

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **May 11, 2006**

PORTLAND GENERAL ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

Oregon	Commission File Number	93-0256820
(State or other jurisdiction of incorporation or organization)	1-5532-99	(I.R.S. Employer Identification No.)

121 SW Salmon Street, Portland, Oregon 97204

(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: **(503) 464-8000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 - Company's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Executive Officer Base Compensation

On May 11, 2006, the Compensation and Human Resources Committee of the Board of Directors of Portland General Electric Company approved the following annual base compensation, effective retroactively to May 1, 2006, for the Company's "named executive officers" (as defined in Item 402(a)(3) of Regulation S-K).

<u>Name</u>	<u>Title</u>	<u>New Annual Base Compensation</u>
Peggy Y. Fowler	Chief Executive Officer and President	\$ 610,000
James J. Piro	Executive Vice President, Finance Chief Financial Officer and Treasurer	\$ 320,000
Douglas R. Nichols	Vice President, General Counsel and Secretary	\$ 275,000
Stephen M. Quennoz	Vice President, Nuclear and Power Supply/ Generation	\$ 212,800
Stephen R. Hawke	Vice President, Customer Service and Delivery	\$ 212,800

Portland General Electric Company 2006 Outside Directors' Deferred Compensation Plan

On May 12, 2006, the Board of Directors of Portland General Electric Company adopted the Portland General Electric Company 2006 Outside Directors' Deferred Compensation Plan (Plan) effective as of June 1, 2006. A copy of the Plan is attached hereto as Exhibit 10.1 and is summarized below.

Purpose

The purpose of the Plan is to provide outside directors with the opportunity to defer receipt of all or a portion of their annual cash compensation as an aid in attracting and retaining individuals of exceptional quality for the Board of Directors. The Plan is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Code).

Administration

The Plan is administered by the Compensation and Human Resources Committee of the Board of Directors (Committee), which has the authority to make, amend, interpret and enforce all appropriate rules and regulations for the Plan.

Eligibility

Directors who are not employees of the Company or any of its subsidiaries are eligible to participate in the Plan.

Deferral Elections

An eligible Director may elect to irrevocably defer the annual retainers, fees for attendance at Board and various committee meetings and other cash compensation (Compensation) paid to the Director during the calendar year with respect to duties

performed as a member of the Board. Up to one hundred percent (100%) of Compensation may be deferred in 1% increments.

Election to Defer

Each year eligible Directors may elect to participate in the Plan with respect to any Compensation to be paid in the following year by submitting a deferral election to the Committee no later than December 15 of the taxable year preceding the taxable year in which the Compensation will be earned.

Mid-Year Eligibility

If a Director first becomes eligible to participate in the Plan during a calendar year and wishes to defer Compensation earned during the remainder of the year, a deferral election must be submitted to the Committee no later than thirty (30) days following the date the Director became eligible to participate, to the extent permitted under Section 409A of the Code. The deferral election will be effective only with regard to Compensation earned after the election is submitted to the Committee.

Crediting to Account

The amount of Compensation a Director elects to defer under the Plan will be credited on the books of the Company in an account for the Director (Account) at the time the Compensation would have been paid absent deferral.

Vesting of Accounts

Account balances are fully vested at all times. The Company has sole liability for the payment of benefits to participants, who have no secured rights to such benefits.

Interest

Interest will be paid on the amount deferred at a rate equal to the interest yield computed at the monthly equivalent of an annual yield that is one-half (0.5) percentage point higher than the annual yield on Moody's Average Corporate Bond Yield Index for the three (3) calendar months preceding the immediately prior month as published by Moody's Investors Service, Inc. (or any successor thereto), or, if such index is no longer published, a substantially similar index selected by the Board.

Benefits

Benefits under the Plan will be payable to the participating Director or, in the event of death, his or her beneficiary, commencing sixty-five days after the end of the month in which the Director ceases to be a member of the Board or otherwise "separates from service" within the meaning of Section 409A of the Code.

Amendment

The Committee may amend the Plan at any time, provided the amendment shall not reduce the amount accrued in any Account to the date of such amendment.

Termination

The Board may at any time, in its sole discretion, terminate or suspend the Plan in whole or in part. If the plan is terminated, payment of each Account to a participating Director or his or her beneficiary will commence within 65 days.

Section 5 - Corporate Governance and Management

Item 5.03 Amendments to Articles of Incorporation or Bylaws;

Change in Fiscal Year.

On May 12, 2006, the Board of Directors adopted two amendments to the Third Amended and Restated Bylaws (the Bylaws) of Portland General Electric Company, effective on such date. The Bylaws were amended to change the address of the Company's registered office and to permit the Board of Directors to determine from time to time the appropriate cash and non-cash components of director compensation. A copy of the Third Amended and Restated Bylaws, as amended on May 12, 2006, is attached hereto as Exhibit 3.1.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Description

(3) Articles of Incorporation and Bylaws

3.1 Portland General Electric Company Third Amended and Restated Bylaws, as amended on May 12, 2006

(10) Material Contracts

10.1 Portland General Electric Company 2006 Outside Directors' Deferred
Compensation Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PORTLAND GENERAL ELECTRIC COMPANY

(Registrant)

May 17, 2006	By:	/s/ James J. Piro
		James J. Piro Executive Vice President, Finance Chief Financial Officer and Treasurer

