SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended SEPTEMBER 30, 1996

COMMISSION FILE NUMBER	Registrant; State of Incorporation; ADDRESS; AND TELEPHONE NUMBER	IRS Employer IDENTIFICATION NO.
1-5532	PORTLAND GENERAL CORPORATION (an Oregon Corporation) 121 SW Salmon Street Portland, Oregon 97204 (503) 464-8820	93-0909442
1-5532-99	PORTLAND GENERAL ELECTRIC COMPANY (an Oregon Corporation) 121 SW Salmon Street Portland, Oregon 97204 (503) 464-8000	93-0256820

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes X . No .

The number of shares outstanding of the registrants' common stocks as of September 30, 1996 are:

Portland General Corporation	51,203,763
Portland General Electric Company (owned by Portland General Corporation)	42,758,877

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PART II. OTHER INFORMATION

DEFINITIONS

AFDC ....Allowance For Funds Used During Construction
Bonneville Pacific ....Bonneville Pacific Corporation
BPA ....Bonneville Power Administration
Coyote Springs ....Coyote Springs Generation Plant
Enron ....Enron Corp.
FERC ....Federal Energy Regulatory Commission
Holdings ....Portland General Holdings, Inc.
kWh ....Kilowatt-Hour
MWa ....Average megawatts
MWh ....Megawatt-hour
NYMEX ....New York Mercantile Exchange
OPUC or the Commission ....Oregon Public Utility Commission
Portland General or PGC ....Portland General Corporation
PGE or the Company ....Portland General Electric Company
PUHCA ....Public Utility Holding Company Act of 1935
Trojan ....Trojan Nuclear Plant
USDOE ....United States Department of Energy
WAPA ....Western Area Power Authority
WNP-3 ....Washington Public Power Supply Systen Unit 3

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL AND OPERATING OUTLOOK

PORTLAND GENERAL CORPORATION - HOLDING COMPANY

Portland General Corporation (Portland General or PGC), an electric utility holding company, was organized in December 1985. Portland General Electric Company (PGE or the Company), an electric utility company and Portland General's principal operating subsidiary, accounts for substantially all of Portland General's assets, revenues and net income.

PROPOSED MERGER

On July 20, 1996, Portland General entered into an Agreement and Plan of Merger with Enron, a Delaware corporation, to merge in a tax-free, stock-for-stock transaction. The transaction which has been approved by both companies' boards of directors, will entitle Portland General shareholders to receive one share of Enron common stock for each share of Portland General common stock held by them.

Under the terms of the merger agreement, Enron will reincorporate in Oregon to allow it to qualify as an intrastate holding company that is exempt from the registration requirements of PUHCA. In the event that PUHCA is amended or repealed in a manner that would make this reincorporation no longer necessary, PGC will merge directly into the present Enron. PGE, Portland General's utility subsidiary, will retain its name, most of its functions and maintain its principal corporate offices in Portland, Oregon.

The merger is subject to the approval of each company's shareholders. Both Enron and PGC have scheduled special shareholder meetings each of which will take place on November 12, 1996 in which shareholders of record for each corporation as of September 23, 1996 will vote upon a proposal to approve the Merger Agreement. The affirmative vote of holders of a majority of the shares of both the PGC Common Stock and Enron Voting Stock outstanding is required for merger approval under the state laws where each company is incorporated. In addition the merger is conditioned upon, among other things, regulatory approvals including those already initiated at the OPUC and the FERC. It is anticipated that the regulatory procedures can be completed in less than 12 months from the date of the merger agreement.

The merger agreement may be terminated by Enron if the average of the closing prices of Enron Common Stock during the 20 consecutive trading day period ending five trading days prior to the date of the special meeting of the shareholders of Portland General is more than $47.25 per share, and may be terminated by PGC if the average of the closing prices of Enron Common Stock during such period is less than $36.25 per share.

APPROVALS AND CONSENTS

OPUC - Upon completion of the merger, Enron will be the owner of the PGE common stock. PGE is subject to the jurisdiction of the OPUC with respect to its electric utility operations. The approval of the OPUC is required for any transaction in which a person acquires the power to exercise any substantial influence over the policies and actions of a public utility subject to its jurisdiction. On August 30, 1996, Enron filed an application with the Commission seeking approval of the merger. The OPUC must approve the merger if they find that it will serve the customers of PGE in the public interest. In making that finding the OPUC may consider whether the change in ownership of the public utility will impair the ability of the utility to provide adequate service at just and reasonable rates. Enron has requested OPUC action on its application by early 1997. There is no assurance, however, that the OPUC will have taken any action by such time.

In addition to Enron's application for approval of the merger, PGE has filed an application seeking the OPUC's approval to change certain provisions of PGE's tariffs. PGE will also seek OPUC approval for the separation from PGE of certain nonutility business and activities (see the PGE, Rate Proposal discussion below).

