

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) July 30, 2007

**PORTLAND GENERAL ELECTRIC COMPANY**

(Exact name of registrant as specified in its charter)

<b>Oregon</b>	<b>Commission File Number</b>	<b>93-0256820</b>
(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))

*This current report and its exhibit include forward-looking statements. Portland General Electric Company based these forward-looking statements on its current expectations and projections about future events in light of its knowledge of facts as of the date of this current report and its assumptions about future circumstances. These forward-looking statements are subject to various risks and uncertainties that may be outside the control of Portland General Electric Company. Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by law, Portland General Electric Company undertakes no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise. This current report should be read in conjunction with Portland General Electric Company's Annual Report on Form 10-K for the year ended December 31, 2006 and subsequent Quarterly Reports on Form 10-Q.*

**Section 2 - Financial Information**

**Item 2.02 Results of Operations and Financial Condition.**

On July 30, 2007, Portland General Electric Company issued a press release announcing its earnings results for the quarter ended June 30, 2007. A copy of the press release is furnished as Exhibit 99.1.

**Section 9 - Financial Statements and Exhibits**

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit Description

**(99) Additional exhibits**

99.1 Portland General Electric Company Earnings Release dated July 30, 2007

**SIGNATURE**

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)

Date	July 30, 2007		By:	/s/ James J. Piro
				James J. Piro Executive Vice President, Finance Chief Financial Officer and Treasurer





**Portland General Electric**

One World Trade Center  
121 SW Salmon Street  
Portland, Oregon 97204

## News Release

### FOR RELEASE

5 a.m. EDT, July 30, 2007

### Media Contact:

Gail Baker

Director, Corporate Communications

Phone: 503-464-8693

### Investor Contact:

Bill Valach

Director, Investor Relations

Phone: 503-464-7395

## Portland General Electric reports second quarter

### 2007 earnings results

*Increases 2007 guidance*

Portland, Ore. - Portland General Electric Company (NYSE: POR) today reported net income of \$46 million, or \$0.73 per diluted share, for the quarter ending June 30, 2007, compared to \$27 million, or \$0.43 per diluted share, for the second quarter 2006. The improved results were primarily driven by increased margins on energy sales, as power costs in the second quarter of 2007 reflect the return of the Boardman power plant to full operation. Additionally, results were positively impacted by adjustments for Senate Bill 408 (SB 408), an Oregon utility income tax law.

"I'm pleased to report strong financial and operating performance in the second quarter," said Peggy Fowler, CEO and president of PGE. "We're successfully executing our strategy to deliver value to our customers and shareholders: our new 400 megawatt Port Westward Generating Plant became commercially available; construction is underway at the Biglow Canyon Wind Farm; and just one year after the initial stock distribution, substantially all of PGE's common stock is publicly traded."

### Second Quarter 2007 Summary

- Total customers served increased by 1.4 percent to approximately 802,000 as of June 30, 2007, as compared to approximately 791,000 as of June 30, 2006.
- Total retail energy deliveries increased 1.0 percent to 4,623,000 MWhs in 2007 from 4,575,000 MWhs in 2006.
- Total operating revenues increased by 14.5 percent to \$402 million from \$351 million in 2006. The increase was a result of 2007 rate increases and higher energy deliveries, as well as the conversion of Regional Power Act (RPA) benefits to all cash from a combination of cash and below-market power purchases. RPA benefits were suspended in the second quarter of 2007. PGE also recorded a \$4 million potential collection from customers in the second quarter of 2007, compared to a potential refund of \$9 million in last year's second quarter, related to the Company's estimates of the impact of SB 408. Wholesale revenues increased 47 percent from last year's second quarter due primarily to an increase in wholesale energy prices caused by higher prices for natural gas and decreased regional hydro availability.
- Purchased power and fuel expenses increased by \$32 million from last year's second quarter. The increase was due primarily to a higher average cost of purchased power, driven by an increase in natural gas prices and a reduction in regional hydro availability. This increase was partially offset by a 4 percent reduction in total system load and the availability of the Boardman power plant.
- Production and distribution expenses increased by \$8 million from last year's second quarter due primarily to higher repair and maintenance costs at Boardman and an increase in distribution expenses, primarily related to overhead line maintenance.
- Depreciation and amortization expenses decreased from the second quarter of 2006 by \$10 million primarily due to reductions in both depreciation rates for utility plant and in the authorized recovery of Trojan decommissioning costs, both of which became effective in January 2007 pursuant to the OPUC order in PGE's general rate case.