May 17, 2006	By:	/s/ Kirk M. Stevens
		Kirk M. Stevens Controller and Assistant Treasurer

EXHIBIT 3.1

THIRD AMENDED AND RESTATED BYLAWS
OF
PORTLAND GENERAL ELECTRIC COMPANY

An Oregon Corporation

Date of Adoption

March 14, 2006

Amended

May 12, 2006

THIRD AMENDED AND RESTATED BYLAWS
OF
PORTLAND GENERAL ELECTRIC COMPANY
(An Oregon corporation)

ARTICLE I OFFICES

1.1 Registered Office. The registered office of the corporation required by the Oregon Business Corporation Act (the "Act") to be maintained in the State of Oregon shall be the office of the General Counsel, Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204, or such other office as may be designated from time to time by the Board of Directors in the manner provided by law.

1.2 Other Offices. The corporation may also have offices at such other places both within and without the State of Oregon as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II SHAREHOLDERS

2.1 Annual Meeting. The annual meeting of the shareholders shall be held on the date and at the time as fixed by the Board of Directors and stated in the notice of the meeting.

2.2 Special Meetings. Special meetings of the shareholders may be called by the Chairman of the Board, the Chief Executive Officer, the President or by the Board of Directors, and shall be called by the President (or in the event of absence, incapacity or refusal of the President, by the Secretary or any other officer) at the request of the holders of not less than 10 percent (unless the Articles of Incorporation provide otherwise) of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting. The requesting shareholders shall sign, date and deliver to the Secretary a written demand describing the purpose or purposes for holding the special meeting.

2.3 Place of Meetings. Meetings of the shareholders shall be held at the principal business office of the corporation or at such other places within or without the State of Oregon as may be determined by the Board of Directors.

2.4 Notice of Meetings. Written notices stating the date, time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed to each shareholder entitled to vote at the meeting at the shareholder's address shown in the corporation's current record of shareholders, with postage thereon pre-paid, not less than 10 nor more than 60 days before the date of the meeting and to nonvoting shareholders as required by law. Any previously scheduled meeting of the shareholders called by or at the direction of Board of Directors may be postponed, and (unless the Articles of Incorporation or applicable law otherwise provide) any such meeting of the shareholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of shareholders.

2.5 Waiver of Notice. A shareholder may at any time waive any notice required by law, the Articles of Incorporation or these Bylaws. The waiver must be in writing, be signed by the shareholder entitled to the notice and be delivered to the corporation for inclusion in the minutes for filing with the corporate records. A shareholder's attendance at a meeting waives objection to lack of

notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. The shareholder's attendance also waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

2.6 Record Date.

(a) For the purpose of determining shareholders entitled to notice of a shareholders' meeting, to demand a special meeting or to vote or to take any other action, the Board of Directors of the corporation may fix a future date as the record date for any such determination of shareholders, such date in any case to be not more than 70 days nor less than ten days before the meeting or action requiring a determination of shareholders. The record date shall be the same for all voting groups.

(b) A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

(c) If a court orders a meeting adjourned to a date more than 120 days after the date fixed for the original meeting, it may provide that the original record date continue in effect or it may fix a new record date.

2.7 Shareholders' List for Meeting. After a record date for a meeting is fixed, the corporation shall prepare an alphabetical list of the names of all its shareholders entitled to notice of a shareholders' meeting. The list must be arranged by voting group and within each voting group by class or series of shares and show the address of and number of shares held by each shareholder. The shareholders' list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. The corporation shall make the shareholders' list available at the meeting, and any shareholder or the shareholder's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment. Refusal or failure to prepare or make available the shareholders' list does not affect the validity of action taken at the meeting.

2.8 Quorum: Adjournment. Shares entitled to vote may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. A majority of the votes entitled to be cast on the matter constitutes a quorum for action on that matter. If, however, such quorum is not present or represented at any meeting of the shareholders, then either: (i) the Chairman of the meeting, or (ii) the shareholders by the vote of the holders of a majority of votes present in person or represented by proxy at the meeting, shall have power to adjourn the meeting to a different time and place without further notice to any shareholder of any adjournment except that notice is required if a new record date is or must be set for the new meeting. At such adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting originally held. Once a share is represented for any purpose at a meeting, it shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is set for the adjourned meeting.

2.9 Voting Requirements. If a quorum exists, action on a matter, other than the election of directors, is approved if the votes cast by the shares entitled to vote favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by law or the Articles of Incorporation. Directors are elected by a plurality of votes cast by the shares entitled to vote in an election at a meeting at which a quorum is present. Except as provided in the Act, or unless the Articles of Incorporation provide otherwise, each outstanding share is entitled to one vote on each matter voted on at a shareholders' meeting. Unless otherwise provided in the Articles of Incorporation, cumulative voting for the election of directors shall be prohibited.

2.10 Proxies.

(a) A shareholder may vote shares in person or by proxy by signing an appointment, either personally or by the shareholder's designated officer, director, employee, agent, or attorney-in-fact. An appointment of a proxy shall be effective when received by the Secretary or other officer of the corporation authorized to tabulate votes. An appointment is valid for 11 months unless a longer period is expressly provided for in the appointment form. An appointment is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest that has not been extinguished.

