

PORTLAND GENERAL ELECTRIC CO /OR/

Form 424B5

April 01, 2011

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-170686

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Maximum Offering Price Per Share(1)</b>	<b>Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee(2)</b>
Common Stock, no par value per share	2,500,000	\$23,425	\$58,562,500	\$6,799.11

- (1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(r) under the Securities Act. The offering price and registration fee are based on the average of the high and low prices for the Common Stock on March 29, 2011, as reported on the New York Stock Exchange.
- (2) Calculated pursuant to Rule 457(r) under the Securities Act at the statutory rate of \$116.10 per \$1,000,000 of securities registered and relating to the Registration Statement on Form S-3 ASR (No. 333-170686) filed by Portland General Electric Company on November 18, 2010.

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**PROSPECTUS SUPPLEMENT**

(To Prospectus dated November 18, 2010)

**DIVIDEND REINVESTMENT  
AND DIRECT STOCK PURCHASE PLAN**

**2,500,000 Shares of Common Stock, no Par Value**

Portland General Electric Company's Dividend Reinvestment and Direct Stock Purchase Plan (the Plan) provides a simple and convenient way to invest in shares of common stock, no par value, of Portland General Electric Company (PGE or the Company). Participation in the Plan is open to all interested investors, regardless of whether they are already shareholders of the Company.

Participants in the Plan may:

Elect to reinvest cash dividends in additional shares of our common stock;

Buy shares of our common stock conveniently;

Deposit common stock certificates with the Plan administrator for safekeeping; and

Sell shares of our common stock or transfer shares to other Plan participants.

Participation in the Plan is strictly voluntary. Shareholders who do not wish to participate in the Plan will continue to receive cash dividends when, as and if declared. Participants in the Plan may terminate their participation at any time.

Our common stock is quoted on the New York Stock Exchange under the ticker symbol POR. The last reported sale price of our common stock on March 21, 2011 was \$23.83 per share.

**Investing in our common stock involves risks. See Risk Factors on page S-3.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus supplement is April 1, 2011.

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You should rely only on the information incorporated by reference or provided in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information provided in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference or any other offering material is accurate as of any date other than the date on the front of those documents, as applicable.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. This document contains two parts. The first part is this prospectus supplement, which describes the Plan and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to the Plan. If the description of the information relevant to the Plan varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our common stock and other information you should know before investing in our common stock. Before purchasing any shares of common stock, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading *Where You Can Find More Information* and *Incorporation of Certain Documents by Reference*.

You should rely only on the information contained or incorporated by reference in this prospectus supplement. We have not authorized anyone to provide you with information different from that contained in this prospectus supplement. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information provided in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference or any other offering material is accurate as of any date other than the date on the front of those documents, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

Unless otherwise stated or the context otherwise requires, references in this prospectus supplement to *PGE*, *we*, *our* or *us* refer to Portland General Electric Company and its subsidiaries.

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**RISK FACTORS**

*In considering whether to purchase our common stock, you should carefully consider all of the information we have included or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should consider the risk factors described in our periodic reports filed with the SEC, including those set forth under the caption Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010, which are incorporated by reference in this prospectus supplement, as well as the following additional risks described below:*

**Risks associated with our common stock**

***The price of our common stock may fluctuate significantly, which could negatively affect us and holders of our common stock.***

The market price of our common stock may fluctuate significantly from time to time as a result of many factors, including:

investors' perceptions of our prospects;

investors' perceptions of the prospects of the commodities markets and more broadly, the energy markets;

differences between our actual financial and operating results and those expected by investors and analysts;

changes in analysts' recommendations or projections;

fluctuations in quarterly operating results;

announcements by us of significant acquisitions, strategic partnerships or divestitures;

changes or trends in our industry, including price volatility, trading volumes, competitive or regulatory changes or changes in the commodities markets;

changes in regulation and the ability to recover expenses and capital deployed;

adverse resolution of new or pending litigation against us;

additions or departures of key personnel;

changes in general economic conditions; and

broad market fluctuations.