- Income taxes increased \$5 million due primarily to higher taxable income in the second quarter of 2007.
- Other income increased \$6 million primarily due to an increase in income from non-qualified benefit plan trust assets and accrued interest on \$26.4 million of excess power costs associated with Boardman's repair outage, which has been deferred for future rate recovery as approved by the OPUC.

## Year-to-Date 2007

For the six months ending June 30, 2007, net income was \$101 million, or \$1.61 per diluted share, compared to \$21 million, or \$0.34 per diluted share, for the same period in 2006. The increase was attributable to improved margins on energy sales, as power costs in the first half of 2006 were adversely affected by the repair outage at Boardman and by unrealized losses on power and natural gas contracts. Results for the first half of 2007 include the positive impacts of the deferral of a portion of Boardman replacement power costs for future rate recovery (as approved by the OPUC) and the settlement between PGE and certain California parties related to wholesale energy transactions in the western energy markets during 2000-2001. Also contributing to the increase in earnings was an approximate \$8 million after tax impact of adjustments related to SB 408, with a potential customer collection recorded in the first half of 2007 and a potential refund recorded in the first half of 2006.

## Year-to-Date 2007 Summary

- Total retail energy deliveries increased 1.3 percent to 9,723,000 MWhs in 2007 from 9,595,000 MWhs in 2006.
- Total operating revenues increased by 14.5 percent to \$838 million from \$732 million in 2006. The increase was a result of 2007 rate increases and higher energy deliveries, as well as the conversion of RPA benefits to all cash from a combination of cash and below-market power purchases. Wholesale revenues increased 50 percent from last year's first half due to both a 28 percent increase in energy sales and an 18 percent increase in the average sales price.
- Purchased power and fuel expenses were approximately the same as in last year's first half. An increase in the average cost of purchased power was partially offset by reduced electricity purchases, related to the return of Boardman to full operation. In addition, unrealized losses on derivative activities, expensed in 2006, are deferred in 2007 pursuant to the approval of a power cost adjustment mechanism by the OPUC. Results for the first half of 2007 also reflect the deferral, for future rate recovery, of \$20.4 million of excess Boardman power costs, and a \$6 million reduction in the Company's wholesale credit reserve related to the settlement with certain California parties involving wholesale energy transactions in 2000-2001.
- Production, distribution, administrative and other expenses increased by \$15 million from last year's first half, due to higher employee benefit expenses, higher customer support and distribution expenses, and increased maintenance activities at Boardman and Colstrip.
- Depreciation and amortization expenses decreased by \$22 million due to reductions in both depreciation rates for utility plant and in the authorized recovery of Trojan decommissioning costs, both of which became effective in January 2007 pursuant to the OPUC order in PGE's general rate case.
- Income taxes increased \$35 million due primarily to higher taxable income in the first half of 2007.
- Other income increased \$10 million in the first half of 2007. Included in the increase was a \$4 million interest accrual (retroactive to January 2006) on \$26.4 million of excess power costs associated with Boardman's repair outage, which has been deferred for future rate recovery. A \$3 million increase in income from non-qualified benefit plan trust assets and a \$2 million increase in the allowance for equity funds used during construction, related primarily to PGE's new Port Westward plant, also contributed to the increase in the first half of 2007.

## Capital Expenditures

Capital expenditures in 2007 are estimated to total \$529 million compared to actual 2006 expenditures of \$371 million. Capital expenditures for 2007 consist of approximately \$282 million for the Biglow Canyon Wind Farm, \$187 million for ongoing production, transmission and distribution facilities, \$44 million for hydro relicensing projects and \$16 million for Port Westward. Capital expenditures do not include the advanced metering infrastructure project.

