Several additional orders clarifying and further defining the methodology have since been issued by the FERC. Appeals of the FERC orders were filed and in August 2002 the U.S. Ninth Circuit Court of Appeals issued an order requiring the FERC to reopen the record to allow the parties to present additional evidence of market manipulation.

Also in August 2002, the FERC Staff issued a report that included a recommendation that natural gas prices used in the methodology to calculate potential refunds be reduced significantly, which could result in a material increase in PGE's potential refund obligation.

In December 2002, a FERC administrative law judge issued a certification of facts to the FERC regarding the refunds, based on the methodology established in the 2001 FERC order rather than the August 2002 FERC Staff recommendation. On March 26, 2003, the FERC issued an order in the California refund case (Docket No. EL00-95) adopting in large part the certification of facts of the FERC administrative law judge but adopting the August 2002 FERC Staff recommendation on the methodology for the pricing of natural gas in calculating the amount of potential refunds. PGE estimates its potential liability under the modified methodology at between \$40 million and \$50 million, of which \$40 million has been established as a reserve, as discussed above.

Numerous parties, including PGE, filed requests for rehearing of various aspects of the March 26, 2003 order, including the methodology for the pricing of natural gas. On October 16, 2003, the FERC issued an order reaffirming, in large part, the modified methodology adopted in its March 26, 2003 order. PGE does not agree with the FERC's methodology for determining potential refunds, and on December 20, 2003, the Company appealed the FERC's October 16, 2003 order to the U.S. Ninth Circuit Court of Appeals; several other parties have also appealed the October 16, 2003 order. On May 12, 2004, the FERC issued an order that denied further requests for rehearing of the October 16, 2003 order. On the same day, the FERC issued a separate order that provided clarification regarding certain aspects of the methodology for California generators to recover fuel costs incurred to generate power that were in excess of the gas cost component used to establish the refund liability. On September 24, 2004, the FERC issued an order that denied requests for rehearing of its May 12, 2004 fuel cost order and also adopted a new methodology to allocate the excess amounts of fuel costs that California generators are permitted to recover. Under the new allocation methodology, PGE could be required to pay additional amounts in those hours when it was a net buyer in California spot markets, thus increasing its net refund liability. PGE does not expect that this order will materially increase the Company's potential refund exposure.

The FERC has indicated that any refunds PGE may be required to pay related to California wholesale sales (plus interest from collection date) can be offset by accounts receivable (plus interest from due date) related to sales in California (see "Receivables - California Wholesale Market" above). Interest has not yet been recorded by the Company. In addition, any refunds paid

or received by PGE applicable to spot market electricity transactions on and after January 1, 2001 in California may be eligible for inclusion in the calculation of net variable power costs under the Company's power cost adjustment mechanism in effect at that time. This could further mitigate the financial effect of any refunds made or received by the Company.

On March 20, 2002, the California Attorney General filed a complaint with the FERC against various sellers in the wholesale power market, alleging that the FERC's authorization of market-based rates violated the Federal Power Act (FPA), and, even if market-based rates were valid under the FPA, that the quarterly transaction reports required to be filed by sellers, including PGE, did not contain the transaction-specific information mandated by the FPA and the FERC. The complaint argued that refunds for amounts charged between market-based rates and cost-based rates during the period October 2, 2000 - June 4, 2002 should be ordered. The FERC denied the challenge to market-based rates and refused to order refunds, but did require sellers, including PGE, to re-file their quarterly reports to include transaction-specific data. The California Attorney General appealed the FERC's decision to the Ninth Circuit Court of Appeals. On September 8, 2004, the Court issued an opinion upholding the FERC's authority to approve market-based tariffs, but also holding that the FERC had the authority to order refunds, if quarterly filing of market-based sales transactions had not been properly made. The Court required the FERC, upon remand, to reconsider whether refunds should be ordered. On October 25, 2004, certain parties filed a petition for rehearing with the Court. In the refund case and in related dockets, the California Attorney General and other California parties have argued that refunds should be ordered retroactively to at least May 1, 2000. PGE cannot predict the outcome of these proceedings or whether the FERC will order refunds retroactively to May 1, 2000, and if so, how such refunds would be calculated.

Pacific Northwest - In the July 25, 2001 order, the FERC also 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 July 2003, numerous parties filed requests for rehearing of the June 2003 FERC order. In November 2003 and February 2004, the FERC issued orders that denied all pending requests for rehearing. Parties have appealed various aspects of these FERC orders.

Management cannot predict the ultimate outcome of the above matters related to wholesale transactions in California and 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 for future reporting periods.

Liabilities and Impairments - Although PGE is not included in the Enron bankruptcy, it has been affected. Numerous shareholder and employee class action lawsuits have been initiated against Enron, its former independent accountants, legal advisors, executives, and board members, and its stock has been de-listed from the New York Stock Exchange. In addition, investigations of Enron have been commenced by several Congressional committees and state and federal regulators, including the FERC and the State of Oregon. PGE has been included in requests for documents related to Congressional and regulatory investigations, with which it is fully cooperating.

In addition to the general effects discussed above, PGE may have potential exposure to certain liabilities and asset impairments as a result of Enron's bankruptcy. These are:

1. **Amounts Due from Enron and Enron-Supported Affiliates in Bankruptcy** - PGE is owed approximately \$73 million by Enron at September 30, 2004 (Merger Receivable). Such amount was to have been paid by Enron to PGE for price reductions granted to customers, as agreed to by Enron at the time it acquired PGE in 1997. Because of uncertainties associated with Enron's bankruptcy, PGE established a reserve for the entire amount of this receivable in December 2001. On October 15, 2002, PGE submitted proofs of claim to the Bankruptcy Court for amounts owed PGE by Enron and other bankrupt Enron subsidiaries, including \$73 million for the Merger Receivable balance as of December 2, 2001, the date of Enron's bankruptcy filing. In addition, at September 30, 2004, PGE has outstanding accounts receivable of \$8 million from Enron and its subsidiary companies which are part of the bankruptcy proceedings, consisting of \$5 million due from PGH, \$2 million from EPMI, and \$1 million from Enron. Based on management's assessment of the realizability of these balances, a reserve of \$4 million has been established.
2. **Controlled Group Liability** - Enron's bankruptcy has raised questions regarding potential PGE liability for certain employee benefit plans and tax obligations of Enron.

Pension Plans

Funding Status

The pension plan for the employees of PGE (the PGE Plan) is separate from the Enron Corp. Cash Balance Plan (the Enron Plan). Although at December 31, 2003, the total fair value of PGE Plan assets was \$15 million higher than the projected benefit obligation on a SFAS No. 87 (Employers' Accounting for Pensions) basis, the PGE Plan was over-funded on an accumulated benefit obligation basis by about \$68 million as of December 31, 2003. Enron's management has informed PGE that, as of December 31, 2003, the assets of the Enron Plan were less than the present value of all accrued benefits by approximately \$60 million on a SFAS No. 87 basis and approximately \$162 million on a plan termination basis. The PBGC insures pension plans, including the PGE Plan and the Enron Plan and the pension plans of other Debtors. Enron's management has informed PGE that the PBGC has filed claims in the Enron bankruptcy cases with respect to the Enron Plan and the plans of the other Debtors (Pension Plans). The claims are duplicative in nature because certain liability under ERISA is joint and several. Five of the PBGC's claims represent unliquidated claims for PBGC insurance premiums (the Premium Claims), five are unliquidated claims for due but unpaid minimum funding contributions (the Contribution Claims) under the Internal Revenue Code of 1986, as amended, and ERISA, 26 U.S.C. Section 412, and 29 U.S.C. Section 1082, and the remaining five claims are for unfunded benefit liabilities (the UBL Claims). PBGC has amended the UBL Claims several times, up to an aggregate high of \$424.1 million. PBGC has informed the Debtors that it has reduced its aggregate estimate of the UBL Claims for the Pension Plans to an aggregate of \$321.8 million, including \$240.2 million for the Enron Plan and \$64.6 million related to the PGE Plan, although it has not amended the UBL Claims to reflect those amounts. The Debtors are current on their PBGC premiums and their minimum funding contributions to the Pension Plans. Therefore, the Debtors' value the

Premium Claims and the Contribution Claims at \$0. Enron management has informed PGE that the PBGC has informally alleged in pleadings filed with the Bankruptcy Court that the UBL claim related to the Enron Plan could increase by as much as 100%. PBGC has not provided support (statutory or otherwise) for this assertion and Enron management disputes the validity of any such claim.

It is permissible, subject to applicable law, for separate pension plans established by companies in the same controlled group to be merged. Enron could direct that the PGE Plan be merged with the Enron Plan. If the plans were merged, any excess assets in the PGE Plan would reduce the deficiency in the Enron Plan. However, if the plans are not merged, the deficiency in the Enron Plan could become the responsibility of the PBGC, which insures pension plans, including the PGE Plan and the Enron Plan, and the PGE Plan's surplus would be undiminished. Merging the plans would reduce the value of PGE, the stock of which is an asset available to Enron's creditors. PGE's management believes that it is unlikely that either Enron or Enron's creditors would agree to support merging the two plans.

Enron cannot itself terminate the Enron Plan while it is underfunded unless it provides at least 60 days notice and the PBGC, in the case of solvent entities, or the Bankruptcy Court, in the case of insolvent entities, determines that each member of Enron's controlled group, including PGE, is in financial distress, as defined in ERISA. In the opinion of PGE management, PGE is a solvent entity that does not meet the financial distress test. Consequently, PGE management believes that it is unlikely that Enron can unilaterally terminate the Enron Plan while it is underfunded. However, Enron could, with consent of the PBGC (see discussion below), seek to terminate the Enron Plan while it is underfunded. Moreover, if it satisfies certain statutory requirements, Enron can commence a voluntary termination by fully funding the Enron Plan, in accordance with the Enron Plan terms, and terminating it in a "standard" termination in accordance with ERISA.