(b) The death or incapacity of the shareholder appointing a proxy shall not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or other officer authorized to tabulate votes before the proxy exercises the proxy's authority under the appointment.

2.11 Organization. Meetings of shareholders shall be presided over by the Chairman of the Board of Directors, if any, or in his or her absence by the Vice Chairman of the Board of Directors, if any, or in his or her absence by Chief Executive Officer, or in his or her absence by the President. The Secretary, or in his or her absence, an Assistant Secretary, or, in the absence of the Secretary and all Assistant Secretaries, a person whom the chairman of the meeting shall appoint shall act as secretary of the meeting and keep a record of the proceedings thereof.

The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of shareholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining

order at the meeting and the safety of those present, limitations on participation in such meeting to shareholders of record of the corporation and their duly authorized and constituted proxies, and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants, and regulation of the opening and closing of the polls for balloting and matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with rules of parliamentary procedure.

2.12 Inspectors of Election. Before any meeting of shareholders, the Board of Directors shall appoint one or more inspectors of election to act at the meeting or its adjournment. If any person appointed as inspector fails to appear or fails or refuses to act, then the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

Such inspectors shall:

- (a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity and validity of proxies and ballots;
- (b) receive votes, ballots or consents;
- (c) hear and determine all challenges and questions in any way arising in connection with the right to vote;
- (d) count and tabulate all votes or consents;
- (e) determine the result; and
- (f) do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

The inspector(s) of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there is more than one (1) inspector of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

2.13 Action Without a Meeting. Except as otherwise provided under the Articles of Incorporation and applicable law, and subject to restrictions on the taking of shareholder action without a meeting under applicable law or the rules of a national securities association or exchange, action required or permitted by law to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all shareholders entitled to vote on the action. The action will be evidenced by one or more written consents describing the action taken, signed by all the shareholders entitled to vote on the action and delivered to the corporation for inclusion in the minutes or filing with the corporate records. Action taken under this Section 2.13 is effective when the last shareholder signs the consent or consents, unless the consent or consents specify an earlier or later effective date. If not otherwise determined by law, the record date for determining shareholders entitled to take action without a meeting under this Section 2.13 is the date the first shareholder signs the consent. A consent signed under this Section 2.13 has the effect of a meeting vote and may be described as such in any document.

ARTICLE III

BOARD OF DIRECTORS

3.1 Duties of Board of Directors. All corporate powers shall be exercised by or under the authority of and the business and affairs of the corporation shall be managed by its Board of Directors. In addition to the powers and authorities these Bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not required by the Act, the Articles of Incorporation, or these Bylaws to be exercised or done by the shareholders.

3.2 Number, Election and Qualification. The number of directors of the corporation shall be determined from time to time by the Board of Directors. The Board of Directors may periodically change the number of directors by resolution, provided that no decrease shall have the effect of shortening the term of any incumbent director. The directors shall hold office until the next annual meeting of shareholders, and until their successors shall have been elected and qualified, until earlier death, resignation or removal or until there is a decrease in the number of directors. Directors need not be residents of the State of Oregon or shareholders of the corporation.

3.3 Regular Meetings, Election of Chairman. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Oregon, for the holding of additional regular meetings without other notice than the resolution. At this regular meeting held after the annual meeting of shareholders, or at any other time, the Board of Directors may appoint one of its members as Chairman of the Board. The Chairman of the Board shall not be an officer of the corporation unless so designated by the Board of Directors. The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed from time to time by the Board of Directors. In the absence of a Chairman of the Board of Directors, the directors then present shall select one member to act as Chairman of each meeting.

3.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, by a majority of the directors or, if the Chief Executive Officer is a director, by the Chief Executive Officer or, if the President is a director, by the President. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Oregon, as the place for holding any special meeting of the Board of Directors called by them.

3.5 Notice. Notice of the date, time and place of any special meetings of the Board of Directors shall be given in any manner reasonably likely to be received at least 24 hours prior to the meeting orally or in writing by mail, telephone, voice mail or any other means provided by law. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.6 Waiver of Notice. A director may at any time waive any notice required by law, the Articles of Incorporation or these Bylaws. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.7 Quorum. Majority Vote. Unless otherwise set forth in these Bylaws or the Articles of Incorporation, a majority of the number of directors established by the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.8 Meeting by Telephone Conference: Action Without Meeting.

(a) Members of the Board of Directors may hold a board meeting by conference telephone or other communications equipment by means of which all persons participating in the meeting can simultaneously hear each other. Participation in such a meeting shall constitute presence in person at the meeting.

(b) Any action that is required or permitted to be taken by the directors at a meeting may be taken without a meeting if one or more written consents setting forth the action so taken shall be signed by each director entitled to vote on the matter. The action shall be effective on the date when the last director signs the consent, unless the consent specifies an earlier or later time. Such consent, which shall have the same effect as a unanimous vote of the directors, shall be filed with the minutes of the corporation.

3.9 Vacancies. Any vacancy, including a vacancy resulting from an increase in a number of directors, occurring on the Board of Directors may be filled by the shareholders, the Board of Directors or the affirmative vote of a majority of the remaining directors if less than a quorum of the Board of Directors or by a sole remaining director. If the vacant office is filled by the shareholders and was held by a director elected by a voting group of shareholders, then only the holders of shares of that voting group are entitled to vote to fill the vacancy. Any directorship not so filled by the directors may be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of shareholders and until a successor shall be elected and qualified. A vacancy that will occur at a specific later date, by reason of a resignation or otherwise, may be filled before the vacancy occurs, and the new director shall take office when the vacancy occurs.