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In particular, announcements of potentially adverse developments, such as proposed regulatory changes, new government investigations or the commencement or threat of litigation against us, as well as announced changes in our business plans could adversely affect the market price of our common stock, regardless of the likely outcome of those developments. Broad market and industry factors could adversely affect the market price of our common stock, regardless of our actual operating performance.

***The declaration of future dividends is at the discretion of our Board of Directors and is not guaranteed and, in some circumstances, the payment of dividends may be limited by the terms of our debt instruments.***

We have historically paid regular quarterly dividends on our common stock. However, the declaration of dividends is at the discretion of our Board of Directors and is not guaranteed. The amount of common stock dividends, if any, will depend upon our results of operations and financial condition, future capital expenditures and investments, the rights of holders of any outstanding shares of our preferred stock, and other factors that our Board of Directors considers relevant.

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In addition, the terms of our debt instruments may limit our payment of dividends. Under our Indenture of Mortgage and Deed of Trust, dated July 1, 1945, as amended and supplemented to date, between Portland General Electric Company and HSBC Bank USA, National Association (successor trustee to The Marine Midland Trust Company of New York), so long as any of our first mortgage bonds are outstanding, we may not pay or declare dividends (other than stock dividends) on common stock or purchase or retire for a consideration (other than in exchange for other shares of our capital stock or the proceeds from the sale of other shares of our capital stock) any shares of capital stock of any class, if the aggregate amount distributed or expended after December 31, 1944 would exceed the aggregate amount of our net income, as adjusted, available for dividends on our common stock accumulated after December 31, 1944. At December 31, 2010, approximately \$365 million of accumulated net income was available for payment of dividends under this provision.

***Provisions of Oregon law and our articles of incorporation and bylaws could delay or prevent a change in control of us, even if that change would be beneficial to our shareholders.***

We are incorporated under the laws of the State of Oregon. The Oregon Business Combination Act imposes some restrictions on mergers and other business combinations between us and holders of 15% or more of our outstanding common stock. In addition, we are subject to the anti-takeover provisions of the Oregon Control Share Act, which would prohibit an acquirer, under certain circumstances, from voting shares of our stock after crossing specific threshold ownership percentages, unless the acquirer obtains the approval of our shareholders. See the section entitled **Description of Common Stock Provisions with Possible Anti-Takeover Effects** beginning on page 6 of the accompanying prospectus for more information.

Statutory and regulatory factors may also limit another party's ability to acquire us and could deprive you of the opportunity to gain a takeover premium for shares of our common stock. Section 757.511 of the Oregon Revised Statutes provides that no person, directly or indirectly, may acquire power to exercise any substantial influence over the policies and actions of a public utility without the prior approval of the Public Utility Commission of Oregon, if such person is or would become an **affiliated interest** (as defined in Section 757.015 (1), (2) or (3) of the Oregon Revised Statutes), which includes a person that directly or indirectly holds five percent or more of the voting securities of a public utility. The regulatory approval process for an acquirer could be lengthy and the outcome uncertain, which may deter otherwise interested parties from proposing or attempting a business combination with us and result in a limited number of potential buyers.

In addition, our articles of incorporation and bylaws authorize us to issue, without the approval of our shareholders, one or more classes or series of preferred stock having such preferences, powers and rights, including preferences over our common stock with respect to dividends and distributions, as our Board of Directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock.

### **Risks associated with participating in the Plan**

***You will not know the price of the shares you are purchasing under the Plan at the time you authorize the investment or elect to have your dividends reinvested.***

The price of our shares may fluctuate between the time you decide to purchase shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision. If you instruct the Plan administrator to sell shares under the Plan, you will not be able to direct the time or price at which your shares are sold. The price of our shares may decline between the time you decide to sell shares and the time of actual sale.