The PBGC does have the authority, either by agreement with the plan administrator or upon application to and approval by a Federal District Court, to terminate and take over control of underfunded pension plans in certain circumstances. In order to initiate this process, the PBGC must determine that either the minimum funding standard for the plan (see discussion below) has not been met, or that the plan will not be able to pay benefits when due, or that there is a reasonable risk that long-run losses to the PBGC will be unreasonably increased or that certain distributions have been made from the plan. The court must determine that plan termination is necessary to protect participants, the plan, or the PBGC.

Upon termination of an underfunded pension plan, all members of the controlled group of the plan sponsor become jointly and severally liable for the underfunding, but are not obligated to pay until a demand for payment is made by the PBGC. The PBGC can demand payment from one or more of the members of the controlled group. If payment of the full amount demanded is not made, a lien in favor of the PBGC automatically arises against all of the assets of each member of the controlled group. The amount of the lien is equal to the lesser of the underfunding or 30% of the aggregate net worth of all controlled group members. The PBGC may perfect the lien by appropriate filings. PGE management believes that the lien does not take priority over other previously perfected liens on the assets of a member of the controlled group. Substantially all of PGE's assets are subject to a prior perfected lien in favor of the holders of its First Mortgage Bonds. PGE management

believes that any lien asserted by the PBGC would be subordinate to that lien. In addition, the PBGC retains an interest in any sales proceeds generated by the Enron auction process for PGE (see "Proposed Sale of PGE" in this section for additional information).

On January 30, 2004, the Bankruptcy Court entered an order authorizing Enron and its affiliated debtors to contribute \$200 million to the Pension Plans to fund and terminate them in a manner that should eliminate the PBGC's claims. However, there can be no assurance that Enron will have the ability to obtain funding for accrued benefits on acceptable terms, that certain funding contingencies will be met, or that the required government agencies that review pension plan terminations will approve the termination of the Pension Plans. If the proposal to fund and terminate the Enron Plan, as stated in the Disclosure Statement and as set forth in Enron's motion, is approved and consummated, it should eliminate any need for the PBGC to attempt to collect from PGE any liability related to the Enron Plan.

On June 2, 2004, the PBGC issued notices to Enron and Enron Facility Services, Inc. (EFS), an Enron affiliate, stating that the PBGC had determined that the Pension Plans should be terminated. On June 3, 2004, the PBGC filed a complaint (PBGC Complaint) in the District Court for the Southern District of Texas against Enron seeking an order (i) terminating the Pension Plans; (ii) appointing the PBGC the statutory trustee of the Pension Plans; (iii) requiring transfer to the PBGC of all records, assets or other property of the Pension Plans required to determine the benefits payable to the Pension Plans' participants; and (iv) establishing June 3, 2004 as the termination date of the Pension Plans.

The PGE Plan was not included in the above Complaint, nor was PGE issued a similar notice of determination regarding the PGE Plan. The PBGC has taken no action to terminate the PGE Plan.

On August 4, 2004, Enron, EFS and certain Debtors filed a complaint with the Bankruptcy Court (Enron Complaint) seeking (i) a declaration that the PBGC Complaint is void; and (ii) orders staying, restraining and enjoining the PBGC from continuing the prosecution of the PBGC Complaint and preliminarily and permanently enjoining the PBGC to cease prosecution of, and to dismiss with prejudice, the PBGC Complaint. On September 8, 2004, the Bankruptcy Court denied the Enron Complaint.

Enron management has informed PGE management that Enron will continue to work with the PBGC and other affected parties to resolve all disagreements and allow Enron to continue the process of seeking standard termination of the Pension Plans as previously authorized by the Bankruptcy Court on January 30, 2004. If the parties cannot reach agreement, and if the relief sought in the Enron Complaint is not obtained, Enron may be precluded from funding and terminating the Pension Plans as previously authorized by the Bankruptcy Court until, if at all, after resolution of the PBGC Complaint.

Until the District Court authorizes the PBGC to terminate the Pension Plans and the PBGC makes a demand on PGE to pay some or all of any unfunded benefit liabilities under the Pension Plans, PGE has no liability for the unfunded benefit liabilities and no termination liens arise against any PGE property.

PGE management cannot predict the outcome of the above matters or estimate any potential loss. In the event that the PBGC did look solely to PGE to pay any underfunded amount in

respect of the Enron Plan, PGE would exercise all legal rights, if any, available to it to defend against such a demand and to recover any contributions from the other solvent members of Enron's controlled group. Other members of Enron's controlled group could, to the extent of any legal rights available to them, seek contribution from PGE for their payment of any underfunded amount assessed by the PBGC. No reserves have been established by PGE for any amounts related to this issue.

Minimum Funding Obligation

If the sponsor of a pension plan does not timely satisfy its minimum funding obligation to the pension plan, once the aggregate missed amounts exceed \$1 million, a lien in the amount of the missed funding automatically arises against the assets of every member of the controlled group. The lien is in favor of the plan, but may be enforced by the PBGC. The PBGC may perfect the lien by appropriate filings. PGE management believes that the lien would not take priority over other previously perfected liens on the assets of a member of the controlled group. If Enron does not timely satisfy its minimum funding obligation in excess of \$1 million, a lien will arise against the assets of PGE and all other members of the Enron controlled group. The PBGC would be entitled to perfect the lien and enforce it in favor of the Enron Plan against the assets of PGE and other members of the Enron controlled group. However, substantially all of PGE's assets are subject to a prior perfected lien in favor of the holders of its First Mortgage Bonds. PGE management believes that any lien asserted by the PBGC would be subordinate to that lien.

Based on discussions with Enron management, PGE's management understands that Enron has made all required contributions to date. PGE does not know if Enron will make contributions as they become due. PGE management is unable to predict if Enron will miss a payment and, if so, whether the PBGC would seek to have PGE make any or all of the payment. If the PBGC did look solely to PGE to pay the missed payment, PGE would exercise all legal rights, if any, available to it to defend against such a demand and to recover contributions from the other solvent members of the Enron controlled group. Until Enron misses contributions exceeding \$1 million, PGE has no liability and no liens will arise against any PGE property. Other members of Enron's controlled group could, to the extent of any legal rights available to them, seek contribution from PGE for their payment of any missed payments demanded by the PBGC. No reserves have been established by PGE for any amounts related to this issue.

Retiree Health Benefits

PGE management understands, based on discussions with Enron management, that Enron maintains a group health plan for certain of its retirees. If retirees of Enron lose coverage under Enron's group health plan for retirees due to Enron's bankruptcy proceedings, the retirees must be provided the opportunity to purchase continuing coverage (known as COBRA Coverage) from an Enron group health plan, if any, or the appropriate group health plan of another member of the Enron controlled group. The liability for benefits under the Enron group health plan for retirees (other than the potential liability to provide COBRA Coverage) is not a joint and several obligation of other members of the Enron controlled group, including PGE, so PGE would not be required to assume from Enron, or otherwise pay, any liabilities from the Enron group health plan. Neither PGE nor any other member of

Enron's controlled group would be required to create new plans to provide COBRA Coverage for Enron's retirees, and the retirees would not be entitled to choose the plan from which to obtain coverage. Retirees electing to purchase COBRA Coverage would be provided the same coverage that is provided to similarly situated retirees under the most appropriate plan in the Enron controlled group. Retirees electing to purchase COBRA Coverage would be required to pay for the coverage, up to an amount not to exceed 102% of the cost of coverage for similarly situated beneficiaries. Retirees are not required to acquire COBRA Coverage. Retirees will be able to shop for coverage from third party sources and determine which is the least expensive coverage.

PGE management believes that in the event Enron terminates retiree coverage, any material liability to PGE associated with Enron retiree health benefits is unlikely for two reasons. First, based on discussions with Enron management, PGE management understands that most of the retirees that would be affected by termination of the Enron plan are from solvent members of the controlled group and few, if any, live in Oregon. PGE management believes that it is unlikely that any PGE plans would be found to be the most appropriate to provide COBRA coverage. Second, even if a PGE plan were selected, PGE management believes that retirees in good health should be able to find less expensive coverage from other providers, which will reduce the number of retirees electing COBRA Coverage. PGE management believes that the additional cost to PGE to provide COBRA Coverage to a limited number of retirees that are unable to acquire other coverage because they are difficult to insure or have preexisting conditions will not have a material adverse effect on the financial statements. No reserves have been established by PGE for any amounts related to this issue.

Income Taxes

Under regulations issued by the U.S. Treasury Department, each member of a consolidated group during any part of a consolidated federal income tax return year is severally liable for the tax liability of the consolidated group for that year. PGE became a member of Enron's consolidated group on July 2, 1997, the date of Enron's merger with PGC. Based on discussions with Enron's management, PGE management understands that Enron has treated PGE as having ceased to be a member of Enron's consolidated group on May 7, 2001 and becoming a member of Enron's consolidated group once again on December 24, 2002. On December 31, 2002, PGE and Enron entered into a tax allocation agreement pursuant to which PGE agreed to make payments to Enron that approximate the income taxes for which PGE would be liable if it were not a member of Enron's consolidated group. Due to the uncertainty with the reconsolidation during 2003, PGE held certain tax payments due Enron. Enron obtained an agreement from the IRS on February 2, 2004 stipulating that PGE did become a member of the Enron consolidated group on December 24, 2002. PGE resumed tax payments due Enron in early 2004.

Enron's management has provided the following information to PGE:

- A. Enron's consolidated tax returns through 1995 have been audited and are closed. Management understands that the IRS has completed an audit of the consolidated tax returns for 1996-2001.

- B. For years 1996 through 1999, Enron and its subsidiaries generated substantial net operating losses (NOLs). For 2000, Enron and its subsidiaries paid an alternative minimum tax. Enron's 2001 consolidated tax return showed a substantial net operating loss, which was carried back to the tax year 2000, for which Enron seeks a tax refund for taxes paid in 2000. The carryback of the 2001 loss to 2000 is expected to provide Enron and its subsidiaries with substantial NOLs which may be used to offset additional income tax liabilities that may result from negotiation of the IRS audit for the taxable periods PGE was a member of Enron's consolidated federal income tax returns.
- C. Enron's 2003 tax return was filed on September 14, 2004. As noted in paragraph B. above, Enron expects to have substantial NOLs from operations in years preceding 2003. Enron had 2003 NOLs sufficient to eliminate Enron's regular and alternative minimum income tax liabilities for 2003 and expects to have sufficient NOLs to offset its regular income tax liability for all subsequent periods through the date of consummation of its plan of reorganization.

