

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UF 4239

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC	)	ORDER
COMPANY	)	
	)	
Application for authority to issue up to	)	
625,000 shares of its common stock under	)	
its 2007 Employee Stock Purchase Plan.	)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS  
AND REPORTING REQUIREMENTS**

On March 22, 2007, Portland General Electric Company (PGE or Company), filed an application with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.410, ORS 757.415, and OAR 860-027-0030 for authority to issue 625,000 shares of Common Stock under its 2007 Employee Stock Purchase Plan (Plan). The Plan is part of PGE's overall compensation program and is intended to provide incentives to attract and retain talented company employees. The basis for the current request is detailed in Staff's Report, attached as Appendix A, and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that this application satisfies applicable statutes and administrative rules. At its public meeting on April 24, 2007, the Commission adopted Staff's recommendation and approved PGE's current request with conditions and reporting requirements.

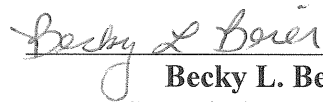
**ORDER**

IT IS ORDERED that the application of Portland General Electric Company for the authority to issue 625,000 shares of Common Stock under its 2007 Employee Stock Purchase Plan is approved, subject to the conditions and reporting requirements specified in Appendix A.

Made, entered, and effective APR 30 2007.

BY THE COMMISSION:



  
\_\_\_\_\_  
**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: April 24, 2007**

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE \_\_\_\_\_ N/A \_\_\_\_\_

DATE: April 16, 2007

TO: Public Utility Commission

FROM: Ming Peng *mp.*

THROUGH: *in* Lee Sparling, *A* Marc Hellman, and *BA* Bryan Conway

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UF 4239) Application for authority to issue 625,000 shares of Common Stock.

**STAFF RECOMMENDATION:**

I recommend that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) request to issue and sell up to 625,000 shares of Common Stock through its Employee Stock Purchase Plan (the "Plan"), subject to the following conditions and reporting requirements:

- 1) The Company shall file the usual Report of Securities Issued and Disposition of Net Proceeds statements annually, within 60 days of the end of each calendar year; and
- 2) For ratemaking purposes, the Commission will reserve judgment on the reasonableness of the Company's capitalization structure and all expenses incurred for security issuances. In its next rate proceeding, the Company will be required to show that its capitalization structure and capital costs, including imbedded expenses, are just and reasonable.

**DISCUSSION:**

On March 22, 2007, PGE filed an application pursuant to Oregon Revised Statutes (ORS) 757.410 and 757.415, and Oregon Administrative Rule (OAR) 860-027-0030 for authority to issue 625,000 shares of common stock under its 2007 Plan. PGE represents that the Plan is part of PGE's overall compensation program and is intended to provide incentives to attract and retain talented employees of the Company. If all

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April 16, 2007  
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625,000 shares are sold, gross proceeds are expected to total \$17.8 million, assuming a sales price of \$28.5 per share (based on current fair market value of \$30).

PGE represents that the Plan will be administered by or under the direction of the Compensation and Human Resources Committee of the Board of Directors. The price of the common stock purchased will be 95 percent of the closing market price quoted on the New York Stock Exchange on the last day of the offering period. The Plan will automatically terminate when all of the shares reserved for the Plan have been purchased.

PGE represents that eligible employees are able to participate in the Plan by authorizing payroll deductions of at least 1 percent and no more than 10 percent from each paycheck during an offering period. Also, an employee may not continue to participate in the Plan if, after a purchase of shares, the employee would own or be deemed to own stock possessing 5 percent or more of the total combined voting power or value of all classes of stock of PGE or any parent or subsidiary. In addition, no employee will be entitled to purchase more than 1,500 shares of common stock per year under the Plan, or to purchase more than \$25,000 worth of shares (based on the fair market value on the purchase date) per year under the Plan and all of PGE's similar plans.

**Use of Proceeds:**

PGE represents that the proceeds from the sale of the common stock to employees will be used to fund construction, extension or improvement of PGE's facilities; improvement or maintenance of our service; discharge or lawful refunding of PGE's obligations; and/or reimbursement of money actually expended for the purposes described, consistent with ORS 757.415(a) through (d).

**Expenses:**

PGE indicates that there will be no compensation to any underwriter, bank or agent for their services in connection with the issuance of the common stock proposed in this application. The only fees would be those for the Company's registrar and transfer agent and other customary fees associated with record-keeping under the Plan. PGE expects expenses will be approximately 1 percent of the gross proceeds. These expenses appear reasonable.

**PROPOSED COMMISSION MOTION:**

PGE's application for the authority to issue 625,000 shares of stock under its Employee Stock Purchase Plan be approved with Staff's conditions and reporting requirements.