3.10 Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a such compensation as the Board of Directors from time to time shall determine to be appropriate.

3.11 Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors shall be deemed to have assented to the action taken unless: (a) the director's dissent to, or abstention from, the action is entered in the minutes of the meeting, (b) a written dissent or abstention to the action is filed with the presiding officer of the meeting before the adjournment thereof or forwarded by certified or registered mail to the Secretary of the corporation immediately after the adjournment of the meeting, or (c) the director objects at the beginning of the meeting, or promptly upon arrival, to the holding of the meeting or transacting business at the meeting. The right to dissent or abstention shall not apply to a director who voted in favor of the action.

3.12 Director Conflict of Interest.

(a) A transaction in which a director of the corporation has a direct or indirect interest shall be valid notwithstanding the director's interest in the transaction if: (1) the material facts of the transaction and the director's interest are disclosed or known to the Board of Directors or a committee thereof and it authorizes, approves or ratifies the transaction, (2) the material facts of the transaction and the director's interest are disclosed or known to shareholders entitled to vote and they authorize, approve or ratify the transaction, or (3) the transaction is fair to the corporation.

(b) For purposes of Section 3.12(a)(1) above, a conflict of interest transaction may be authorized, approved or ratified if it receives the affirmative vote of a majority of directors or committee members thereof, who have no direct or indirect interest in the transaction. If such a majority of such members vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action.

(c) For purposes of Section 3.12(a)(2) above, a conflict of interest transaction may be authorized, approved or ratified by a majority vote of shareholders entitled to vote thereon. Shares owned by or voted under the control of a director, or an entity controlled by a director, who has a direct or indirect interest in the transaction may be counted in a vote of shareholders to determine whether to authorize, approve or ratify a conflict of interest transaction.

(d) A director has an indirect interest in a transaction if another entity in which the director has a material financial interest or in which the director is a general partner is a party to the transaction or another entity of which the director is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the Board of Directors of the corporation.

3.13 Removal. The shareholders may remove one or more directors with or without cause at a meeting called expressly for that purpose, unless the Articles of Incorporation provide for removal for cause only. A director may be removed only if the number of votes cast to remove a director exceeds the number cast not to remove the director. If a director is elected by a voting group of shareholders, only those shareholders may participate in the vote to remove the director.

3.14 Resignation. Any director may resign by delivering written notice to the Board of Directors, its chairperson or the corporation. Such resignation shall be effective: (a) on receipt, (b) five days after its deposit in the United States mails, if mailed postpaid and correctly addressed, or (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by addressee, unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors.

ARTICLE IV

COMMITTEES OF THE BOARD

4.1 Appointment. Unless the Articles of Incorporation provide otherwise, the Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee shall have one or more members who serve at the pleasure of the Board of Directors. A majority of all directors in office must approve the creation of a committee and the appointment of its members. The Board of Directors shall have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof and to change the functions or terminate the existence thereof.

4.2 Limitation on Powers of a Committee. A committee shall not have or exercise any power or authority of the Board of Directors prohibited by the Act.

4.3 Conduct of Meetings. Each committee shall conduct its meetings in accordance with the applicable provisions of these Bylaws relating to meetings and action without meetings of the Board of Directors. Each committee shall adopt any further rules regarding its conduct, keep minutes and other records and appoint subcommittees and assistants as it deems appropriate and in accordance with the Act.

4.4 Compensation. By resolution of the Board of Directors, committee members may be paid reasonable compensation for services on committees and their expenses of attending committee meetings.

ARTICLE V OFFICERS

5.1 Number. The Board of Directors shall appoint a President and a Secretary and other officers and assistant officers as may be deemed necessary or desirable, with such powers and duties as set forth in these Bylaws and as prescribed by the Board of Directors or the officer authorized by the Board of Directors to prescribe the duties of other officers. A duly appointed officer may appoint one or more officers or assistant officers and may prescribe the powers and duties of officers or assistant officers if such appointment and authority is authorized by the Board of Directors. Any two or more offices may be held by the same person.

5.2 Appointment and Term of Office. The officers of the corporation shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the shareholders and at such other times as determined by the Board of Directors. If the appointment of officers shall not be held at such meeting, they shall be held as soon thereafter as is convenient. Each officer shall hold office until a successor shall have been duly appointed and shall have qualified or until the officer's death, resignation or removal in the manner hereinafter provided.

5.3 Qualification. No officer need be a director, shareholder or Oregon resident.

5.4 Resignation and Removal. An officer may resign at any time by delivering notice to the corporation. A resignation is effective on receipt unless the notice specifies a later effective date. If the corporation accepts a specified later effective date, the Board of Directors may fill the pending vacancy before the effective date but the successor may not take office until the effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors. Any officer appointed by the Board of Directors may be removed from the officer position at any time with or without cause. Appointment of an officer shall not of itself create contract rights. Removal or resignation of an officer shall not affect the contract rights, if any, of the corporation or the officer.