On March 28, 2003, the IRS filed various proofs of claim for taxes in the Enron bankruptcy, including a claim for approximately \$111 million with respect to income tax, interest, and penalties for taxable years in which PGE was included in Enron's consolidated tax return. The IRS seeks to apply \$63 million in tax refunds admittedly due Enron against these claims. IRS claims for taxes and pre-petition interest have a priority over claims of general unsecured creditors, but claims for pre-petition penalties have no priority and claims for post-petition interest are not allowable in bankruptcy. The Company, along with other corporations in Enron's consolidated tax returns that are not in bankruptcy, are severally liable for pre-petition penalties and post-petition interest, as well as any portion of the claim allowed in the bankruptcy that the IRS does not collect from the debtors.

Enron's management has informed PGE management that Enron is negotiating with the IRS in an attempt to resolve issues raised by the IRS claims. If the parties do not reach a settlement, the Bankruptcy Court will decide the actual amount, if any, owed to the government with respect to tax, interest, and penalties.

To the extent, if any, that the IRS would look to PGE to pay any assessment not paid by Enron, PGE would exercise whatever legal rights, if any, that are available for recovery in Enron's bankruptcy proceeding, or to otherwise seek to obtain contributions from the other solvent members of the consolidated group. As a result, management believes the income tax, interest, and penalty exposure to PGE (related to any future liabilities from Enron's consolidated tax returns during the period PGE was a member of Enron's consolidated returns) would not have a material adverse effect on the financial statements. No reserves have been established by PGE for any amounts related to this issue.

PGE management cannot predict with certainty what impact Enron's bankruptcy, including the Chapter 11 Plan, may have on PGE. However, it does believe that the assets and liabilities of PGE will not become part of the Enron estate in bankruptcy. Although Enron owns all of PGE's common stock, PGE as a separate corporation owns or leases the assets used in its business and PGE's management, separate from Enron, is responsible for PGE's day-to-day operations. Regulatory and contractual protections restrict Enron access to PGE assets. Neither PGE nor Enron have guaranteed

the obligations of the other. Under Oregon law and specific conditions imposed on Enron and PGE by the OPUC in connection with Enron's acquisition of PGE in the merger of Enron and PGC in 1997 (Merger Conditions), Enron's access to PGE cash or utility assets (through dividends or otherwise) is limited. Under the Merger Conditions, PGE cannot make any distribution to Enron that would cause PGE's common equity capital to fall below 48% of total PGE capitalization (excluding short-term borrowings) without OPUC approval. The Merger Conditions also include notification requirements regarding dividends and retained earnings transfers to Enron. PGE is required to maintain its own accounting system as well as separate debt and preferred stock ratings. PGE maintains its own cash management system and finances itself separately from Enron, on both a short- and long-term basis.

PGE management does not believe that there is any incentive for Enron or its creditors to take PGE into bankruptcy. PGE is a solvent enterprise whose greatest value is as a going concern. As a solvent enterprise in bankruptcy, PGE would owe fiduciary obligations to its shareholders and creditors. If a bankruptcy were commenced, the United States Trustee would form a creditors' committee comprised of PGE's largest creditors, and any plan of reorganization would be subject to confirmation by the Bankruptcy Court. Prior to the effectiveness of such plan, no dividends could be paid to Enron, and no assets could be sold, or transfer of funds could be made, outside the ordinary course of business except with the approval of the Bankruptcy Court. Further, PGE would continue to be required to operate its business according to Oregon law, and the OPUC would not be stayed from enforcing its police and regulatory powers. Since the issue of whether a Bankruptcy Court has the authority to supersede state regulation of a utility has not been resolved, PGE believes that the OPUC would challenge any attempt to sell assets, transfer stock, or otherwise affect the activities of PGE without the approval of the OPUC. Any such challenge would likely result in litigation. As a result, PGE believes that the economic interests of Enron and its creditors are better served by pursuing their present course. On September 30, 2002, the Company issued to an independent shareholder a single share of a new \$1.00 par value class of Limited Voting Junior Preferred Stock which limits, subject to certain exceptions, PGE's right to commence any voluntary bankruptcy, liquidation, receivership, or similar proceedings without the consent of the shareholder.

Colstrip Plant - In December 2003, PPL Montana, LLC (PPL Montana), the operator of the Colstrip coal-fired generating plants, received an Administrative Compliance Order (ACO) from the EPA pursuant to the Clean Air Act (Act). The EPA alleges that since 1980, Colstrip Units 3 and 4, in which PGE has a 20% ownership interest, have been in violation of the clean air permit issued under the Act. The permit required Colstrip Units 3 and 4 to submit for review and approval by the EPA an analysis and proposal for reducing emissions of nitrogen oxides to address visibility concerns if and when EPA promulgated certain requirements for nitrogen oxides. The EPA is asserting that regulations it promulgated in 1980 triggered the requirement. The EPA does not expressly seek penalties nor indicate what, if any, additional control technology requirements that it may require to be considered. PPL Montana, which has reported that it believes that the ACO is unfounded, is discussing the matter with the EPA.

In addition to the ACO, the EPA regional office that regulates plants in Montana has issued an information request with respect to the Colstrip plants. The regional office is investigating whether older coal-fired plants have been modified over the years in a manner that would subject them to more stringent requirements under the Act. PPL Montana is in the process of responding to the information request.

A local Native American tribe has asserted that sulfur dioxide emissions from Colstrip 3 & 4 units are affecting local tribal areas more than previously estimated. PPL Montana is working with the Montana Department of Environmental Quality to provide additional information to address this issue.

PPL Montana and EPA are discussing possible emission control and monitoring requirements involving all Colstrip units to address the issues discussed above. Management cannot predict the ultimate outcome of this matter or estimate any potential loss.

Legal Proceedings - For further information regarding the following proceedings, see PGE's 2003 Annual Report on Form 10-K and other reports filed with the SEC since its 2003 Form 10-K was filed.

Citizens' Utility Board of Oregon v. Public Utility Commission of Oregon and Utility Reform Project and Colleen O'Neill v. Public Utility Commission of Oregon, Marion County Oregon Circuit Court, the Court of Appeals of the State of Oregon, the Oregon Supreme Court.

On August 31, 2004, the administrative law judge issued an Order defining the scope of the proceedings necessary to comply with the Marion County Circuit Court orders remanding this matter to the OPUC. On October 18, 2004, the OPUC affirmed the August 31, 2004 Order.

Portland General Electric Company v. Hardy Meyers, In His Official Capacity as Attorney General of the State of Oregon, United States District Court for the District of Oregon, Case No. 03-1641-HA, and State of Oregon, ex rel Hardy Meyers, Attorney General for the State of Oregon v. Portland General Electric Company, Multnomah County Oregon Circuit Court, Case No. 0312-13473

On November 26, 2003, PGE filed a complaint for Declaratory Relief in U.S. District Court for the District of Oregon seeking to end the Oregon Attorney General's investigation into the Company's participation in wholesale power trading markets related to the California energy crisis of 2000-2001 (PGE Case).

On December 16, 2003, the Oregon Attorney General filed in the Multnomah County Oregon Circuit Court a Motion for Order to Show Cause why the Company should not comply with the Oregon Attorney General's investigation (Attorney General Case).

PGE removed the Attorney General Case to the U.S. District Court for the District of Oregon, and the same U.S. District Court Judge was assigned to both cases.

On July 30, 2004 the U.S. District Court Judge dismissed the PGE Case without prejudice on the basis that the case is not ripe for review, and remanded the Attorney General Case to the Multnomah County Oregon Circuit Court on the basis that the state investigation is not a civil case over which the U.S. District Court has jurisdiction.

On August 18, 2004, PGE appealed the ruling on the PGE Case to the United States Ninth Circuit Court of Appeals.

On September 3, 2004, the Multnomah County Oregon Circuit Court ruled in favor of the Attorney General, but, on September 13, 2004, granted PGE's motion to stay enforcement of the decision for 90 days. On September 10, 2004, PGE appealed the Multnomah County Court decision in favor of the Attorney General to the Oregon Court of Appeals. On September 30, 2004, PGE filed a motion with the Oregon Court of Appeals for an expedited appeal and an extension of the stay. On October 19, 2004 the Oregon Court of Appeals granted PGE's motions.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT is entered into effective as of the 1st day of April, 2005, by and between *PORTLAND GENERAL ELECTRIC COMPANY*, an Oregon corporation ("PGE"), and *EARTH ADVANTAGE, INC.*, an Oregon non-profit corporation ("SubLessee").

RECITALS

A. Pacific Realty Associates, L.P., a Delaware limited partnership ("Lessor") entered into a Lease with PGE, dated as of the 27th day of December, 2000 (the "Lease"), and pertaining to certain premises described in said Lease and located in the PacTrust Business Center at 16280 SW Upper Boones Ferry Road, Portland, Oregon 97224 ("Premises"). A copy of the Lease is attached as *Exhibit "A"* hereto.

B. PGE has agreed to Sublease PGE's interest in a portion of the Premises to SubLessee upon the terms and conditions set forth herein.

NOW, THEREFORE, for valuable consideration, the current receipt, reasonable equivalence, and sufficiency of which are hereby acknowledged by each of the parties, the parties each agree as follows:

1. *Sublease.* Subject to the terms and conditions set forth herein, PGE hereby agrees to lease to SubLessee, for general office, non-profit, commercial purposes "AS IS" that portion of the Premises consisting of approximately Six Thousand Seven Hundred Thirty Two (6,732) square feet as described in *Exhibit "B"* hereto (the "SubLease Premises"). SubLessee acknowledges that the SubLease Premises are subject to the above-referenced Lease and that SubLessee is familiar with the terms of said Lease and the obligations to Lessor. In addition to the terms and conditions set forth herein, SubLessee further agrees to observe and to be bound by the terms and conditions of the Lease as they relate to the SubLease Premises and to save and hold PGE harmless therefrom. SubLessee shall promptly and diligently perform each and all of the duties of PGE under the Lease as they relate to the SubLease Premises and PGE shall have each of the rights of the Landlord with respect to SubLessee as they relate to the Sublease.