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**INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements included in this prospectus supplement, the accompanying prospectus and the other public filings incorporated by reference herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements that relate to expectations, beliefs, plans, assumptions and objectives concerning future operations, business prospects, expected changes in future loads, the outcome of litigation and regulatory proceedings, future capital expenditures, market conditions, future events or performance and other matters. Words or phrases such as anticipates, believes, estimates, expects, intends, plans, predicts, projects, will likely result, will continue, should, or similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed. Our expectations, beliefs and projections are expressed in good faith and are believed by us to have a reasonable basis including, but not limited to, management's examination of historical operating trends and data contained in records and other data available from third parties, but there can be no assurance that our expectations, beliefs or projections will be achieved or accomplished.

In addition to any assumptions and other factors and matters discussed elsewhere in this prospectus supplement or incorporated by reference, some important factors that could cause our actual results or outcomes to differ materially from those discussed in forward-looking statements include:

governmental policies and regulatory audits, investigations, and actions, including those of the Federal Energy Regulatory Commission, or FERC, and the Public Utility Commission of Oregon with respect to allowed rates of return, financings, electricity pricing and price structures, acquisition and disposal of facilities and other assets, construction and operation of plant facilities, transmission of electricity, recovery of power costs and capital investments, and current or prospective wholesale and retail competition;

the outcome of legal and regulatory proceedings and issues including, but not limited to, those described in the reports filed by us with the SEC;

unseasonable or extreme weather and other natural phenomena, which can affect customers' demand for power and could significantly affect our ability and cost to procure adequate power and fuel supplies to serve our customers, and could increase our costs to maintain our generating facilities and transmission and distribution systems;

operational factors affecting our power generation facilities, including forced outages, hydro and wind conditions, and disruption of fuel supply, which may cause us to incur replacement power costs and repair costs;

the continuing effects of weak economies in the state of Oregon and the United States, including decreased demand for electricity, reduced revenue from sales of excess energy during periods of low wholesale market prices, impaired financial stability of vendors and service providers and elevated levels of uncollectible customer accounts;

declines in wholesale power and natural gas prices, which could require us to issue additional letters of credit or post additional cash as collateral with counterparties pursuant to existing power and natural gas purchase agreements;

capital market conditions, including access to capital, interest rate volatility, reductions in demand for investment-grade commercial paper and the availability and cost of capital, as well as changes in our credit ratings, which could have an impact on our cost of capital and our ability to access the capital markets to support requirements for working capital, construction costs, and the



repayments of maturing debt;

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future laws, regulations, and proceedings that could increase our costs or affect the operations of our thermal generating plants by imposing requirements for additional pollution control equipment or significant emissions fees or taxes, particularly with respect to coal-fired generation facilities, in order to mitigate carbon dioxide, mercury, and other gas emissions;

wholesale prices for natural gas, coal, oil, and other fuels and the impact of such prices on the availability and price of wholesale power in the western United States;

changes in residential, commercial, and industrial growth, and in demographic patterns, in our service territory;

the effectiveness of our risk management policies and procedures and the creditworthiness of customers and counterparties;

the failure to complete capital projects on schedule and within budget;

the effects of Oregon law related to utility rate treatment of income taxes, which may result in earnings volatility and affect our results of operations;

declines in the fair value of equity securities held by defined benefit pension plans and other benefit plans, which could result in increased funding requirements for such plans;

changes in, and compliance with, environmental and endangered species laws and policies;

the effects of climate change, including changes in the environment that may affect energy costs or consumption, increase our costs, or adversely affect our operations;

new federal, state, and local laws that could have adverse effects on operating results;

employee workforce factors, including aging, potential strikes, work stoppages, and transitions in senior management;

general political, economic, and financial market conditions;

natural disasters and other risks, such as earthquake, flood, drought, lightning, wind, and fire;

financial or regulatory accounting principles or policies imposed by governing bodies; and

acts of war or terrorism.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all such factors,