## 2007 Earnings Guidance

PGE is revising its full-year 2007 earnings guidance from \$1.90 to \$2.00 per diluted share to \$2.25 to \$2.35 per diluted share. The revised guidance includes the effects of improved margins on retail energy sales, favorable Mid-Columbia hydro generation more than off-setting reduced generation on PGE's hydro system, improved thermal plant operations and the FERC approved settlement between PGE and certain California parties relating to wholesale energy transactions in the western markets during 2000-2001. Guidance continues to include approximately \$0.30 per diluted share due to a \$20.4 million pre-tax deferral, recorded in 2007, related to the Boardman outage as well as the associated interest and Senate Bill 408 impacts.

## Overview of Recent Developments

### Port Westward

On June 11, 2007, the Port Westward Generating Plant, a 400 MW natural gas-fired plant located in Clatskanie, Oregon, was placed into service. The total cost of the new plant through June 30, 2007 was approximately \$280 million (including AFDC). In January 2007, the OPUC issued a rate order approving a 2.8 percent increase related to the cost recovery of Port Westward, which became effective on June 15, 2007.

## **Integrated Resource Plan**

PGE filed a new Integrated Resource Plan (IRP) with the OPUC on June 29, 2007. The IRP describes the Company's energy supply strategy for the years 2008 through 2015 and includes additional renewable resources, energy efficiency, demand-side resources, and power purchase agreements of varying terms. The plan also includes the purchase of additional capacity to assure reliability under peak demand situations and to facilitate the integration of variable wind generation. Review of the IRP by stakeholders and the OPUC staff is expected to take place over an approximate nine-month period.

## **Biglow Canyon Wind Farm**

On March 2, 2007, PGE filed a rate application with the OPUC seeking an increase in annual revenue requirements for full recovery of costs related to the first phase of the Biglow Canyon Wind Farm. On June 20, 2007, PGE, the OPUC staff and other parties agreed to certain adjustments that would result in a \$9.4 million increase in annual revenue requirements related to the project. Phase I of the project will have an installed capacity of 125 MW, with completion expected by December 2007 at a total cost of approximately \$260 million (including AFDC). The application proposes to maintain PGE's currently allowed ROE of 10.1 percent and equity capital structure of 50.0 percent. Biglow Canyon Phase I fulfills the Company's goals for adding renewable energy as outlined in PGE's last Integrated Resource Plan.

Phases II and III of the project are currently in the planning stages. In the second quarter of 2007, PGE made a \$17 million payment to a vendor toward wind turbines for Phases II and III. If PGE does not use good faith efforts to negotiate and execute a definitive agreement, the payment would be non-refundable. The estimated cost of Phases II and III is \$600 million to \$700 million (including AFDC). Phase II is expected to be completed by the end of 2009 and Phase III by the end of 2010. All three phases of the project combined could provide a total maximum generating capacity of 400 to 450 megawatts.

## **Advanced Metering Infrastructure (AMI)**

On July 27, 2007, PGE filed testimony requesting that the tariff effective date be moved from January 1, 2008, to June 1, 2008, and run through December 31, 2010. This decision was based on the meter technology vendor requiring additional time to complete its scalability testing and deliver host-system software. In addition, the Company seeks to minimize the initial rate impact of AMI by coinciding the project's implementation with potential customer rate credits expected from SB 408. The proposed tariff would run for approximately two and a half years, coinciding with the period over which PGE completes systems acceptance testing and installation of over 800,000 meters. After the tariff period ends, the project's costs, net of savings, will be incorporated into a future general rate case. Once the meters are installed, at an estimated capital cost of \$132 million, the Company estimates that AMI will save approximately \$18 million annually in operating expenses, providing future benefits to customers.

## **Stock Distribution**

On June 18, 2007, the Disputed Claims Reserve sold approximately 23.7 million shares of PGE common stock in a secondary offering. With the completion of this offering, the Disputed Claims Reserve has sold or distributed substantially all of its remaining PGE common stock.

## **Second Quarter 2007 Earnings Call and Webcast July 30, 2007**

PGE will host a conference call with financial analysts on Monday, July 30, 2007, at 5 p.m. EDT. The conference call will be webcast live on the PGE Web site at [www.PortlandGeneral.com](http://www.PortlandGeneral.com). A replay of the call will be available beginning at 7 p.m. EDT on Monday, July 30 through Monday, August 6.