FERC - The approval of the FERC is required to consummate the merger under the Federal Power Act, which provides that no public utility may sell or otherwise dispose of its jurisdictional facilities or, directly or indirectly, merge or consolidate such facilities with those of any other person or acquire any security of any other public utility without first having obtained authorization from the FERC. Under the Federal Power Act, the FERC will approve a merger if it finds such merger "consistent with the public interest". On September 20, 1996, Enron and PGC filed an application with the FERC seeking approval of the merger under the Federal Power Act. It is expected that the FERC will not take action on the application until sometime in 1997.

OTHER - The merger will require the consent and approval of various other regulatory agencies. PGC and Enron will seek to obtain all necessary consents and approvals in order to consummate the merger. It is anticipated that regulatory procedures can be completed in less than 12 months from the date of the merger agreement.

PORTLAND GENERAL ELECTRIC COMPANY - ELECTRIC UTILITY

REGULATORY MATTERS

RATE PROPOSAL - On August 6, 1996 PGE submitted a proposed rate plan to the OPUC which included approximately $25 million in proposed rate reductions for 1997 and acceleration of the recovery of PGE's Trojan investment. Trojan ceased commercial operations in early 1993 and in March 1995, the OPUC authorized the recovery in rates of PGE's remaining investment in Trojan. The price and earnings reductions in PGE's proposal stem primarily from savings in variable power costs representing, in part, benefits from PGE's decision to close Trojan. PGE believes it appropriate to apply a portion of such savings to offset the accelerated amortization of the Trojan investment. PGE believes acceleration of the amortization of the Trojan investment would benefit PGE customers by reducing their total payment over time and is consistent with PGE's objective of reducing its level of regulatory assets in anticipation of an increasingly competitive market. PGE's proposed amortization would result in an additional $18 million of before tax expense for calendar year 1997 and, based on current forecasts, would reduce the total amortization period by as much as nine years. PGE's proposed plan, if adopted, would result in a $43 million before tax ($28 million after tax) reduction to PGE's 1997 earnings, consisting of a $25 million before tax ($15 million after tax) decrease due to the rate reductions and an $18 million before tax ($13 million after tax) decrease due to accelerated amortization of its Trojan investment. As part of the plan, PGE proposed acceleration of eligibility for PGE's market-based retail rates for certain customers; reductions in the rate charged to PGE's residential customers; a direct access experiment for certain large industrial customers; development of tariffs for time of day and direct access experiments for residential and small commercial customers.

In response to PGE's plan, the OPUC staff proposed to recommend adoption of the proposals included in PGE's plan but with a modification of the rate consequences of the Trojan accelerated amortization, plus an additional $51 million in rate reductions for 1997. The OPUC staff's proposal, if adopted, would result in a $93 million before tax ($57 million after tax) reduction to PGE's 1997 earnings. Formal settlement discussions with the OPUC staff are currently scheduled for November 1996.

PGE's rate plan is based on a forecast that assumes regulatory approval of the merger between Portland General and Enron. The Company has included in the plan a request to accelerate certain of the rate reductions upon the OPUC's approval of the merger application.

TROJAN INVESTMENT RECOVERY - In April 1996 a circuit court judge in Marion County, Oregon found that the OPUC could not authorize PGE to collect a return on its undepreciated investment in Trojan contradicting a November 1994 ruling from the same court. The ruling was the result of an appeal of PGE's 1995 general rate order which granted PGE recovery of, and a return on, 87 percent of its remaining investment in Trojan.

The November 1994 ruling, by a different judge of the same court, upheld the Commission's 1993 Declaratory Ruling (DR-10). In DR-10 the OPUC ruled that PGE could recover and earn a return on its undepreciated Trojan investment, provided certain conditions were met. The Commission relied on a 1992 Oregon Department of Justice opinion issued by the Attorney General's office stating that the Commission had the authority to set prices including recovery of and on investment in plant that is no longer in service.

The 1994 ruling was appealed to the Oregon Court of Appeals and stayed pending the appeal of the Commission's March 1995 order. Both PGE and the OPUC have separately appealed the April 1996 ruling which were combined with the appeal of the November 1994 ruling at the Oregon Court of Appeals.

For further information regarding the legal challenges to the OPUC's authority to grant recovery of PGE's Trojan investment see Item 3, Legal proceedings, of Portland General's and PGE's Forms 10-K for the year ended December 31, 1995.