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nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

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**PORTLAND GENERAL ELECTRIC COMPANY**

PGE is a vertically integrated electric utility engaged in the generation, purchase, transmission, distribution, and retail sale of electricity in the state of Oregon. We operate as a cost-based, regulated electric utility. Our revenue requirements are determined based upon the forecasted cost to serve retail customers, including an opportunity to earn a reasonable rate of return. We also participate in the wholesale market by purchasing and selling electricity and natural gas to utilities and energy marketers in order to balance our supply of power to meet the needs of retail customers and manage our net variable power costs. We operate as a single segment, with revenues and costs related to our business activities maintained and analyzed on a total electric operations basis.

Our service area is located entirely within Oregon and includes 52 incorporated cities, of which Portland and Salem are the largest, within a state-approved service area allocation of approximately 4,000 square miles. We estimate that at the end of 2010 our service area population was approximately 1.7 million, comprising about 44% of the state's population. As of December 31, 2010, we served approximately 820,676 retail customer accounts.

PGE was incorporated in the state of Oregon in 1930. Our common stock is listed on the New York Stock Exchange under the ticker symbol POR.

Our principal executive offices are located at 121 SW Salmon Street, Portland, Oregon 97204. Our telephone number is (503) 464-8000. Our web site is [www.portlandgeneral.com](http://www.portlandgeneral.com). Information contained on our web site does not constitute a part of this prospectus supplement.

The foregoing information about us is only a general summary and is not intended to be comprehensive. For additional information about PGE, you should refer to the information described under the heading **Where You Can Find More Information**.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights certain information incorporated by reference or appearing elsewhere in this prospectus supplement. You should read the following summary in conjunction with the more detailed information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference.*

**ENROLLMENT.** To enroll in the Plan, you must complete and sign an enrollment form and return it to American Stock Transfer and Trust Company LLC (which we refer to in this prospectus supplement as **AST** or the **Plan Administrator** ). If you are not already a record holder of common stock, you must become one at the time of enrollment by purchasing at least \$250 of common stock through the Plan. Shareholders of record may enroll online at [www.amstock.com](http://www.amstock.com). If you are not currently a shareholder of record, you may request an enrollment form from the Plan Administrator.

**PLAN ACCOUNTS.** Shares of common stock held in the Plan (whether purchased through cash contributions, acquired through dividend reinvestment, deposited for safekeeping or otherwise) will be reflected in an account in the participant's name ( **Plan Account** ).

**DIVIDEND REINVESTMENT.** You may elect to reinvest cash dividends on all, some or none of your shares. Cash dividends paid on shares as to which you elect reinvestment will be used to purchase additional shares of common stock, which will be added to your Plan Account. Cash dividends paid on shares as to which you do not elect reinvestment will be paid to you in cash.

**SHARE PURCHASES.** You may make your initial investment in the Company through the Plan at the time of enrollment, as described under **Enrollment** above. After you have enrolled in the Plan, you may purchase additional shares of common stock through the Plan in amounts of at least \$25 per transaction. Purchases through the Plan may not exceed \$20,000 per month, including any purchases in connection with your enrollment in the Plan. Payment may be made by check or by automatic withdrawal from your bank account.

**SAFEKEEPING OF CERTIFICATES.** You may send your common stock certificates to the Plan Administrator for safekeeping. The shares represented by these certificates will be converted to book-entry shares held in your Plan Account. You may receive stock certificates for these and any other whole shares held in your Plan Account, free of charge, at any time upon request.

**SELLING SHARES.** You may direct the Plan Administrator to sell shares of common stock held in your Plan Account.

**TRANSFERRING SHARES.** You may transfer shares from your Plan Account free of charge.

**TRANSACTION FEES.** You will be charged certain fees for dividend reinvestments and optional share purchases under the Plan, sales of shares from your Plan Account, deposits of certificates for shares that were not issued in connection with the Plan, and requests for duplicate statements. All other Plan services are free to participants. However, if you invest in the Plan through automatic withdrawals from your bank, your bank may assess fees for electronic funds transfers.