1.1 Notwithstanding anything to the contrary contained herein, SubLessee shall not have any right pursuant to, and PGE shall not have any obligation to SubLessee with respect to, Section 22 of the Lease, Option to Renew, and/or with respect to and Section 23, First Right of Notice.

2. *Condition.* This Agreement and PGE's obligations pursuant hereto are subject to and contingent upon PGE obtaining approval of the transaction contemplated in this Agreement from the Oregon Public Utility Commission ("OPUC") upon terms and conditions satisfactory to PGE on or before the 31st day of March, 2005.

3. *Rent & Utilities.* Time is of the essence of every provision of this Sublease. SubLessee shall pay to PGE in legal tender of the United States of America, in advance and without prior notice or demand and without any setoff or deduction whatsoever, by delivering it to PGE's payment address set forth herein prior to the date due, or to such other place or to such payee or agent as PGE may from time designate in writing, Rent equal to Eight Thousand Eight Hundred Eighty Six Dollars (\$8,886.00) per month. So long as SubLessee is not in default hereunder, said Rent shall include the basic obligations of SubLessee with respect to electricity, gas, garbage service, and minor maintenance. PGE shall be the contact for maintenance issues. SubLessee shall remain responsible for janitorial services and any maintenance that PGE reasonably determines is not "minor".

4. *Term & Termination.* The Term of this Sublease shall commence on April 1, 2005, and expire on January 14, 2006, unless otherwise terminated as provided herein. Notwithstanding the foregoing or anything to the contrary contained herein, this Sublease shall terminate immediately

upon the expiration or termination of the Lease, for whatever cause. Upon any termination or expiration of this Sublease, SubLessee shall immediately quit the Sublease Premises, and shall immediately remove or cause to be removed from the Sublease Premises all equipment, materials, supplies and other personal property of Sublessee, and all property installed in, on or attached to the Sublease Premises by or on behalf of Sublessee; and the Sublease Premises shall be promptly returned to the condition of the Sublease Premises prior to SubLessee taking possession of the Sublease Premises.

4.1 Notwithstanding the foregoing each of the parties hereto shall have the right and option to terminate this Sublease at any time, with or without cause, upon not less than Sixty (60) days prior written notice to the other party.

5. *Use of the Sublease Premises.* The Sublease Premises may be used only as specifically authorized by this Sublease and for no other purpose. Except to the extent this Sublease otherwise specifically grants such rights, SubLessee shall not construct, modify, or alter any structure or any portion of the Sublease Premises. No use may be made of, on or from the Sublease Premises relating to the handling, storage, disposal, transportation, or discharge of hazardous substances, toxic materials or any substance or material regulated by federal, state or local environmental protection laws, rules and regulations. Under no circumstances shall any use be made of, or shall conduct occur on, the Sublease Premises which would cause the Sublease Premises, or any part thereof, to be deemed a hazardous waste treatment, storage or disposal facility requiring a permit, interim status, or any other special authorization under any environmental protection law. All portions of the Sublease Premises are designated non-smoking areas.

5.1 *Entry for Repairs and Inspection.* Lessor, PGE and their respective agents or representatives as well as representatives of any State or Federal security agency shall have the right to enter the Sublease Premises at all reasonable hours by passkey or otherwise to (a) inspect the same; (b) exhibit the Sublease Premises to any existing or prospective owner, purchaser, lessee or mortgagee; (c) clean, make repairs, alterations or additions thereto; (d) to access the lighting, phone, and HVAC panels/controls; (e) determine SubLessee's compliance with the Lease; and (f) for such other reasonable purposes as PGE may deem necessary or desirable. SubLessee shall not be entitled to any abatement or reduction of Rent, or any other sums due under this Sublease by reason thereof.

5.2 *Prohibited Activities.* SubLessee shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that will (a) in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents or cause cancellation of any insurance policy covering the Premises or any part thereof or any of its contents; (b) in any way obstruct or interfere with the rights of PGE, other sublessees, or occupants of the Premises or injure or annoy them; (c) result in an, immoral, dangerous, or unlawful use; (d) result in waste and/or constitute a nuisance in, on or about the Premises or any portion thereof; (e) in any manner or for any purpose be deemed a threat to national or homeland security by PGE or by the Oregon Office of Safety and Security or the US Department of Homeland Security and/or any other State or Federal security agency; or (f) constitute a violation of any federal, state or municipal ordinance or any regulation, ordinance, order or directive of a governmental agency. SubLessee shall also not create or allow to be emitted from the Sublease Premises any odor, noise, heat, light, transmission, or vibration that is reasonably objectionable to PGE and/or which interferes with the quiet enjoyment of any other occupant of the Premises. In addition, SubLessee shall comply with all master plans, restrictive covenants, and obligations created by private contracts that affect the use and operation of the Sublease Premises.

6. *Damage.* SubLessee shall be responsible for and hereby agrees that any damage to the Sublease Premises, the Premises, PGE facilities, or the like, in connection with the acts or omissions of SubLessee, its employees, agents, representatives, invitees, or contractors of any tier may, at PGE's discretion, be repaired by PGE at the expense of SubLessee. SubLessee shall reimburse PGE for the actual costs of such repair within thirty (30) days of receipt of any invoice for same.

7. *Indemnification.* To the maximum extent allowed by law, SubLessee hereby releases PGE, and shall assume all risk of loss, damage, or injuries of any kind which may relate in any way to the Premises or the use of the Sublease Premises and shall indemnify, defend, save, and hold harmless PGE, its officers, agents, invitees, and employees from all claims, debts, lawsuits, injuries, damages, penalties, judgments, awards, losses, liabilities, interests, attorney's fees (including attorney's fees on appeal or review), costs, and expenses of whatever kind and nature relating to the breach of this Agreement, to the Premises, and/or the use or occupancy of the Sublease Premises and for which either of the Parties, their officers, agents, or employees may or shall be liable, including but not limited to bodily injury, wrongful death, or Premises damage (except to the extent caused by the gross negligence or criminal misconduct of PGE, its agents, or employees). SubLessee shall, upon the request of PGE and at the SubLessee's sole expense defend any action, suit, or proceeding of any kind arising hereunder. In addition, SubLessee shall reimburse and pay PGE for any loss, damages, or expenses of any kind, including attorney's fees and costs incurred by PGE under this Section.

8. *Insurance.* SubLessee shall at all times maintain sufficient insurance listing PGE as an additional insured, to cover any claim or liability which may result from any obligation of SubLessee pursuant to or in any way associated with this Sublease Agreement, including without limitation, for any of the forms of legal liability described in Section 5 and/or Section 6 of this Agreement. At its sole cost and expense, SubLessee shall provide to PGE proof of, and continuously maintain comprehensive broad-form general liability insurance against claims and liability for personal injury, death, or Premises damage arising from the use, occupancy, disuse or condition of the Sublease Premises, improvements or adjoining areas or ways, or from any other cause with a combined single limit of not less than \$2,000,000.00 per occurrence written in companies acceptable to PGE, with PGE and its directors, officers, employees and agents, named as additional insureds. In addition to the foregoing SubLessee shall maintain Workers' Compensation and Employer's liability insurance as required by law. If SubLessee shall fail for any reason to procure any such insurance and to deliver the policies to PGE at least thirty (30) days prior to the expiration of any policy of insurance now or hereafter with regard to the Sublease Premises, PGE may procure the same at SubLessee's expense and SubLessee shall pay PGE the actual cost of such policy within thirty (30) days of receipt of any invoice of same.

8.1 *PGE Insurance.* SubLessee acknowledges and agrees that PGE shall have the right, at PGE's sole election, to self-insure with respect to the Premises, the Sublease Premises, this Sublease, and/or any aspect of PGE's business. PGE will not insure SubLessee nor will it maintain insurance of any kind for the benefit of SubLessee on any improvements paid for by SubLessee or on SubLessee's furniture or furnishings or on any fixtures, equipment, improvements or appurtenances of SubLessee under this Sublease and PGE shall not be obligated to repair any damage thereto or replace the same. PGE shall not be liable or responsible for any damage to SubLessee's Premises or the Sublease Premises resulting from PGE's use of or presence on the Premises.

9. *Default & Remedies.*

9.1 *Events of Default.* SubLessee shall perform and comply with all terms, conditions, and provisions set forth in this Sublease in a timely manner, and promptly notify PGE in writing if SubLessee learns of the occurrence of any event which constitutes an Event of Default under this Sublease.

9.2 *Default by PGE.* PGE shall only be deemed to be in default under the terms of this Sublease in the event PGE shall fail to observe, keep or perform any covenant or agreement that is not observed, kept or performed by PGE within thirty (30) calendar days after the receipt by PGE of written notice from SubLessee of such failure, which notice shall specifically set out the failure. PGE shall not be considered in default so long as PGE commences to cure the failure in a diligent manner and PGE shall thereafter be allowed such additional time as reasonably necessary to correct the failure. SubLessee specifically agrees to look solely to PGE's interest in the Premises for the recovery of any personal judgment from PGE, it being agreed that PGE shall not be personally liable for any such judgment.

9.3 *Remedies.* If an event of default occurs, PGE, at any time thereafter, may pursue any rights or remedies, in such order as PGE may choose, including collection or damages and all equitable remedies. The remedies provided for in this Sublease are cumulative and in addition to any other remedy available to PGE at law or in equity, and may be exercised singularly or concurrently. Election by PGE to pursue any remedy shall not exclude pursuit or any other remedy, and an election to make expenditures or to take action to perform an obligation of SubLessee shall not affect PGE's right to declare a default and to exercise its rights and remedies. In the event of a breach or threatened breach by SubLessee of any of its obligations under this Sublease, PGE shall also have the right to obtain an injunction and any other appropriate equitable relief.