5.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

5.6 Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

5.7 President. Unless otherwise determined by the Board of Directors, the President shall be the Chief Executive Officer of the corporation and shall be in general charge of its business and affairs, subject to the control of the Board of Directors. The President shall from time to time report to the Board of Directors all matters within the President's knowledge affecting the corporation that should be brought to the attention of the Board of Directors. The President shall have authority to vote all shares of stock in other corporations owned by the corporation and to execute proxies, waivers of notice, consents and other instruments in the name of the corporation with respect to such stock and has authority to delegate this authority to any other officer. The President shall perform such other duties as may be prescribed by the Board of Directors. The President has authority to sign stock certificates representing the shares of the corporation.

5.8 Secretary. The Secretary shall keep the minutes of all meetings of the directors and shareholders and shall have custody of the minute books and other records pertaining to the corporate business. The Secretary shall countersign all stock certificates and other instruments requiring the seal of the corporation and shall perform such other duties assigned by the Board of Directors.

5.9 Vice President. Each Vice President shall perform the duties and responsibilities prescribed by the Board of Directors or the President. The Board of Directors or the President, as Chief Executive Officer, may confer a special title upon a Vice President.

5.10 Treasurer. The Treasurer shall keep correct and complete records of accounts showing the financial condition of the corporation. The Treasurer shall be legal custodian of all moneys, notes, securities and other valuables that may come into the possession of the corporation. The Treasurer shall deposit all funds of the corporation that come into the Treasurer's hands in depositories that the Board of Directors may designate. The Treasurer shall pay the funds out only on the check of the corporation signed in the manner authorized by the Board of Directors. The Treasurer shall perform such other duties as assigned by the Board of Directors.

ARTICLE VI INDEMNIFICATION

6.1 Directors and Officers. The corporation shall indemnify to the fullest extent not prohibited by applicable law each current or former officer or director who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise (including an action, suit or proceeding by or in the right of the corporation) by reason of the fact that the person is or was acting as a director, officer or agent of the corporation or as a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation, or serves or served at the request of the corporation as a director or officer, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise. The indemnification specifically provided hereby shall not be deemed exclusive of any other rights to which such person may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the official capacity of the person indemnified and as to action in another capacity while holding such office.

6.2 Employees and Other Agents. The corporation shall have power to indemnify its employees and other agents as set forth in the Act.

6.3 No Presumption of Bad Faith. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, that the person had reasonable cause to believe that the conduct was unlawful.

6.4 Advances of Expenses. The expenses incurred by a director or officer in any proceeding shall be paid by the corporation in advance at the written request of the director or officer, if the director or officer:

(a) furnishes the corporation a written affirmation of such person's good faith belief that such person has met the standard of conduct required by the Act and is entitled to be indemnified by the corporation; and

(b) furnishes the corporation a written undertaking to repay such advance to the extent that it is ultimately determined by a court that such person is not entitled to be indemnified by the corporation. Such advances shall be made without regard to the person's ability to repay such expenses, and without regard to the person's ultimate entitlement to indemnification under this Article VI or otherwise.

6.5 Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Article VI shall be deemed to be contractual rights and to be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Article VI and relevant provisions of the Act and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Article VI to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if: (a) the claim for indemnification or advances is denied, in whole or in part, or (b) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting a claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any proceeding in advance of its final disposition when the required affirmation and undertaking have been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Act for the corporation to indemnify the claimant for the amount claimed, but the burden of proving

such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its shareholders) to have made a determination prior to a commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the Act, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

6.6 Non-Exclusivity of Rights. The right conferred on any person by this Article VI shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, bylaws, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent permitted by applicable law.

6.7 Survival of Rights. The right conferred on any person by this Article VI shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

6.8 Insurance. To the fullest extent permitted by the Act, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Article VI.

6.9 Amendments. Any repeal of or modification or amendment to this Article VI shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article VI in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

6.10 Savings Clause. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, the corporation shall indemnify each director and officer to the fullest extent permitted by any applicable portion of this Article VI that shall not have been invalidated, or by any other applicable law.

6.11 Certain Definitions. For the purposes of this Article VI, the following definitions shall apply:

(a) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement and appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative;

(b) The term "expenses" shall be broadly construed and shall include, without limitation, expense of investigations, judicial or administrative proceedings or appeals, attorneys' fees and disbursements and any expenses of establishing a right to indemnification under Section 6.5 of this Article VI, but shall not include amounts paid in settlement by the indemnified party or the amount of judgments or fines against the indemnified party;

(c) The term "corporation" shall include, in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as the person would have with respect to such constituent corporation if its separate existence had continued;

(d) References to a "director," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise; and

(e) References to "other enterprises" shall include employee benefit plans; references to "fines" in the Act shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involved services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VI.

ARTICLE VII ISSUANCE OF SHARES

7.1 Certificate for Shares.

(a) Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed, either manually or in facsimile, by two officers of the corporation, at least one of whom shall be the Chief Executive Officer, President or a Vice President and by the Secretary or an Assistant Secretary and may be sealed with the seal of the corporation or a facsimile thereof. All certificates or shares shall be consecutively numbered or otherwise identified.