Peggy Fowler, CEO and president; Jim Piro, executive vice president, CFO and treasurer; and Bill Valach, director of investor relations will participate in the call. Management will respond to questions following formal comments.

The attached consolidated income statements, balance sheets, cash flow statements and supplemental operating statistics are an integral part of this earnings release.

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## **About Portland General Electric Company**

Portland General Electric, headquartered in Portland, Ore., is a fully integrated electric utility that serves approximately 802,000 residential, commercial and industrial customers in Oregon. Visit our Web site at [www.PortlandGeneral.com](http://www.PortlandGeneral.com).

## **Safe Harbor Statement**

Statements in this news release that relate to future plans, objectives, expectations, performance, events and the like may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by words including, but not limited to, "anticipates," "believes," "intends," "estimates," "promises," "expects," "should," "conditioned upon" and similar expressions. Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties, including matters and events related to 2007 earnings guidance, statements concerning estimated capital expenditures in 2007, final review of the deferral of excess power costs for the Boardman Plant outage; final approval of rates for the new Portland Westward power plant; completion and rate treatment of Phase I of the Biglow Canyon Wind Farm and the Advanced Metering Infrastructure project; the expected completion dates of Phases II and III of the Biglow Canyon Wind Farm; statements concerning the estimated cost savings resulting from deployment of AMI; statements concerning the recovery of costs through future rate increases; changes in weather, hydroelectric, and energy market conditions, which could affect the



<b>Common Stock:</b>							
Weighted-average shares outstanding (thousands), Basic		62,507		62,500		62,506	62,500
Weighted-average shares outstanding (thousands), Diluted		62,536		62,500		62,531	62,500
Earnings per share, Basic and Diluted	\$	0.73	\$	0.43	\$	1.61	\$ 0.34
Dividends declared per share	\$	0.235	\$	0.225	\$	0.46	\$ 0.225

<b>Portland General Electric Company and Subsidiaries</b>							
<b>Condensed Consolidated Balance Sheets</b>							
		June 30,				December 31,	
		2007				2006	
(In Millions)							
<b>Assets</b>							
<b>Electric Utility Plant - Original Cost</b>							
Utility plant (includes construction work in progress of \$255 and \$412)	\$	4,801		\$		4,582	
Accumulated depreciation		(1,909)				(1,864)	
		2,892				2,718	
<b>Other Property and Investments</b>							
Nuclear decommissioning trust, at market value		43				42	
Non-qualified benefit plan trust		72				70	
Miscellaneous		31				26	
		146				138	
<b>Current Assets</b>							
Cash and cash equivalents		42				12	
Accounts and notes receivable (less allowance for uncollectible accounts of \$5 and \$45)		163				177	
Unbilled revenues		66				88	
Assets from price risk management activities		78				93	
Inventories, at average cost		65				64	
Margin deposits		12				46	



Prepayments and other		27			25
Deferred income taxes		12			22
		465			527
<b>Deferred Charges</b>					
Regulatory assets		357			351
Miscellaneous		34			33
		391			384
	\$	3,894		\$	3,767
<b>Capitalization and Liabilities</b>					
<b>Capitalization</b>					
Common stock equity:					
Common stock, no par value, 80,000,000 shares authorized; 62,510,033 and 62,504,767 shares outstanding at June 30, 2007 and December 31, 2006, respectively	\$	644		\$	643
Retained earnings		659			587
Accumulated other comprehensive income (loss):					
Pension and other post-retirement plans		(6)			(6)
Long-term debt		1,108			937
		2,405			2,161
<b>Current Liabilities</b>					
Long-term debt due within one year		-			66
Short-term borrowings		-			81
Accounts payable and other accruals		245			212
Liabilities from price risk management activities		113			155
Customer deposits		5			5
Accrued interest		16			15
Accrued taxes		19			14
Dividends payable		15			14
		413			562
<b>Other</b>					
Deferred income taxes		259			251