9.4 *Limitation on Damages.* UNDER NO CIRCUMSTANCES SHALL PGE'S OBLIGATIONS OR LIABILITY UNDER THIS SUBLEASE EXCEED THE ACTUAL AMOUNT OF RENTS ACTUALLY RECEIVED BY PGE PURSUANT TO THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY IN CONNECTION WITH THIS SUBLEASE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, ARISING OUT OF, IN CONNECTION WITH OR AS A RESULT OF THIS SUBLEASE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR ANY OTHER THEORY IN LAW OR IN EQUITY. Any action against PGE (whether for breach of contract of a related strict liability or tort claim) by or on behalf of SubLessee must be commenced within one year after the cause of action has accrued. The obligations of PGE under this Sublease shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of PGE, or its Premises managers. It is expressly understood and agreed that any money judgment against PGE resulting from any default of other claim arising under this Sublease shall be satisfied only out of the Rents actually received from SubLessee pursuant to this Agreement from and after the accrual of said default or claim. No other real, personal or mixed Premises of PGE, wherever situated, shall be subject to levy on any such judgment obtained against PGE. If such income is insufficient for the payment of such judgment, SubLessee hereby releases and waives and shall not institute any further action, suit, claim, or demand, in law or in equity, against PGE for or on account of such deficiency.

10. *Miscellaneous Provisions.*

10.1 *Construction and Interpretation.* All provisions of this Sublease have been negotiated at arm's length and each Party has had the opportunity to have legal counsel review and approve the form and content of this Sublease. This Sublease shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision hereof. The Recitals are true and correct and incorporated herein by this reference. In the event of any conflict between any other part of the Lease and this Sublease Agreement, the terms and conditions of this Sublease Agreement shall control. To the extent that this Sublease Agreement may have been executed following any effective dates set forth herein, said effective dates are hereby ratified, confirmed, and approved. This Sublease Agreement may be executed in counterparts, and such counterparts together shall constitute but one original of the Sublease Agreement. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.

10.2 *Superior Rights.* It is expressly understood that, if applicable, any rights granted to SubLessee by PGE for use of the Premises pursuant to this Sublease are subject to existing rights, if any, of other Parties, and this consent is given only to the extent that PGE has authority to give the same and shall not be construed as consent of the landowner or any other interest holder, which consent SubLessee shall obtain.

10.3 *Assignment.* SubLessee shall not, either voluntarily or by operation of law, assign all or any part of SubLessee's leasehold estate hereunder, permit the Sublease Premises to be occupied by anyone other than SubLessee or SubLessee's employees, sublet the Sublease Premises or any portion thereof, or encumber or pledge all or any portion of this Sublease or

SubLessee's leasehold estate hereunder, without PGE's express prior written consent in each and every instance, which consent may be withheld or issued subject to conditions, in PGE's sole discretion. Any assignment, encumbrance, pledge, or sublease without PGE's prior written consent shall be void and shall constitute a default hereunder. This provision shall apply to all mergers and changes in control of SubLessee of any type or nature, each of which shall be deemed assignments for the purposes of this Section.

10.4 *Notice.* Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Sublease to be served on or received by either Party to the other shall be in writing and shall be deemed duly served and received when delivered in person, or, if mailed, 48 hours after being deposited in the United States mail, certified or registered mail, postage prepaid, addressed to such Party as follows:

If to PGE: Portland General Electric Company
Attn: Jay Buechler, Facilities Management
121 SW Salmon Street
Portland, Oregon 97204

If to SubLessee: Earth Advantage, Inc.
Attn: _____
Suite _____, 16280 SW Upper Boones Ferry Road
Portland, Oregon 97224

10.5 *Severability.* The provisions of this Sublease are severable, and if one or more provisions are determined to be unenforceable, in full or in part, by a court of competent jurisdiction, the validity of the remaining provisions, including any partially unenforceable provisions, to the extent enforceable, shall not be affected in any respect whatsoever.

10.6 *Interest in Sublease Premises.* The Sublease Premises shall be used lawfully for the purposes designated in Section 1 and for no other purposes. Nothing contained herein shall be deemed to give SubLessee any exclusive right to such use in the Premises. SubLessee acknowledges that neither PGE nor any agent of PGE has made any representations concerning the suitability of the Sublease Premises for the conduct of SubLessee's business. SubLessee expressly agrees that it does not and shall not claim at any time any interest or estate of any kind or extent whatsoever in the Sublease Premises by virtue of the rights granted under this Sublease or its occupancy or use under this Sublease. Upon the effective date of this Sublease any prior Lease, sublease, permit, and/or the like, if any, granted by PGE to SubLessee with respect to all or any portion of the Sublease Premises, is rescinded and is of no further validity, force and effect.

10.7 *Security Measures.* PGE may, but shall have no obligation to, provide security service or to adopt security measures regarding the Premises or any portion thereof, including the Sublease Premises, and SubLessee shall cooperate with all reasonable security measures adopted by PGE. SubLessee shall promptly comply with the directives and orders of all public safety personnel and by any governmental authority in the event of any actual or perceived emergency or disturbance and shall take such action as is necessary under the circumstances to insure compliance by SubLessee's employees, agents, customers, clients, and invitees. SubLessee shall also promptly comply with all actions deemed reasonably necessary or appropriate by PGE and/or any State or Federal security agency to protect life or Premises under such circumstances. PGE may modify the type or amount of security measures or services provided to the Premises and/or the Sublease Premises at any time without notice. During times other than normal Building hours SubLessee's officers and employees or those having business with SubLessee may be required to identify themselves or show passes in order to gain access to the Premises. PGE shall have no liability for permitting or refusing access to SubLessee or to SubLessee's employees, agents, customers, clients, and invitees. PGE shall not be liable to SubLessee or to any third party for any action taken by any governmental authority, public safety personnel, or any third party, nor shall PGE be liable for any act or omission of PGE that PGE deems reasonable or appropriate to protect life or Premises under such circumstances.

10.8 *SubLessee's Acceptance of Sublease Premises.* SubLessee's taking possession of the Sublease Premises shall be deemed conclusive evidence that, as of the date of taking possession, the Sublease Premises is in good order and satisfactory condition. Except as set forth herein, SubLessee accepts the Sublease Premises "AS IS" in the condition now existing with no alteration or other work to be performed by PGE. Except as set forth herein, PGE has not made any promise to alter or remodel, repair or improve the Sublease Premises, or the Premises. No representation, express or implied, respecting any matter or thing relating to the Sublease Premises, the Premises or this Sublease, including, without limitation, the condition of the Sublease Premises, has been made to SubLessee by PGE other than as may be contained herein. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, OR THAT THE SUBLEASE PREMISES ARE SUITABLE FOR PGE'S INTENDED COMMERCIAL PURPOSES.

10.9 *Compliance.* SubLessee shall be responsible for compliance with each and every term of this Sublease by all employees, agents, invitees, SubLessees, clients, customers, and guests of SubLessee. Any right of PGE to restrict any right of SubLessee shall extend to all employees, agents, invitees, and customers of SubLessee.

10.10 *Survival.* The insurance, release and indemnity obligations of SubLessee, the right of PGE to enforce its remedies hereunder, as well as all provisions of this Sublease which contemplate performance after the expiration or termination hereof or the termination of SubLessee's right to possession hereunder, shall survive any such expiration or termination and shall apply equally to all parents, subsidiaries, and affiliates of PGE.

10.11 *Recording.* SubLessee shall not record this Sublease or any memoranda hereof without the prior written consent of PGE, and if such consent is forthcoming, SubLessee shall pay all charges and taxes incident to such recording.

10.12 *Governing Law.* This Sublease shall be governed by and construed in accordance with the laws of the State of Oregon, without giving effect to the conflicts of law provisions thereof. With respect to any suit, action or proceeding relating to this Sublease ("Proceedings"), exclusive venue shall be in Multnomah County, Oregon, and each Party irrevocably submits to exclusive jurisdiction of and venue with the courts of the State of Oregon and any United States federal court with jurisdiction over, Oregon, and irrevocably waives any objection that it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object with respect to such Proceedings, that such court does not have jurisdiction over such Party. Nothing in this Sublease precludes either Party from enforcing in any jurisdiction any judgment, order or award obtained in any such court.

10.13 *Entire Agreement.* This Sublease constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this agreement. SubLessee, by the signature below of it or its authorized representative, hereby acknowledges that SubLessee has read this Agreement, understands it and agrees to be bound by its terms and conditions.

The parties have executed this Sublease effective as of the 1st day of April, 2005. This Sublease Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Neither PGE nor SubLessee shall record this Sublease.

PGE:

PORTLAND GENERAL ELECTRIC COMPANY
an Oregon corporation

By: _____

Printed Name: _____

Title: _____

SUBLESSEE:

EARTH ADVANTAGE, INC.
an Oregon non-profit corporation

By: _____

Printed Name: _____

Title: _____

PORTLAND GENERAL ELECTRIC COMPANY

PROPOSED JOURNAL ENTRIES

The following entries are to record the donation of personal property to Earth Advantage.

	<u>Original Cost</u>
Original Cost	\$ 326,377
Accum. Depreciation	\$ 96,203
Total Costs	<u>\$ 230,174</u>

Account Description	Debit	Credit
122 Accumulated Depreciation - Nonutility	326,377	
121 Nonutility Plant-in-service		326,377

To record retirement of donated property to Earth Advantage

The above accounting is in accordance with the Uniform System of Accounts in the Code of Federal Regulations. Account 122 shall be charged with the Retirement Nonutility depreciable property.

Exhibit J

Exhibit "G"

Portland General Electric Company and Subsidiaries
 Consolidated Statements of Income
 (Unaudited)
 For the Nine Months Ended September 30, 2004
 (Millions of Dollars)

	September 30, 2004	Adjustments (1) (In Millions)	Adjusted Total
Operating Revenues	\$1,075		\$1,075
Operating Expenses			
Purchased power and fuel	491		491
Production and distribution	96		96
Administrative and other	105		105
Depreciation and amortization	174		174
Taxes other than income taxes	55		55
Income taxes	48		48
	969		969
Net Operating Income	\$106		\$106
Other Income (Deductions)			
Miscellaneous	5		5
Income taxes	6		6
	11		11
Interest Charges			
Interest on long-term debt and other	53		53
Net income before cumulative effect of a change in accounting principle	64		64
Cumulative effect of a change in accounting principle, net of related taxes of \$(1)	0		0
Net Income (Loss)	64		64
Preferred Dividend Requirement	0		0
Income (Loss) Available for Common Stock	\$64		\$64

1: The proposed transaction does not affect PGE's Income Statement.