LEAST COST ENERGY PLANNING - On August 26, 1996 the OPUC acknowledged PGE's 1995-1997 Integrated Resource Plan (IRP). The OPUC adopted Least Cost Energy Planning for all energy utilities in Oregon with the goal of selecting the mix of options that yields an adequate and reliable supply of energy at the least cost to the utilities and customers. The IRP reflects: a recognition that the geographic area we presently serve no longer defines our customer base; the accelerated pace of technological change; transition of a key fuel, natural gas, to a market commodity; and the development of a vibrant electricity marketplace. The IRP outlines a strategy which emphasizes: (1) the purchase of energy in the marketplace at competitive prices, (2) acquisition of energy efficiency at reduced levels while maintaining market presence and capability for possible future increases when justified, (3) economical use of our existing assets and (4) the use of other supply-side actions, including acquisition of renewable resources.

BONDABLE CONSERVATION INVESTMENT - The OPUC designated $81 million of PGE's energy efficiency investment as Bondable Conservation Investment, pursuant to recent Oregon legislation, and approved PGE's request to issue conservation bonds collateralized by the future revenue stream assured by the OPUC designation. Subsequently, PGE issued a 10 year conservation bond which is expected to provide an estimated $21 million in present value savings to customers while granting PGE immediate recovery of its energy efficiency program expenditures. Future revenues collected from customers will pay debt service obligations. Once the Commission designates a Bondable Conservation Investment it may not revalue or affect the timing of the revenue stream. Therefore, the OPUC may not remove the debt service obligation from rates.

COMPETITION

The Energy Policy Act of 1992 (Energy Act) set the stage for change in federal and state regulations aimed at increasing both wholesale and retail competition in the electric industry. The Energy Act eased restrictions on independent power production and granted authority to the FERC to mandate open access for the wholesale transmission of electricity.

The FERC has taken steps to provide a framework for increased competition in the electric industry. In 1996 the FERC issued Order 888 requiring non-discriminatory open access transmission by all public utilities that own interstate transmission. The final rule requires utilities to file tariffs that offer others the same transmission services they provide themselves under comparable terms and conditions. This rule also allows public utilities to recover stranded costs in accordance with the terms, conditions and procedures set forth in Order 888. The ruling requires reciprocity from municipals, cooperatives and federal power marketers receiving service under the tariff. The new rules became effective July 1996 and are expected to result in increased competition, lower prices and more choices to wholesale energy customers.

The FERC action applies only to the wholesale transmission of electricity and does not proscribe terms and conditions of retail transmission service which is subject to individual state regulation. Since the passage of the Energy Act, various state utility commissions have addressed proposals which would allow retail customers direct access to generation suppliers, marketers, brokers and other service providers in a competitive marketplace for energy services (retail wheeling). Although presently operating in a cost-based regulated environment, PGE expects increasing competition from other forms of energy and other suppliers of electricity. While the Company is unable to determine the future impact of increased competition, it believes that ultimately it will result in reduced retail as well as wholesale prices.

RETAIL CUSTOMER GROWTH AND ENERGY SALES

Weather adjusted retail energy sales grew 0.5% for the nine months ended September 30, 1996 compared to the same period last year. Residential sales grew 1.7% while commercial sales increased 2.3%. High-tech and transportation industrial sales were strong as well; however, continued production cutbacks by paper and metal manufacturers caused total industrial sales to decline approximately 4.4% for the year. Year-to-date energy sales also reflect the impact of the winter windstorms and flooding which interrupted service for extended periods. As a result, the Company has revised its projected weather adjusted retail energy load growth to be less than 1 percent for 1996. Actual sales growth (non-weather adjusted) is projected to be approximately 3.5%.

Graph Descripton:

Quarterly Increase in Retail Customers

Quarter/Year	Residential	Commercial/Industrial
2Q 94	2476	550
3Q 94	2219	454
4Q 94	4247	379
1Q 95	3010	270
2Q 95	2194	509
3Q 95	2145	435
4Q 95	5566	554
1Q 96	3633	539
2Q 96	3664	76
3Q 96	3021	594

WHOLESALE MARKETING

The surplus of electric generating capability in the Western U.S., the entrance of numerous wholesale marketers and brokers into the market, and open access transmission will contribute to increasing pressure on the price of power. In addition the development of financial markets and the NYMEX futures trading have led to increased information available to market participants, further adding to the competitive pressure on wholesale prices.

Company wholesale revenues continue to make a growing contribution providing nearly 22% of total operating revenues for the quarter and 16% year to date, representing a significant increase over the same periods in 1995. The growth in wholesale sales is in part attributed to PGE's aggressive sales efforts as part of the Company's plan to expand its existing marketing capabilities and activities throughout the Western U.S.

POWER SUPPLY

Hydro conditions for the year have been extremely favorable. 1996 January-to-July runoff on the Columbia River was the fourth largest since 1930 and totaled 132% of normal. As a result, the Company has benefited from lower variable power costs due to the abundance of hydro generation throughout the region. However, hydro conditions for the remainder of the year are highly dependent upon levels of precipitation. The runoff season has left the region with reservoir levels in the region at approximately 97% of capacity compared to 91% in 1995. Nearly full reservoirs will allow the region to use rainfall for generation of electricity rather than to fill reservoirs for electric generation during the winter months.