(b) Every certificate for shares of stock that are subject to any restriction on transfer pursuant to the Articles of Incorporation, the Bylaws, applicable securities laws, agreements among or between shareholders or any agreement to which the corporation is a

party shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction and that the corporation retains a copy of the restriction. Every certificate issued when the corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text of the designations, relative rights, preferences and limitations of the shares of each class and series authorized to be issued and the authority of the Board of Directors to determine variations for future series or a statement of the existence of such designations, relative rights, preferences and limitations and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

(c) The name and mailing address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. Each shareholder shall have the duty to notify the corporation of his or her mailing address. All certificates surrendered to the corporation for transfer shall be canceled, and no new certificates shall be issued until a former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors prescribes.

7.2 Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by the holder's legal representative, who shall furnish proper evidence of authority to transfer, or by the holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

7.3 Transfer Agent and Registrar. The Board of Directors may from time to time appoint one or more Transfer Agents and one or more Registrars for the shares of the corporation, with such powers and duties as the Board of Directors determines by resolution. The signature of officers upon a certificate may be facsimiles if the certificate is manually signed on behalf of a Transfer Agent or by a Registrar other than the corporation itself or an employee of the corporation.

7.4 Officer Ceasing to Act. If the person who signed a share certificate, either manually or in facsimile, no longer holds office when the certificate is issued, the certificate is nevertheless valid.

7.5 Fractional Shares. The corporation shall not issue certificates for fractional shares.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND OTHER INSTRUMENTS

8.1 Contracts. The Board of Directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

8.2 Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

8.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money and notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers and agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Seal. The seal of the corporation, if any, shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal."

9.2 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

ARTICLE X AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws may be adopted by the Board of Directors or the shareholders of the corporation.

**PORTLAND GENERAL ELECTRIC COMPANY
2006 OUTSIDE DIRECTORS' DEFERRED COMPENSATION PLAN**

Effective as of June 1, 2006

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PORTLAND GENERAL ELECTRIC COMPANY

2006 OUTSIDE DIRECTORS' DEFERRED COMPENSATION PLAN

ARTICLE I

PURPOSE

The purpose of this 2006 Outside Directors' Deferred Compensation Plan (the "Plan") is to provide elective deferred compensation to Outside Directors. It is intended that the Plan will aid in attracting and retaining Outside Directors of exceptional ability. The Plan is effective June 1, 2006.

The Plan is intended to comply with section 409A of the Internal Revenue Code of 1986, as amended and official guidance issued thereunder. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered in a manner consistent with these intentions.

ARTICLE II

DEFINITIONS

2.1 Account

"Account" means the account maintained by the Company in accordance with ARTICLE IV with respect to any deferral of Compensation pursuant to this Plan.

2.2 Beneficiary

"Beneficiary" means the person, persons or entity entitled under ARTICLE VI to receive any Plan benefits payable after Participant's death.

2.3 Board

"Board" means the Board of Directors of the Company.

2.4 Code

"Code" means the Internal Revenue Code of 1986, as amended.

2.5 Company

"Company" means Portland General Electric Company, an Oregon corporation.

2.6 Compensation

"Compensation" means annual retainers and fees for attendance at Board and various committee meetings paid to an Outside Director by the Company during the calendar year with respect to duties performed as a member of the Board. Compensation, for purposes of this Plan, may include any new form of cash remuneration paid by the Company to an Outside Director which is explicitly designated as deferrable pursuant to this Plan on the Deferral Election form approved by the Compensation Committee. Compensation does not include expense reimbursements, imputed compensation, or any form of noncash compensation or benefits.

2.7 Compensation Committee

"Compensation Committee" means the Compensation and Human Resources Committee of the Board.

2.8 Deferral Election

"Deferral Election" means the election completed by Participant in a form approved by the Compensation Committee which indicates Participant's irrevocable election to defer Compensation as designated in the Deferral Election, pursuant to ARTICLE III.

2.9 Determination Date

"Determination Date" means the last day of each calendar month.

2.10 Interest

"Interest" means the interest yield computed at the monthly equivalent of an annual yield that is one-half (0.5) percentage point higher than the annual yield on Moody's Average Corporate Bond Yield Index for the three (3) calendar months preceding the immediately prior month as published by Moody's Investors Service, Inc. (or any successor thereto), or, if such index is no longer published, a substantially similar index selected by the Board.

2.11 Outside Director

"Outside Director" means a member of the Board who is not an employee of the Company or any of its subsidiaries.

2.12 Participant

"Participant" means any eligible Outside Director who has elected to make deferrals under this Plan.

2.13 Plan

"Plan" means the Portland General Electric Company 2006 Outside Directors' Deferred Compensation Plan, as may be amended from time to time.

2.14 Separation from Service or Separate from Service

"Separation from Service" means a "separation from service" within the meaning of Code section 409A. Generally, a separation from service occurs when a Participant ceases to be a member of the Board.

ARTICLE III

ELIGIBILITY AND DEFERRALS

3.1 Eligibility

An Outside Director shall be eligible to participate by making Deferral Elections under paragraph 3.2 below. The Compensation Committee shall notify eligible Outside Directors about the Plan and the benefits provided under it.

3.2 Deferral Elections

3.2-1 Initial Election to Defer. An eligible Outside Director may elect to participate in the Plan with respect to any Compensation on a Deferral Election in a form approved by the Compensation Committee. The Deferral Election must be filed with the Compensation Committee no later than December 15 of the taxable year preceding the taxable year in which the Compensation is earned. A Deferral Election must specify the form of payment under Paragraph 5.2.