**STATEMENTS OF PLAN ACCOUNT.** You will receive a quarterly account statement showing all activity in your Plan Account, as well as your share balance. In addition, you will receive a transaction advice in the form of a statement, check or certificate promptly after each purchase, sale, withdrawal or transfer of Plan shares, as applicable. Each quarterly statement will contain a tear-off form that may be used for future Plan transactions.

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**THE PLAN ADMINISTRATOR.** AST administers the Plan, purchases and holds shares under the Plan, keeps records, sends quarterly account statements to participants, and performs other duties related to the Plan. AST also serves as our transfer agent, registrar and dividend disbursing agent.

For additional information about the Plan, please contact the Plan Administrator as follows:

**By Phone:**

Participants can call AST, toll-free at (866) 621-2788. An automated voice response system is available 24 hours a day, every day of the year. Customer service representatives are available 8:00 a.m. to 7:00 p.m. Monday to Thursday and 8:00 a.m. to 5:00 p.m. Friday, Eastern time.

For shareholders outside of the United States and Canada: (718) 921-8283.

TDD: a telecommunication device for the hearing impaired is available at (718) 921-8386.

**By Email and Internet:**

Participants can email AST at [info@amstock.com](mailto:info@amstock.com) or visit their website at [www.amstock.com](http://www.amstock.com).

**In Writing:**

Participants can contact the Plan Administrator by writing to:

Portland General Electric Company

c/o American Stock Transfer and Trust Company LLC

6201 15th Avenue

Brooklyn, New York 11219

Plan participants should include their account numbers on all correspondence, together with telephone numbers where they can be reached during business hours.

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**DESCRIPTION OF THE PLAN**

*Details of the Plan are set forth below in question and answer format. Further questions and correspondence should be directed to either the Company or the Plan Administrator.*

**PURPOSE**

**1. *What is the purpose of the Plan?***

The purpose of the Plan is to provide interested new investors and holders of record of common stock with a simple and convenient method of investing in the Company, through both new cash investments in common stock and reinvestment of cash dividends in additional shares of common stock.

**ADVANTAGES**

**2. *What advantages do I have if I participate in the Plan?***

If you are not a holder of common stock, you may invest in common stock and become a Plan participant by making an initial investment through the Plan of at least \$250. Payment may be made by sending a personal check, drawn from a U.S. bank in U.S. currency payable to Portland General Electric Company or American Stock Transfer and Trust Company LLC .

You may increase your investment in the Company by automatically reinvesting the cash dividends paid on all or part of your Plan shares in additional shares of common stock.

You may receive cash dividends on all or part of the shares held in your Plan Account.

You may make additional cash payments at any time, in amounts of at least \$25, to make monthly purchases of additional shares of common stock. These payments may be made by check or by automatic withdrawal from your bank account, regardless of whether dividends are being reinvested. Your purchases through the Plan may not exceed \$20,000 per month, including any purchases in connection with your enrollment in the Plan.

Shares held in your Plan Account are held in book-entry form, allowing you to avoid the cost and risk associated with the storage, loss, theft or destruction of stock certificates. Nevertheless, you may receive stock certificates at any time, upon request, at no additional cost.

You may use the Plan's safekeeping feature to hold in book-entry form any shares of common stock you own, whether or not purchased through the Plan. The Plan Administrator will assess a deposit fee (currently \$7.50 per deposit) on any shares that you deposit in the Plan that were not purchased through the Plan.

Your recordkeeping is simplified, since you will receive a statement of your Plan Account every quarter and a transaction advice, in the form of a statement, check or certificate following each purchase, sale, transfer or withdrawal of shares, as applicable.