Deferred investment tax credits		5			7
Trojan asset retirement obligation		110			108
Accumulated asset retirement obligation		25			26
Regulatory liabilities:					
Accumulated asset retirement removal costs		434			411
Other		106			112
Non-qualified benefit plan liabilities		87			84
Miscellaneous		50			45
		1,076			1,044
	\$	3,894		\$	3,767

-					
<b>Portland General Electric Company and Subsidiaries</b>					
<b>Condensed Consolidated Statements of Cash Flows</b>					
		<b>Six Months Ended</b>			
		<b>June 30,</b>			
		<b>2007</b>		<b>2006</b>	
		<b>(In Millions)</b>			
<b>Cash Flows From Operating Activities:</b>					
Reconciliation of net income to net cash provided by operating activities					
Net income	\$	101		\$	21
Non-cash items included in net income:					
Depreciation and amortization		88			110
Deferred income taxes		18			(31)
Net assets from price risk management activities		(34)			92
Power cost deferral		(21)			-
Regulatory deferrals - price risk management activities		34			(67)
Other non-cash income and expenses (net)		(22)			4
Changes in working capital:					
Net margin deposit activity		34			(48)
Decrease in receivables		37			84
(Decrease) in payables		(25)			(109)

Other working capital items - net			(3)			(14)
Other - net			(6)			4
<b>Net Cash Provided by Operating Activities</b>			201			46
<b>Cash Flows From Investing Activities:</b>						
Capital expenditures			(159)			(211)
Purchases of nuclear decommissioning trust securities			(10)			(20)
Sales of nuclear decommissioning trust securities			9			10
Other - net			(5)			5
<b>Net Cash Used in Investing Activities</b>			(165)			(216)
<b>Cash Flows From Financing Activities:</b>						
Short-term borrowings (repayments) - net			(81)			-
Repayment of long-term debt			(71)			(158)
Issuance of long-term debt			176			275
Debt issue costs			(2)			-
Dividends paid			(28)			-
<b>Net Cash Provided by (Used in) Financing Activities</b>			(6)			117
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			30			(53)
<b>Cash and Cash Equivalents, Beginning of Period</b>			12			122
<b>Cash and Cash Equivalents, End of Period</b>		\$	42		\$	69
Supplemental disclosures of cash flow information						
Cash paid during the period:						
Interest, net of amounts capitalized		\$	21		\$	29
Income taxes			29			42
Non-cash activities:						
Accrued capital additions			84			22
Common stock dividends declared but not paid			15			14

**Portland General Electric Company and Subsidiaries**  
**Supplemental Operating Statistics**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006

<b>Operating revenues (millions)</b>					
Retail sales					
Residential	\$ 149	\$ 132	\$ 341	\$ 313	
Commercial	144	134	283	263	
Industrial	41	52	78	100	
Total retail sales	334	318	702	676	
Direct access customers					
Commercial	-	(2)	-	(3)	
Industrial	(3)	(1)	(6)	(3)	
Tariff revenues	331	315	696	670	
Regional Power Act credits	16	6	42	6	
Provision for collection (refund) - SB 408	4	(9)	5	(9)	
Accrued revenues	(1)	2	-	1	
Total retail revenues	350	314	743	668	
Wholesale revenues	44	30	81	54	
Other operating revenues	8	7	14	10	
Total Operating Revenues	\$ 402	\$ 351	\$ 838	\$ 732	
<b>Energy sold and delivered - MWhs (thousands)</b>					
Retail energy sales					
Residential	1,633	1,607	3,903	3,819	
Commercial	1,786	1,783	3,532	3,520	
Industrial	665	922	1,243	1,746	
Total retail energy sales	4,084	4,312	8,678	9,085	
Delivered to direct access customers					
Commercial	129	120	241	220	
Industrial	410	143	804	290	
Total retail energy deliveries	4,623	4,575	9,723	9,595	
Wholesale sales	916	897	1,939	1,509	
Total energy sold and delivered	5,539	5,472	11,662	11,104	
<b>Customers - end of period</b>					
Residential	701,697	691,830			
Commercial	100,051	98,709			
Industrial	259	256			
Total retail customers	802,007	790,795			