

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UF 4264

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

ORDER

Application requesting authority to issue
2.5 million shares of common stock under a
dividend reinvestment and direct stock
purchase plan.

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

On July 27, 2010, Portland General Electric Company (PGE or Company) filed an application with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.410(1), ORS 757.415(1) and OAR 860-027-0030, requesting authorization to issue up to 2.5 million shares of PGE's no-par value common stock under a dividend reinvestment and direct stock purchase plan (the Plan).

PGE represents that under the Plan existing direct registered common stock shareholders may elect to reinvest all or part of their quarterly dividends in shares of PGE common stock. A description of the filing and its procedural history is contained in the Staff 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 September 7, 2010, the Commission adopted Staff's recommendation and approved PGE's current request, with the conditions and reporting requirements incorporated as Appendix A.

ORDER

IT IS ORDERED that the application of Portland General Electric Company to issue and sell up to 2.5 million shares of Portland General Electric Company's common stock under a dividend reinvestment and direct stock purchase plan is approved, subject to the conditions and reporting requirements specified in Appendix A.

Made, entered, and effective SEP 10 2010.

BY THE COMMISSION:



Becky L. Beier

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.

ITEM NO. CA4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 7, 2010**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: August 31, 2010

TO: Public Utility Commission

FROM: Jorge Ordonez *JDO*

THROUGH: *LS* Lee Sparling, *MH* Marc Hellman and *SS* Steve Storm

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UF 4264) Application for authority to issue and sell up to 2.5 million shares of common stock under a dividend reinvestment and direct stock purchase plan.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission) should approve Portland General Electric's (PGE or Company) application to issue up to 2.5 million shares of PGE common stock subject to the following conditions and reporting requirements:

- 1) The Company shall file with the Commission the final Plan Structure of the Dividend Reinvestment and Direct Stock Purchase Plan (the Plan), including the amount to be paid to the Plan administrator for establishing the Plan and the actual Plan administrator fees agreed upon by PGE prior to the issuance of any securities under the Plan;
- 2) The Company shall file with the Commission the customary Report of Securities Issued and Disposition of Net Proceeds statements on an annual basis, within 60 days of the end of each calendar year the Plan is in effect;
- 3) Any remaining financing authority granted under Order Nos. 08-441, 08-541, and 09-053 of Docket No. UF 4251 is withdrawn; and
- 4) The Commission will reserve judgment on the reasonableness for ratemaking purposes of the Company's financing activities, capital costs, capital structure, and commissions and expenses incurred for security issuances. In its next general rate case proceeding, the Company will be required to show that its financing activities, capital costs including embedded expenses, and capital structure are just and reasonable.

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purchases will be made on the 15th day of the month.³ For months in which quarterly dividends are paid, purchases will be made on the dividend payment date. Shares purchased by participants will be either (i) new shares issued by PGE, or (ii) shares acquired on the open market during the 30-day period following the monthly purchase date. The Plan administrator will determine the exact timing of open market purchases, but, in accordance with the applicable requirements, will purchase shares closely following the monthly purchase date. Individual cash purchases under the Plan will be subject to monthly minimum and maximum amounts of \$25 and \$20,000, respectively.⁴ The purchase price of shares issued by PGE will be the closing per share market price of PGE common stock as reported by the NYSE on the monthly purchase date. The purchase price of shares acquired on the open market will be the weighted average per share price paid for all shares acquired in connection with the Plan during the relevant 30-day period.

Use of Proceeds

PGE represents that the proceeds from the sales of PGE common stock under the Plan will be used for the acquisition of utility property; the construction, extension, or improvement of utility facilities; the improvement or maintenance of service; the discharge or lawful refunding of obligations which were incurred for utility purposes permitted under ORS 757.415(1)(a), (b), (c), (d), or (e); or the reimbursement of PGE treasury for funds used for the foregoing purposes (except the maintenance of service and replacements).

These purposes are consistent with statutory requirements and are permitted under ORS 757.415(1).

Expenses

PGE estimates that the initial setup of the Plan will cost approximately \$60,000 and fees for the Plan administrator are estimated at \$800 per month. The Company also represents that no underwriting commission will be paid for share issuance under the Plan. The net proceeds to PGE will depend on the purchase prices of shares issued under the Plan and the costs of establishing and administering the Plan.

This request appears reasonable.

³ The Company, in an emailed communication received by Staff August 23, 2010, represented that if the 15th day of the month is not a trading day, the purchases will be made the next business day.

⁴ Per the draft Plan Structure exhibit accompanying PGE's application and designated as Attachment O.

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DISCUSSION:

PGE filed an application on July 27, 2010, pursuant to Oregon Revised Statutes (ORS) 757.410(1) and 757.415(1) and Oregon Administrative Rule (OAR) 860-027-0030, for authority to issue up to 2.5 million shares of PGE common stock under a dividend reinvestment and direct stock purchase plan.

The Company currently has the authority to issue up to 22,500 shares of common stock remaining under Order Nos. 08-441, 08-541 and 09-053 of Docket No. UF 4251, which authorized the Company to issue 12.5 million shares of common stock.

PGE's current application is for the issuance of 2.5 million of the Company's no-par value¹ common stock under a dividend reinvestment and direct stock purchase plan. The Company represents that 75,275,512 shares of its no-par value common stock were outstanding as of March 31, 2010,² and that PGE is authorized by its Articles of Incorporation, as amended or restated, to issue up to 160 million shares of no-par value common stock.

The Company represents that, under the Plan, existing direct registered common stock shareholders may elect to reinvest all or part of their quarterly dividends in shares of PGE common stock. Any dividends reinvested by shareholders will be used to purchase either (i) new shares issued by PGE, or (ii) shares acquired on the open market during the 30-day period following the dividend payment date. The Plan administrator will determine the exact timing of open market purchases, but will, in accordance with applicable requirements, purchase shares closely following the dividend payment date. The purchase price of shares issued by PGE will be the closing per share market price of PGE common stock as reported by the New York Stock Exchange (NYSE) on the related dividend payment date. The purchase price of shares acquired in the open market will be the weighted average per share price paid for all shares acquired in connection with the relevant dividend.

PGE further represents that the Plan will permit participants to make direct monthly purchases of PGE common stock. For months in which no quarterly dividends are paid,

¹ No par value (NPV) stock is stock issued without the specification of a par value indicated in the company's articles of incorporation or on the stock certificate itself. One advantage of issuing no par value stock is to avoid creating a liability for shareholders in the unlikely event of the traded share price falling below the par value of the shares.

² Per the Company's Form 10-Q filed August 5, 2010, with the Securities and Exchange Commission, there were 75,294,987 outstanding shares of common stock as of June 30, 2010.

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PROPOSED COMMISSION MOTION:

PGE's application for the authority to issue and sell up to 2.5 million shares of PGE common stock under a dividend reinvestment and direct stock purchase plan be approved with Staff's conditions and reporting requirements.

UF 4264 common stock under DRIP and DSPP