You may transfer shares by gift to another shareholder's Plan Account, free of charge, upon request to the Plan Administrator.

**3. *What are the disadvantages of participating in the Plan?***

No interest will be paid by us or the Plan Administrator on dividends pending reinvestment or on optional cash purchase payments held pending investments.

Participants bear the risk of loss and the benefits of gain from market price changes for all of their shares of common stock.  
NEITHER WE NOR THE PLAN ADMINISTRATOR CAN GUARANTEE

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THAT SHARES OF COMMON STOCK PURCHASED UNDER THE PLAN WILL, AT ANY PARTICULAR TIME, BE WORTH MORE OR LESS THAN THEIR PURCHASE PRICE.

The price of our shares of common stock may fluctuate between the time of your investment decision and the time of the actual purchase and may decline between the time you decide to sell and the time at which your shares of common stock are actually sold.

While we anticipate that shares of our common stock purchased under the Plan will be purchased by the Plan Administrator directly from us, we may, in our sole discretion and without prior notice to participants, determine that such shares will instead be purchased by the Plan Administrator through purchases on the open market. This determination will be made by us based upon general market conditions, the relationship between purchase price and book value per share, regulatory requirements and other factors.

### **ADMINISTRATION**

#### **4. *How is the Plan administered?***

AST will administer the Plan. The Plan Administrator will act as agent for participants, process transaction requests, keep a continuing record of the Plan Accounts, send quarterly statements of account to participants and perform other duties relating to the administration of the Plan. All open market purchases and sales of common stock in connection with the Plan will be made through a registered broker-dealer selected by the Plan Administrator. For information on how to contact the Plan Administrator see *The Plan Administrator* in the section captioned *Prospectus Supplement Summary*.

### **PARTICIPATION**

#### **5. *Who is eligible to participate in the Plan?***

Any interested investor, whether or not an existing shareholder of record of the Company, is eligible to participate in the Plan.

#### **6. *How do I enroll in the Plan?***

If you are already a record holder of common stock, you may enroll in the Plan (i) through the Internet by going to the Plan Administrator's website at [www.amstock.com](http://www.amstock.com) and following the instructions provided there, or (ii) by completing and signing an enrollment form and returning it to the Plan Administrator. Requests for such forms can be made through the Plan Administrator's website, by telephone or in writing. There is also a link to the Plan Administrator's website in the Investor Relations section of our website at [www.portlandgeneral.com](http://www.portlandgeneral.com).

If you are not currently a record holder of common stock, you must make an initial investment of at least \$250, or authorize a minimum of 10 automatic monthly withdrawals of at least \$25 each for the purchase of common stock, and return a completed enrollment form to the Plan Administrator. Requests for such forms can be made through the Plan Administrator's website, by telephone or in writing.

You may access your Plan Account via the internet by logging on to your account at the Plan Administrator's website at [www.amstock.com](http://www.amstock.com) and following the instructions provided there.

#### **7. *May I participate if my shares are held for me in the name of my bank or broker?***

If your shares are registered in the name of another person, such as your broker or a bank nominee, you must become a shareholder of record in your own name in order to participate in the Plan. You may become a

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shareholder of record either (a) by having your broker, bank or other fiduciary transfer the shares they own for your benefit into your own name or (b) by purchasing additional common stock in your own name as described above in Question 6.

### **8. What are my dividend options?**

The enrollment form offers three options regarding cash dividends paid on shares held in your Plan Account:

*Full Dividend Reinvestment* You may elect to automatically reinvest cash dividends paid on all shares held in your Plan Account in additional shares of common stock.

*Partial Dividend Reinvestment* You may elect the Partial Dividend Reinvestment option on your enrollment form by selecting any whole number of the shares registered in your name with respect to which you want cash dividends reinvested. The Plan Administrator will reinvest in additional shares of common stock all cash dividends paid on the specified number of shares and you will receive cash for the dividends on the remaining shares.