Exhibit "H"

Portland General Electric Company and Subsidiaries
Consolidated Statements of Retained Earnings
(Unaudited)
For the Nine Months Ended September 30, 2004
(Millions of Dollars)

	<u>September 30, 2004</u>	<u>Adjustments (1)</u> (In Millions)	<u>Adjusted Total</u>
Balance at Beginning of Period	\$545		\$545
Net Income (Loss)	<u>64</u>	<u></u>	<u>64</u>
	609		609
Dividends Declared			
Preferred stock	<u>0</u>	<u></u>	<u>0</u>
Balance at End of Period	<u>\$609</u>	<u></u>	<u>\$609</u>

1: The proposed transaction does not affect PGE's Retained Earnings.

Exhibit H

Exhibit I

Draft Contribution, Assignment and Assumption Agreement

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CONTRIBUTION, ASSIGNMENT AND ASSUMPTION AGREEMENT

This Contribution, Assignment and Assumption Agreement (this "Agreement"), dated effective as of the ___ day of _____, 2005, between EARTH ADVANTAGE, INC., an Oregon nonprofit public benefit corporation ("Earth Advantage"), and PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation ("PGE").

WHEREAS, PGE desires to make a contribution as a charitable donation of certain assets, subject to their related liabilities, to Earth Advantage; and

WHEREAS, Earth Advantage desires to accept such charitable donation of assets and assume such liabilities of PGE.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PGE and Earth Advantage hereby agree as follows:

1. Contribution. PGE hereby grants, contributes, transfers and assigns to Earth Advantage (i) all right, title and interest, inchoate or otherwise, in the assets and properties of PGE set forth on Exhibit A hereto (the "Assets") and (ii) all of PGE's liabilities and obligations of every nature and kind whatsoever whenever accrued or incurred (including without limitation all accounts owed, all contract obligations, all contingent liabilities, and any other liabilities) relating to the Assets as of the date hereof (collectively, the "Obligations").

2. Assumption. Earth Advantage hereby accepts the Assets AS IS, and hereby assumes and agrees to pay the Obligations and agrees to indemnify, defend and hold harmless PGE for any and all claims, liabilities, losses, causes of action, costs and expenses arising out of or resulting from any of the Assets or the Obligations.

3. Further Assurances. PGE and Earth Advantage hereby agree that each of them will execute such further instruments and take such other actions as may in the opinion of either of them be reasonably necessary to evidence or perfect the contribution, assignment, transfer or assumption of the Assets or the Obligations, or otherwise reasonably required to carry out the intentions of this Agreement.

4. No Representations or Warranties. All terms, covenants and conditions of this Agreement are set forth herein and there are no warranties, agreements or understandings, expressed or implied, except such as are expressly set forth herein.

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IN WITNESS of the foregoing, PGE and Earth Advantage have executed this Agreement as of the day and year first written above.

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Name: _____

Title: _____

EARTH ADVANTAGE, INC.

By: _____

Name: _____

Title: _____

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EXHIBIT A

to

Contribution, Assignment and Assumption Agreement

CONTRACTS

The assignment of Contracts is subject to approval by the customer.

Program Sponsorship Agreements

- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and Apex™ Construction Systems, Inc. effective July 1, 2004
- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and DuPont Tyvek effective June 1, 2004
- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and Lumber Products effective May 1, 2004
- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and Rodda Paint Company effective August 1, 2004
- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and Speedi-Boot™ by Lance Larking effective August 1, 2004
- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and Takagi Industrial Co. USA, Inc. effective July 1, 2004
- Earth Advantage Program Sponsorship Agreement between Portland General Electric Company and Venmar Ventilation, Inc. effective June 1, 2004

Remodeling Program Agreements

- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and Arciform LLC effective February 16, 2004
- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and Coho Construction Service, Inc. effective February 3, 2004
- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and In The Works Construction & Design effective March 4, 2004

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- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and Master Plan Remodeling effective February 16, 2004
- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and Metke Remodeling and Woodworking effective February 20, 2004
- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and Oregon Home Services LLC effective February 18, 2004
- Earth Advantage Remodeling Program Remodeling Agreement between Portland General Electric Company and Steven Heiteen Construction effective February 20, 2004

Single Family New Construction

- Earth Advantage Construction Agreement between Portland General Electric Company and Alternative Construction Concepts effective March 16, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Brooke-Lee Homes Ltd. effective November 1, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Brooks Resources Corp. effective October 23, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and CHD Builders, LLC effective June 18, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Craftsmen Homes, LLC effective June 18, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Craftsmen Unlimited, Inc. effective June 13, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and DJM, Inc. effective September 1, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Gary Laursen Construction, Inc. effective August 28, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Grant Development effective November 6, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Greg Welch Construction effective August 23, 2002

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- Earth Advantage Construction Agreement between Portland General Electric Company and The Grout Company effective September 6, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Hawes Construction, LLC effective October 24, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Heath Construction effective February 27, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Larraneta and Co. effective June 15, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Leader Builders, LLC effective June 19, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Legend Homes Corp. effective April 27, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Mark Rose Construction, Inc. effective January 19, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Mark Swisher Inc. effective August 22, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Meloling Construction Services effective July 25, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Michael D. Szigeti Construction effective June 26, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Mike Knighten effective June 30, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Neil Kelly Company effective May 17, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Palmer Homes effective June 18, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Peoples Natural Construction, LLC effective May 7, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and PeterBuilt Home, LLC effective October 1, 2003

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- Earth Advantage Construction Agreement between Portland General Electric Company and Renaissance Homes effective June 16, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Robert Camel Contracting effective June 19, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and Ryan Olsen Development, Inc. effective February 26, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Sage Builders effective April 30, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and SolAire Homes effective October 24, 2001
- Earth Advantage Construction Agreement between Portland General Electric Company and SunCo Homes & Remodeling effective October 12, 2001
- Earth Advantage Construction Agreement between Portland General Electric Company and Tarra Construction, Inc. effective June 12, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Ted Nickell, LLC effective October 21, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Three Creeks Construction, LLC effective May 20, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Tom Walsh & Co. effective May 18, 2004
- Earth Advantage Construction Agreement between Portland General Electric Company and Viking Builders, Inc. effective July 25, 2002
- Earth Advantage Agreement between Portland General Electric Company and West Bend Property Company, LLC effective May 7, 2002
- Earth Advantage Construction Agreement between Portland General Electric Company and The W.H. Hulc Company effective October 22, 2002

Manufacture New Construction

- Earth Advantage Construction Agreement between Portland General Electric Company and Palm Harbor Homes effective May 10, 2004

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Multi Family New Construction

- Earth Advantage Construction Agreement between Portland General Electric Company and R&H Construction effective May 16, 2003
- Earth Advantage Construction Agreement between Portland General Electric Company and Swinerton Builders effective December 22, 2003

Licensing Agreements

- Earth Advantage Program Licensing Agreement by and between Portland General Electric Company (PGE) d.b.a. Efficiency Services Group, a subsidiary of PGE, and City of Ashland, OR effective September 3, 2002
- Earth Advantage Residential Program Licensing Agreement by and between Portland General Electric Company and Eugene Water and Electric Board effective March 11, 2003

Consulting Agreements

- Residential Sector Initiative Service Contract by and between Portland Energy Conservation, Inc. and Portland General Electric Company d.b.a. Efficiency Services Group effective May 1, 2004
- Energy Trust Efficient New Homes Service Contract by and between Portland Energy Conservation, Inc. and Portland General Electric Company d.b.a. Efficiency Services Group effective April 1, 2004

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RECORDS

- Inspection Results recorded and maintained by Portland General Electric for Earth Advantage
- Builder Plan Reviews and Analysis (e.g. model runs) recorded and maintained by Portland General Electric for Earth Advantage
- Testing Results (e.g. blower door/duct blaster, air quality, etc.) recorded and maintained by Portland General Electric for Earth Advantage
- The processes for administrative duties, testing, training, and home inspections documented in procedure manuals and guidebooks.

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INTANGIBLE ASSETS

Trademarks

- Earth Advantage® Trade and Service Mark, Registration #2,776,201 issued on October 21, 2003
- Earth Advantage Design, Application #76/559,878 filed October 9, 2003 with the U.S. Patent and Trademark Office
- Earth Advantage Logo (Color version), Application #76/614,300 filed September 28, 2004 with the U.S. Patent and Trademark Office
- Earth Advantage Mark of Certification and Design, Application #76/574,814 filed February 3, 2004 with the U.S. Patent and Trademark Office

Standards

Earth Advantage establishes and maintains a performance standard for building methods, materials, and equipment systems by which homes can be measured against a baseline of local and national building and manufacturing codes and standard industry practices (baseline is the higher of code or standard industry practice). This requires secondary research, expert analysis, professional documentation and quality presentation. The standard is composed of four areas of benefits to the homeowner, local community, and society: energy efficiency, indoor air quality, environmental responsibility, and resource efficiency. The standards behind the marks are important to maintaining the quality of the name. The standards represent the accumulated intellectual capital compiled in the form of written manuals, research documents, point sheets, testing procedures, etc.

Domain Names

earthadvantage.com	earthadvantage.org
earthadvantagebuilding.com	earthadvantagebuilding.org
earthadvantagebuildings.com	earthadvantagebuildings.org
earthadvantagefacilities.com	earthadvantagefacilities.org
earthadvantagehome.com	earthadvantagehome.org
earthadvantagehomes.com	earthadvantagehomes.org
earthadvantageinstitute.com	earthadvantageinstitute.org
earthadvantagelab.com	earthadvantagelab.org
earthadvantageremodel.com	earthadvantageremodel.net
earthadvantageremodeling.com	earthadvantageremodeling.net
earthadvantageresourcelab.com	earthadvantageresourcelab.org
earthadvantageservices.com	earthadvantageservices.org

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MARKETING MATERIALS

NOTE: PGE is in the process of reviewing copyright ownership and license agreements for the marketing materials. A more detailed asset list will be provided to OPUC Staff prior to the March 22 meeting.