3.2-2 Mid-Year Eligibility. If an individual first becomes eligible to participate during a calendar year and wishes to defer Compensation earned during the remainder of the year, a Deferral Election may be filed no later than thirty (30) days following the date the Outside Director became eligible to participate in the Plan, to the extent permitted under Code section 409A. Such Deferral Election shall be effective only with regard to Compensation earned after it is filed with the Compensation Committee and must specify the form of payment under Paragraph 5.2.

3.2-3 Irrevocability. A Deferral Election for amounts earned in the following calendar year shall become irrevocable on the December 15 by which it is due under Section 3.2-1 and a Deferral Election for amounts earned in the current calendar year shall become irrevocable upon filing with the Compensation Committee under Section 3.2-2.

3.3 Limits on Elective Deferrals

An eligible Outside Director may elect to defer up to one hundred percent (100%) of Compensation. The level elected must be in one percent (1%) increments.

ARTICLE IV

DEFERRED COMPENSATION ACCOUNT

4.1 Crediting to Account

The amount of the elective deferrals for a Participant under this Plan shall be credited to an Account for the Participant on the books of the Company at the time the Compensation would have been paid in cash absent deferral.

4.2 Determination of Accounts

The last day of each calendar month shall be a Determination Date. Each Participant's Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, plus the Participant's elective deferrals, and Interest credited under this Plan, minus the amount of any distributions made from this Plan since the immediately preceding Determination Date. Interest credited shall be calculated as of each Determination Date based upon the average daily balance of the Account since the preceding Determination Date.

4.3 Vesting of Accounts

Account balances in this Plan shall be fully vested at all times.

4.4 Statement of Accounts

The Compensation Committee shall submit to each Participant, after the close of each calendar quarter, and at such other times as determined by the Compensation Committee, a statement setting forth the balance of the Account maintained for the Participant.

ARTICLE V

PLAN BENEFITS

5.1 Benefits

5.1-1 Entitlement to Benefits at Separation from Service. Benefits under this Plan shall be payable to a Participant commencing sixty-five (65) days after the end of the month in which the Participant Separates from Service. The amount of the benefit shall be the balance of the Participant's Account including Interest to the date of payment, in the form elected under Paragraph 5.2 below.

5.1-2 Entitlement to Benefits at Death. Upon the death of a Participant for whom an Account is held under this Plan, a death benefit shall be payable to the Participant's Beneficiary commencing sixty-five (65) days after the end of the month in which the Participant dies in the same form as the Participant elected for payments at Separation from Service under Paragraph 5.2 below. The amount of the benefit shall be the balance of the Participant's Account including Interest to the date of payment.

5.2 Form of Benefit Payment

5.2-1 The Plan benefits attributable to the elective deferrals for any calendar year shall be paid in one of the forms set out below, as elected by the Participant in the form of payment designation filed with the Deferral Election for that year. The forms of benefit payment are:

- a. A lump-sum payment; or
- b. Monthly installment payments in substantially equal payments of principal and Interest over a period of up to one hundred eighty (180) months.

In the event a Participant's Account balance is ten thousand dollars (\$10,000) or less upon Separation from Service, that benefit will be paid out in a lump sum notwithstanding the form of benefit payment elected by the Participant.

5.2-2 A Participant may elect to change the form of payment he or she specified in his or her Deferral Election under Paragraph 3.2. Any change in the form of payment must comply with Code section 409A, which generally means that the designation must (1) not take effect until at least twelve (12) months after the date of the change of payment designation, and (2) provide an additional deferral for a period of at least five years from the date such payment would otherwise have been made.

5.3 Withholding; Payroll Taxes

The Company shall withhold from payments made hereunder any taxes required to be withheld for the federal or any state or local government. Withholding shall also apply to payments to a Beneficiary.

5.4 Payment to Guardian

If a Plan benefit is payable to a minor or a person declared incompetent or deemed to be legally incapable of handling the disposition of property, the Compensation Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor or incompetent person. The Compensation Committee may require such proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan benefit. Such distribution shall completely discharge the Compensation Committee and the Company from all liability with respect to such benefit.

ARTICLE VI

BENEFICIARY DESIGNATION

6.1 Beneficiary Designation

Each Participant shall have the right, at any time, to designate one (1) or more persons or entities as the Participant's Beneficiary, primary as well as secondary, to whom benefits under this Plan shall be paid in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Compensation Committee and will be effective only when filed with the Compensation Committee during the Participant's lifetime.

6.2 Amendments of Beneficiary Designations

Any Beneficiary designation may be changed by a Participant without the consent of any Beneficiary by the filing of a new Beneficiary designation with the Compensation Committee. If a Participant's Compensation is community property under applicable law, any Beneficiary designation shall be valid or effective only as permitted under applicable law.

6.3 No Beneficiary Designation

In the absence of an effective Beneficiary designation, or if all Beneficiaries predecease a Participant, the Participant's estate shall be the Beneficiary. If a Beneficiary dies after a Participant and before payment of benefits under this Plan has been completed, the remaining benefits shall be payable to the Beneficiary's estate.

6.4 Effect of Payment

Payment to the Beneficiary shall completely discharge the Company's obligations under this Plan.