*Cash Dividends* You may elect to receive cash dividends paid on all of your shares registered in your name and held in your Plan Account.

Cash dividends will be paid by check and sent via First Class Mail to your address of record. Alternatively, you may elect to have these dividends deposited directly into your bank account via electronic funds transfer by completing a Direct Deposit of Dividends card and returning it, along with a voided check or deposit slip, to the Plan Administrator. You may change your bank account at any time by delivering a new Direct Deposit of Dividends card along with a voided check or deposit slip to the Plan Administrator. If the Plan Administrator is unable for any reason to process your direct deposit authorization, it will mail a check for the subject dividend via First Class Mail to your address of record.

### **9. When will dividend reinvestment begin?**

Reinvestment of dividends will begin on the dividend payment date following the first dividend record date after the Plan Administrator receives your properly completed enrollment form requesting dividend reinvestment. Dividend payment dates are usually on or around the 15<sup>th</sup> day of the months of January, April, July and October of each year. Dividend record dates are usually on or around the 25<sup>th</sup> day of the months of December, March, June and September.

### **10. How can I make optional cash payments?**

You may make optional cash payments to purchase additional shares of common stock under the Plan at any time by sending to the Plan Administrator an executed enrollment form, or the form provided as part of your quarterly account statement, accompanied by either your cash payment or the completed Automatic Withdrawal Authorization portion of the submitted form. You may elect to make optional cash payments at any time or from time to time, and there is no requirement to make them each month. Optional cash payments may be made by sending a personal check, drawn from a U.S. bank in U.S. currency payable to Portland General Electric Company or American Stock Transfer and Trust Company LLC in an amount of at least \$25 or, if you have authorized automatic withdrawals, through such withdrawals from your designated bank account. Your purchases through the Plan may not exceed \$20,000 per month, including any purchases made in connection with your enrollment in the Plan, but excluding any dividends reinvested.

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Optional cash payments should be mailed to:

Portland General Electric Company

c/o American Stock Transfer and Trust Company LLC

Direct Service Investment Payments

P.O. Box 922 Wall Street Station

New York, New York 10269-0560

Do not send cash, traveler's checks, money orders or third party checks.

***11. What are the sources of common stock for the Plan?***

The Company decides on the source of common stock for the Plan. If the Company elects to use original issue or treasury stock for the Plan, the Plan Administrator will purchase the common stock from the Company. If the Company elects to use open market purchases, the Plan Administrator will purchase common stock on the open market. The Company anticipates that shares of common stock purchased under the Plan will be purchased directly from the Company. However, the Company reserves the right to instead require the Plan Administrator to make such purchases on the open market. This determination will be made by the Company based upon general market conditions, the relationship between purchase price and book value per share, regulatory requirements and other factors.

Subject to certain limitations, the Plan Administrator has full discretion regarding open market purchases. This discretion includes, but is not limited to, determining:

the number of shares, if any, to be purchased on any day;

the time of day to purchase shares;

the price paid for such shares;

the markets on which such shares are purchased, including on any securities exchange, on the over-the-counter market or in negotiated transactions; and

the broker-dealers from or through whom such purchases are made.

No interest will be paid on optional cash payments or cash dividends held by the Plan Administrator or its broker-dealer pending investment.

***12. How is my purchase price determined?***

The price of common stock purchased through the Plan will depend on whether the shares are acquired in the open market or directly from the Company. The price of shares acquired directly from the Company (whether original issue or treasury shares) with optional cash payments will be the closing price of the common stock on the New York Stock Exchange on the purchase date. The price of shares acquired directly from the Company with reinvested dividends will be the closing price of the common stock on the New York Stock Exchange on the dividend payment date. The price per share of shares purchased in the open market (whether for optional cash purchases or dividend reinvestment) will be the

weighted average price paid for all shares acquired by the Plan during the applicable investment period (as described in Question 14), including any related brokerage fees, commissions or other service charges.