All inventories of materials that include the Portland General Electric name will continue to be utilized until stocks are depleted and reprinted. Where appropriate, a sticker will be used to cover up the Portland General Electric name.

Advertising Materials

- Ads (e.g. electronic templates and finished art work)
- Radio scripts and recordings
- TV scripts and recordings
- Event signs, banners, tents, and associated equipment (e.g. coolers, portable tables, and chairs).
- Press Releases (both historical and templates) and associated art/photo libraries.

Portable Displays

- (1) 10 x 20 EA Residential Booth
- (6) 6' table tops
- (2) EA 4' cut-a-way homes for use as a table top display
- (2) Low E window displays, electrical plug in
- (1) EA Consulting 10 x 10 booth
- (3) EA Insulation home displays
- (1) EA Remodeling Table top, 6'
- (1) EANC Table Top, 6'
- (5) Proud Sponsors of EA 2' x 3' signs
- (8) Ask Us About Special EA Features 2' x 3' signs
- (1) EA Sponsor banner...
- (1) EA Product display in the EANC.
- (1) Triangular Forestry Stewardship Council (FSC) Panel display
- (1) EA Smoke House Display for Pressure Systems
- (57) Multiple Call out cards for variety of features
- (3) 4' x 4' EA Construction Site Signs
- (1) 3 x 2 Showcase Home Sign
- (1) EA 8' x 3' Banner
- (1) EA Sandwich Open House board
- (2) EA Tents
- (50) EA Job site Yard Signs
- (850) Static Cling EA Window Stickers

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Promotional Items

- (176) EA Hats
- (8) EA Jackets
- (27) EA Polo shirts
- (800) EA Balloons
- (43) EA Lanyards
- (9) Tape Measures
- (2) EA Watches
- (280) EA T-shirts
- (1000) Recycled Pencils
- (72) EA Fleece Vests
- (42) Dozen EA Golf Balls
- (64) 2 back business golf balls
- (97) EA Stress balls
- (1600) EA FSC Carpenter Pencils
- (7) EA Recycled Notebooks
- (100) EA Stainless Steel Mugs
- (1) Tool box with tools for events work
- (1) Clean Kit with supplies for event work

Collateral Pieces

- (8000) Manufactured Homes Brochures
- (57) EA Call Out Cards
- (4000) EA Consulting Brochures
- (3500) Collateral Preprint
- (300) Letter Head sheets
- (1000) EA Certified Sheets
- (1250) Remodeler's Brochures
- (1500) New Construction Brochures
- (350) EA Folders for builder packs
- (150) EA Associates brochures (done in house)
- (7105) EA 2004 Resource Guides
- (10500) EA Builder Newsletter Pre-Print

Miscellaneous Supplies

- (3) Ice Chests/coolers
- (6) Plastic Folding Tables
- (2) Folding Chairs
- (30) EA Brochure Stands
- (21) Feature Sheet Stands
- (3) Tupperware Storage Bins

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TRAINING/EDUCATION MATERIALS

Each of the following items is considered a training package that includes presentations materials such as PowerPoint files, speaker notes, visual aids, and hand out materials (e.g. work books, outlines, and test questions).

- Training for Builders and Subcontractors – Training Class geared specifically to help the builder and their subcontractor understand how to build homes using energy and resource-efficient building practices.
- Sales Training for Builder’s Sales Staff and Realtors - Training that teaches Earth Advantage features and how to communicate the features and benefits of a high performance home to the purchasing public.

LICENSING MATERIALS

These include the supporting templates, manuals, and sales materials related to the License Agreements.

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PERSONAL PROPERTY

QTY / Units	Description
Personal Property	
Reception / Lobby Display Area	
1	Desk, Receptionist Station, 30" x 120", Black Painted Steel Cantilever and Recycled Wood Veneer Particle Board Top
1	Table, Dark Wood, 30" Round Top
2	Chair, Custom Lounge Type, Patterned Fabric, Fully Padded, Flush Wall
1	Table, Chrome and Glass, 24" Dia x 16" Height
20	Easels, Black Anodized Aluminum, Standard
1	Display Cabinet, 3/4" Particle Board with Simulated Green Marble Veneer Coating, 48" x 72" x 34" Height, Interior Shelf
1	Lot of Glasses, Coffee Mugs, Plates, and Utensils
3	Brandrud Round Ottoman, Lime, Plum, & Plum, 30" dia
1	Table, 24" x 48", Veneer Top
2	Fire Extinguishers, 5 LB
Rhododendron Auditorium	
24	Table, 30" x 72", Black Painted Steel and Simulated Green Marble Veneer Particle Board Top
80	Chair, Conference Style, Black Painted Steel Frame and Green Pattern Fabric Seat and Back Cover
1	Credenza, 96" Wide x 30" Depth x 34" Height, Particle Board, Black Veneer Top, (4) Storage Doors
1	Audio Visual System Remote Controller, Panja Model OTE-4813, S/N 116114036
1	Audio Visual System Remote Controller, Panja Model OTE-4813, S/N 166128295
2	Hands-Free Microphone, Nadu/Encore, Model WTL-15
1	Wireless Mouse, Interlink Model VP4810, S/N 13173
1	VCR, JVC Model HR-S3900U, S/N 116J2392
1	DVD Player, Sanyo
1	Receiver, Denon
1	Amplifier, TOA
1	Microphone, MKII, Podium Mounted
1	Overhead Projector, 3M, Standard
1	Laser Pointer, Interlink Model VP4810, S/N CT050207417
1	LCD Projector, Epson, Ceiling Mounted
1	Podium, 3/4" Recycled Particle Board
1	Laptop, Compaq Model EVO J07M040.00, S/N X08-73013
1	Flipchart, Black Painted Frame, Standard
1	Whiteboard, 36" x 60", Framed

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- 1 Projection Screen, Da-Lite, (est.) 60" x 60", Ceiling Recessed Mounted, Remote Controlled
- 1 Extension Cord
- 1 Speaker, JBL

Camas Room

- 1 Table, Conference, Neutral Light, 54" x 96"
- 1 Storage Unit, 2 Door, Wood Veneer
- 1 Conference Room Wood Cabinet, 4' x 4', Dry Erase Board, Overhead Screen, and Fabric Bulletin Board

Computer / Office Support Equipment

- 8 2001 Desktop Computer, Compaq, Model EN866, 866 MHz, 128 MB RAM, Keyboard, with Hardrive
- 1 2001 Desktop Computer, Compaq, Model DeskPro, Keyboard, with Hardrive
- 1 2004 Desktop Computer, Compaq, Model EVO D530, 2.8 GHz, 512 MB RAM, CD ROM Drive, Easy Access Keyboard, with Hardrive
- 2 2004 Laptop Computer, Compaq, Model NC6000, 1.6 GHz, 512 MB RAM, Carbon Keyboard, Port Replicator, Monitor Stand, Logitech Optical Mouse, with Hardrive (PGE Asset Tags: K1422 & K1408)
- 1 2004 Pocket PC, Dell, Model PocketPC Axim
- 2 2000 Monitor, Compaq, Model V70, V75
- 8 2001 Monitor, Compaq, Model P710
- 1 2001 Monitor, Compaq, Model P1210
- 1 2001 Printer, Xerox, Model Docuprint N2125
- 1 2000 Fax, Lanier, Model 1210 MFD

Commercial Testing Equipment

- 2 Blower Doors with Manometers: Ser. # 4094 & 9600, Located In Portland and Bend, Oregon
- 2 Duct Blasters with Manometers: Ser. # 2126 & 1398, Located In Portland and Bend, Oregon
- 2 Exhaust Flow Meters: No Numbers Associated with Them, Located In Portland and Bend, Oregon
- 1 Flow Hood Exhaust and Intake: Ser. #148, Located In Portland, Oregon
- 2 Moisture Meters: Ser. # 25813 & DC 2000, Located In Portland and Bend, Oregon
- 3 Fogging Machines, Located In Portland and Bend, Oregon
- 1 Digital Thermo/Hygrometer: Ser. # 8923186, Located In Portland, Oregon
- 3 Light Sensors for Electronic Ballast Detection: No Numbers Associated with Them, Located In Portland and Bend, Oregon

Tenant Improvements

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Lab/Booths/Retail/Mock-Up/High Bay

8	Motorized Window Coverings, Window Area, est. 4' x 8' each (Rhodedendren Auditorium)
144	Sq. Ft. House Simulation Structure with solar demo panels
2,424	Sq. Ft. Display Area False Ceiling
250	L.F. Wall Addition, Standard Construction, Drywall
2,400	Sq. Ft. Floor Coverings, Recycled Composite Materials Including Carpeting, Concrete and Plastics

Electrical Control Room (Dimming Controllers)

1	Lot Electrical Dimming Controllers, Cascade Lighting
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Electrical Improvements/Lighting Fixtures