ARTICLE VII

ADMINISTRATION

7.1 Compensation Committee; Duties

This Plan shall be administered by the Compensation Committee. Members of the Compensation Committee may be Participants in this Plan. The Compensation Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions including interpretations of this Plan as may arise in connection with the Plan.

7.2 Agents and Delegation

In the administration of this Plan, the Compensation Committee may, from time to time, employ agents and delegate to such agents, including employees of the Company or an administrative committee it appoints, such administrative duties as it sees fit, and may from time to time consult with counsel, who may be counsel to the Company.

7.3 Binding Effect of Decisions

The decision or action of the Compensation Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

7.4 Indemnity of Compensation Committee

The Company shall indemnify and hold harmless the Compensation Committee and its individual members, against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

7.5 Availability of Plan Documents

Each Participant shall receive a copy of this Plan, and the Compensation Committee shall make available for inspection by any Participant a copy of any rules and regulations used in administering the Plan.

7.6 Cost of Plan Administration

The Company shall bear all expenses of administration of this Plan.

ARTICLE VIII

CLAIMS PROCEDURE

8.1 Claim

Any person claiming a benefit, requesting an interpretation or ruling under the Plan or requesting information under the Plan shall present the request in writing to the Compensation Committee or its delegatee who shall respond in writing as soon as practicable.

8.2 Denial of Claim

If the claim or request is denied, the written notice of denial shall state:

8.2-1 The reasons for denial, with specific reference to the Plan provisions on which the denial is based.

8.2-2 A description of any additional material or information required and an explanation of why it is necessary.

8.2-3 An explanation of the Plan's claim review procedure.

8.3 Review of Claim

Any person whose claim or request is denied or who has not received a response within thirty (30) days may request review by notice given in writing to the Compensation Committee. The claim or request shall be reviewed by the Compensation Committee, which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents and submit issues and comments in writing.

8.4 Final Decision

The decision by the Compensation Committee on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE IX

AMENDMENT AND TERMINATION OF PLAN

9.1 Amendment

The Compensation Committee may amend the Plan at any time, provided, however, that no amendment shall reduce the amount accrued in any Account to the date of such amendment. Such amendments shall be subject to the following:

9.1-1 Changes in Interest Rate. No amendment shall reduce the rate of Interest to be credited, after the date of the amendment, on the amount already accrued in any Account or on the deferred amounts credited to any Account under Deferral Elections already in effect on the date of the amendment.

9.2 Termination

The Board may at any time, in its sole discretion, terminate or suspend the Plan in whole or in part. However, no such termination or suspension shall adversely affect the benefits of Participants which have accrued prior to such action, the benefits of any Participant who has previously Separated from Service, or the benefits of any Beneficiary of a Participant who has previously died.

9.3 Payment at Termination

If the Plan is terminated, payment of each Account to a Participant or a Beneficiary for whom it is held shall commence pursuant to Paragraph 5.1, and shall be paid in the form designated by the Participant pursuant to Paragraph 5.2.

ARTICLE X

MISCELLANEOUS

10.1 Unfunded Plan

This Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for Outside Directors. This Plan is not intended to create an investment contract, but to provide retirement benefits to eligible individuals who have elected to participate in the Plan.

10.2 Liability

10.2-1 Liability for Benefits. Except as otherwise provided in this paragraph, liability for the payment of a Participant's benefit pursuant to this Plan shall be borne solely by the Company.

10.2-2 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors and assigns shall have no secured legal or equitable rights, interest or claims in any property or assets of the Company. Except as provided in paragraph 10.3, such assets of the Company shall not be held under any trust for the benefit of Participants, their Beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company's assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be that of an unfunded and unsecured promise to pay money in the future.

10.3 Trust Fund

At its discretion, the Company may establish one (1) or more trusts, with such trustee as the Board may approve, for the purpose of providing for the payment of Plan benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by the Company.

10.4 Nonassignability

Neither a Participant nor any other person shall have any right to sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be nonassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor shall such amounts be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.5 Protective Provisions

A Participant will cooperate with the Company by furnishing any and all information requested by the Company, in order to facilitate the payment of benefits hereunder, and by taking such other action as may be requested by the Company.

10.6 Governing Law

The provisions of this Plan shall be construed and interpreted according to the laws of the State of Oregon, except as preempted by federal law.

10.7 Terms

In this Plan document, unless the context clearly indicates the contrary, the masculine gender will be deemed to include the feminine gender, and the singular shall include the plural.

10.8 Validity

In case any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.9 Notice

Any notice or filing required or permitted to be given to the Compensation Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail to the Compensation Committee, or to the Secretary of the Company. Notice mailed to the Participant shall be at such address as is given in the records of the Company. Notice to the Compensation Committee, if mailed, shall be addressed to the principal executive offices of the Company. Notices shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

10.10 Successors

The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or

otherwise, acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

10.11 Not a Contract of Service

The terms and conditions of this Plan shall not be deemed to constitute a contract of service between the Company and a Participant and neither a Participant nor a Participant's Beneficiary shall have any rights against the Company except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right to be retained on the Board, nor shall it interfere with the Participant's right to terminate his directorship at any time.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its officers thereunto duly authorized, this 15 day of May, 2006.

PORTLAND GENERAL ELECTRIC COMPANY

By: /s/ Arleen Barnett