**13. *How many shares will be purchased for me?***

The number of shares of common stock to be purchased for you will depend on the amount of cash dividends being reinvested, the amount of your optional cash payments and the purchase price per share for the applicable purchase date. Your account will be credited with that number of whole shares and fractional interests (computed to the third decimal place) equal to the total amount to be invested divided by the purchase price, as determined in the manner set forth in Question 12.

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**14. When will funds be invested under the Plan?**

The Plan Administrator will invest funds monthly under the Plan as follows:

*Reinvested Dividends*

<b>Type of Purchase</b>	<b>Investment Period</b>
Original issue stock	Shares will be purchased on the dividend payment date for the common stock.
Open market purchases	Shares will be purchased within 30 days after the dividend payment date. The Plan Administrator will determine the exact time of open market purchases.

*Initial Investments and Optional Cash Payments*

<b>Type of Purchase</b>	<b>Investment Period</b>
Original issue stock	For months in which the Company pays dividends, shares will be purchased on the dividend payment date (generally on or around the 15 <sup>th</sup> day of January, April, July and October). For months in which we do not pay dividends, shares will be purchased on the 15th day of the month or, if the 15th day of the month is not a trading day, on the following trading day.
Open market purchases	For months in which we pay dividends, shares will be purchased during the 30-day period commencing on the dividend payment date. For months in which we do not pay dividends, shares will be purchased during the 30-day period commencing on the 15th day of the month or, if the 15th day of the month is not a trading day, on the following trading day.

The Plan Administrator will determine the exact time of open market purchases. If for any reason purchases are not made within the 30-day periods specified above (each an Investment Period), the Plan Administrator will return your uninvested funds to you. You will not earn any interest on funds held for investment by the Plan Administrator.

Optional cash payments received by the Plan Administrator at least three business days before the purchase date or the commencement of a monthly Investment Period will be invested on such purchase date or during such Investment Period. Optional cash payments received by the Plan Administrator less than three business days before the purchase date or the commencement of a monthly Investment Period will be invested on the subsequent purchase date or during the subsequent Investment Period. If you have authorized automatic withdrawals under the Plan, the Plan Administrator will withdraw the funds pursuant to your authorization on the tenth day of the month or, if such day is not a business day, on the next business day. A request to return any cash payment will be honored if the request is received by the Plan Administrator at least 48 hours prior to investment. Interest will not be paid on optional cash payments prior to investment by the Plan Administrator.

**15. How are payments with insufficient funds handled?**

If an optional cash payment is made by a check or automatic withdrawal drawn on an account with insufficient funds or incorrect draft information, or the Plan Administrator otherwise does not receive the money, the requested purchase will be deemed void, the Plan Administrator will immediately remove from your account any shares already purchased upon the prior credit of such funds, and the Plan Administrator will charge you an insufficient funds fee. The Plan Administrator may, at its discretion, sell such shares to satisfy any uncollected amounts, including the insufficient funds fee, or return such shares to the Company. If the net proceeds from any

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sale of such shares are insufficient to satisfy the balance due, including the insufficient funds fee, the Plan Administrator may sell additional shares from your Plan Account as necessary to satisfy the uncollected balance.

**SALES AND SALES PRICE**

***16. How may I sell shares held in my Plan Account?***

You may request at any time that the Plan Administrator sell all or a specified number of the shares held in your Plan Account. To sell shares, you may (a) complete and return to the Plan Administrator the form included as part of your quarterly account statement, (b) send the Plan Administrator a letter of instruction, (c) complete the transaction via the Interactive Voice Response System ( IVR ) or (d) complete the transaction via the internet by logging on to your account at the Plan Administrator's website at [www.amstock.com](http://www.amstock.com). If you previously have not established an online account with the Plan Administrator, you may do so by following the instructions for online access at [www.amstock.com](http://www.amstock.com). If you use the form included as part of your quarterly account statement or send