19	Kurt Versen Recessed Down Light, Part No. C7302, 120 PAR CAP FL 130V
9	Halo Portfolio Recessed Wall Wash, Part No. HA3MR/3471 CLEAR ALZAK TRIM, 50 WATT MR16
2	LV Accent Recessed, 35 RLI-SAC, Indy
1	Track, L2791, Halo
1	Track Framing Projector, L2756, Halo
1	Deco. down light, Optos 6", Zumtobel
1	4" LV down light, 4" BLK Verti groove, Regianni
1	4" down light, BLK 5" Alzak, Lightolier
2	4" LV Deco. down light, 4" Deco. Eten, Capri
2	4" LV down light, Metal Sq. 4", CSL
1	4" down light, 4" deco. Frst. gold, Capri
1	4" down light, 4" gold alzak, Contech
1	4" down light
1	5" down light, A7053, Lightolier
1	LV Accent Recessed, Halo
12	Light Projects Cable Lighting, 50 MR 16
10	Light Projects Cable Lighting, 50 MR 16
19	Iris Recessed LV Accent, Part No. GE EXN 50 WATT 12V, 50 MR 16
10	TBD Wall Sconce Samples
1	Advanced Fibor Optic Fiber Optic
1	Kurt Versen 2-Lamp Down Light Rectangle, Part No. T4216-DCT 120, 50 MR 16
1	Low voltage undercounter, RO51-85, Eurofase
19	Kurt Versen Recessed Down Light, Part No. P927-120V, O/S 42 WATT CFL 4100K
15	Lithonia Recessed 2x2 Parabolic, Part No. 2PM3NGB2U319LD 120MOT10C, Flourescent
9	Zumtobel Staff Recessed 2x2 D/I, Part No. RCF1222405PW1DIM / ECO 10, 2 40WT5TT
6	Zumtobel Staff Recessed 2x2 D/I, Part No. SC1222405CW1 DIM / ECO 10, 2 40WT5TT
12	Lithonia Recessed 2x2 Troffer, Part No. 2SP8G2U316 A12125 120MOT10C, O/S FO17/841
6	Focal Point Direct/Indirect Linear Pendant (12' Sections), Part No. FV2 29 B 1T5HO D 120 HXXX NS WH 12 Lutron FDB-T554-120-2 (120 Volt Dimming Ballast)

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4	Lithonia Recessed Wall Wash, Part No. WWG232120MOT10C IRLD, Fluorescent
7	Lithonia Recessed Wall Wash, Part No. WWG232120, FO32/841
9	Visa Wall Sconce, Part No. CB3102 SAL-2F13, CF13
2	Ledalite Direct/Indirect Linear Pendant (48" Section), Part No. ERGO, F032/835
3	Peerless Direct/indirect Linear Pendant (48" Sections), Part No. ENM4 2 54T5HO LUTRON FDB-T554-120-2 (120 v DIMMING BALLAST)(2-12' AND 2-8') 3-RUNS OF 40' + Occupancy Sensor
8	Visa Wall Sconce, Part No. OW 1222 2TF32 SAL PSS, (2) 32 WATT TT
1	Recessed wash, 1 T8, Columbia
1	Surface wash Elliptipar 3-50 watt biax fluorescent
1	Decorative round pendant/ down light, 32 watt cfl, Hubbell
1	D/I wall mount, 2-32 T8 dim ballast, Prudential
1	D/I Decorative round pendant, 6-39 watt biax, G-Lighting
1	Recessed wash light, 2-40 watt biax1 T8, Lite Control
1	Indirect wall mount, 1-39 watt biax, PAL
1	Direct recessed 2X2, 2-39 watt biax, Zumtobel
1	Direct recessed 2X2 basket, 2-39 watt biax, Zumtobel
1	2X4 para 18 cell, 2-32 watt T8, Columbia
1	2X2 para 36 cell, 3-39 watt biax, Zumtobel
1	2X2 T5 HO, Brio BR22 3 24GLS, Columbia
1	2X2 para 12 cell, 2-31 watt U, Columbia
1	2X2 para 12 cell, 2-31 watt U, Lithonia
1	2X2 para 9 cell, 2-40 watt biax, Columbia
1	1X1 para 6 cell, 2-18 watt cfl, Zumtobel
1	1X1 para 6 cell, 1-38 watt 2D, Design Plan
1	Down light, 1-32 watt cfl, Halo
1	Down Light, 1-32 watt cfl, Delray
1	Recessed wall wash, 2-32 watt cfl, Halo
1	Down light, 3-26 watt cfl, Kirlin
1	Down light, 1-42 watt cfl, Kurt Versen
1	Down light, 3-26 watt cfl, Wila
3	CFL track light, 1-42 watt cfl
1	Deco down light dimmable, 1-32 watt cfl, Prescolite
2	Down light, 1-32- watt CFL, Indy
2	Down light, 2-26 watt cfl, Lightolier
1	Down light, 2-18 watt cfl, Zumtobel
1	Cooper/Metalux Architectural Surface Mount, Part No. ARL-254T5-PL1-RPU/RD-UNV, T5HO
2	Baffel down light, 2-26 watt cfl, Kurt Versen
1	Deco down light,2-26 watt cfl, Staff
2	Down light , 2-18 watt cfl, Indy
2	Down light, 3-26 watt cfl, Kirlin
2	Recessed wall wash, 2-18 watt cfl, Staff
1	Recessed wall wash, 2-26 watt cfl, Indy
1	Wall Sconce, Artimede 2-18 watt cfl
1	Surface decorative, 3-13 cfl, Rejuvenation
1	Surface decorative, SLB 8001, Prescolite
10	Down lights, Compact dimming fluo.

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- 1 2X2 recessed round, 1-32 watt cfl, Ardee
- 2 Visa vanity fluorescent
- 1 Gammalux CFL Wall Sconce, Part No. GWS13SG, CFL13
- 1 Pendant Liquid tight, TLN 4232OC 120, Williams
- 3 Direct/indirect Linear Pendant (48" Sections), FO32/830
- 1 DAC Decoy Jelly Jar, Part No. D8010-1F32-120-CU-PS, 32 WATT CFL

- 4 Elliptipar Direct/indirect Linear Pendant (72" Sections), Part No. F146-T236-X-22-1-00-0/V6S22-48-0/V6R22-48-0
- 1 Peerless Wall Mount Shelf Unit, Part No. AI2-4-332C-F120 DIMMING BALLAST, FO32/830
- 3 Direct/Indirect linear pendant (48" sections), Prudential
- 1 Wila Down Light 10", Part No. 20200-33 / L2230KT5 / 86630L27 - SPEAKER GRILL ONLY, WITH FIXTURE
- 1 Wila Down Light 10", Part No. 20201-33 / L4030KT5 / 86631L37 - SMOKE DETECTOR, WITH FIXTURE
- 1 Kurt Versen Down Light Rectangle, Part No. T4142-120V, 42 WATT CFL

- 1 Kurt Versen Down Light Square, Part No. H7823-120V DIM, 32 WATT CFL

- 1 DAC CFL Pendant, Part No. D5171-1F32-120-MG-RD, 32 WATT CFL

- 1 DAC CFL Pendant, Part No. D5190-1F42-120, 42 WATT CFL
- 1 Wall sconce, Devon
- 3 Icon Recessed 2x4 Fluorescent, Part No. SAR46233EB277V, FO32/835

- 2 Wall sconce, CB 3102-2F13-120V MD23840-1 HOUSING SAL BACKGROUND WHT MENS, Visa
- 1 Existing 2X4 troffer, 4-lamp, Unknown Manufacturer
- 1 Retrofitted 2X4 troffer, 2-lamp, Unknown Manufacturer
- 1 Retrofitted 2X4 troffer, 2-lamp, Unknown Manufacturer
- 1 Retrofitted 2X4 troffer, 2-lamp, Unknown Manufacturer
- 1 Recessed down light/Induction, QD985301E-9951LI, Portfolio
- 1 Exterior wall mount, 221P 42W TRF 120 G4 BL NP, Gardco
- 1 Recessed 2x4 patient care, 2M 6 CF40 W EB, Daybrite, Lite Control
- 4 1x4 surface fluorescent EP2MX 232 S18 H
- 1 Direct/indirect liner pendant (96" sections), P ID 52 3 8 T8 LP ELB, Lite Control
- 1 Linear wall sconce, W AID 34 1 3 T5HO PFF LP/ELB
- 3 CFL dimming down light, 5/32T/CSF/Lutron 2-wire dimming ballast 120 V, Iris
- 2 CFL dimming down light, 5/32T/WWWCSF/Lutron 2-wire dimming ballast 120V, Iris
- 1 CFL wall sconce, Etching Series H2525, Halo
- 1 CFL wall sconce, Stratum H2585 GS, Halo
- 1 CFL wall sconce, Berkley BER13-EL, Lightway
- 1 CFL wall sconce, Palm Beach PLB117-NL, Lightway
- 2 CFL pendant, Alum SDPSFT42EB, Prescolite
- 2 CFL pendant, 476 CFL32, Shaper
- 8 Fluo. Under counter, SQ CFL32
- 4 Fluo. Under/over counter, 105-PL, Alkco
- 19 Kurt Versen Recessed Down Light, Part No. R7340-70-MH-WWW 120, 70 WATT MASTER ED 17 MEDIUM

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- 1 Cooper/Fail Safe Surface Exterior Vandal Resistant, Part No. QLUC-PP-85-120WHT, 85 WATT INDUCTION
- 1 Direct/indirect linear pendant (48" sections), O/S FP 54/841/HO, Zumtobel
- 1 Direct/indirect linear pendant (48" sections), O/S FP 28/841/HO, Selux
- 1 Parking Garage fixture, Kim
- 1 Exterior Pole Light - Selux
- 1 Exit Sign
- 1 Exit Sign
- 1 Exit Sign
- 1 Exit Sign
- 1 Exit Sign
- 1 Exit Sign
- 1 Exit Sign
- 12 Concealite Emergency Light, Part No. F5-20-90-NS-RT, 35 MR16
- 1 Even Light Emergency Light, Part No. MIRA-50CL-1.5C, 35 MR16
- 1 Sternberg Area Light (streetlight/lamp post)
- 6 Exterior fixtures on model house
- 48 Sockets & switches (lightbulb wall display)
- 3 Custom reflectors (over reception desk)
- 4 Switches go with the ceiling sensors below (on wall display)
- 4 Ceiling sensors (occupancy sensors) - on wall display
- 3 Wall mounted occupancy sensors (on wall display area)
- 2 Timers (on wall mount display area)
- 1 Pendant (library)
- 1 American Fluorescent Chandelier (purchase new - cost was \$150 at Loews)
- 1 Lobby refracting sconce
- 1 Lot Electrical Display Wiring Infrastructure
- 1 Capri Adjustable Pole, Part No. KAP6

OTHER

- 1 Tool box with tools for events work
- 1 Clean Kit with supplies for event work
- 3 Ice Chests/coolers
- 6 Plastic Folding Tables
- 1 Folding Chairs
- 30 EA Brochure Stands
- 21 Feature Sheet Stands
- 2 Tupperware Storage Bins
- 1 Tall single post coat rack
- 1 Coat rack (metal frame, on wheels)