RESULTS OF OPERATIONS

The following discussion focuses on utility operations, unless otherwise noted. Due to seasonal fluctuations in electricity sales, as well as the price of wholesale energy and fuel costs, quarterly operating earnings are not necessarily indicative of results to be expected for calendar year 1996.

1996 COMPARED TO 1995 FOR THE THREE MONTHS ENDED SEPTEMBER 30

Portland General earned $21 million or $0.40 per share for the third quarter of 1996 compared to earnings of $14 million or $0.28 per share in 1995. Earnings for 1996 include $10 million in after tax charges for Enron/PGC merger related costs and revenue refund provisions. Earnings for 1995 include a $13 million, after tax, regulatory disallowance related to unrecoverable deferred power costs. Operating earnings improved over 1995 due to decreases in wholesale power prices driven by favorable hydro conditions coupled with a competitive wholesale market, continued growth of residential and high-tech industrial demand and the success of Company wholesale marketing efforts. Decreased demand from paper and wood products customers adversely impacted revenues and earnings.

Operating revenues of $260 million increased 17% compared to the same period last year. Retail revenues of $199 million were comparable to the third quarter last year, while wholesale revenues of $58 million, increased 177%. Continued robust sales to high-tech customers as well as residential and commercial classes, along with positive effects of higher average sales prices, contributed to revenue increases from these customers. However, production cutbacks by paper manufacturers, PGE's largest manufacturing customer group coupled with $10 million in revenue refund provisions related to energy efficiency programs kept total retail revenues comparable to 1995.

Residential and Commercial sales benefited from warm summer weather, increasing 3.4% and 2.3% respectively. Mean temperatures for July and August exceeded those of last year, with a resultant increase in air conditioning loads for the residential and commercial customer classes. Additionally, there was a 17,600 increase in total retail customers compared to the end of the quarter last year. The number of residential customers grew 2.8% over the past twelve months, exceeding the Company's 10 year annual growth rate of 2.2%. High tech, construction and services industries together represented growth of 7.2%, high tech was 11.8%, for the quarter which helped compensate for weakness in lumber and paper industries.

Wholesale revenues jumped $37 million from 1995, despite a 44% drop in average sale prices. Company marketing efforts increased the level of sales as PGE was able to profitably broker much of the surplus NW hydro-generated power. For the quarter, wholesale sales comprised 42% of total kWh sales.

Continued decline in the price per kWh of variable power was reflected in earnings as total costs increased only $19 million or 29% to support a 50% increase in total Company sales. An abundant supply of wholesale power, much of it hydro-generated, kept more expensive thermal generation below 1995 levels throughout the region. PGE took advantage of competitive wholesale prices and purchased 67% of its power requirements. However, PGE had good performance from its generating facilities which provided 33% of total Company loads at an average cost of 7.4 mills (10 mills = 1 cent) compared to 8.4 mills in 1995. Coyote Springs provided nearly 6% of total energy requirements at 5.7 mills. Hydro plant generation also provided 6% of total loads, with increased production reflecting improved water conditions on the Clackamas River system. Energy purchases were up 84% providing nearly all of the incremental energy to support the demand created by wholesale sales. Increased mid-Columbia generation helped reduce the average cost of firm purchases.

RESOURCE MIX/VARIABLE POWER COSTS

	Resource Mix			Average Variable Power Cost (Mills/kWh)	
	1996	1995		1996	1995
Generation	33%	46%		7.4	8.4
Firm Purchases	54	35		14.7	24.5
Spot Purchases	13	19		8.7	11.4
Total Resources	100%	100%	Average	12.9	16.0

PGE does not have a fuel adjustment clause as part of its retail rate structure; therefore, changes in fuel and purchased power expenses are reflected currently in earnings.

Operating expenses (excluding variable power, depreciation and income taxes) increased $10 million or 16% compared to 1995 primarily due to additional firm natural gas transportation capacity and operating costs related to Coyote Springs. Additionally, efforts to complete distribution projects deferred as a result of the winter storms and increased customer marketing and service costs also contributed to this increase. Lower operating costs at Company coal generating plants as well as a decrease in general administration costs helped partially offset the increases for the quarter.

Other Income decreased $11 million, excluding the 1995 $13 million regulatory disallowance, due to Enron/PGC merger costs, lower interest income on regulatory asset balances and decreased AFDC.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1996 COMPARED TO 1995 FOR THE NINE MONTHS ENDED SEPTEMBER 30

Portland General earned $103 million or $2.03 per share for the nine months ended September 30, 1996 compared to $45 million or $0.88 per share in 1995. 1995 earnings include regulatory disallowances of $50 million after tax. Excluding the disallowances, 1995 earnings would have been $94 million. Improved earnings for the year include the benefits of plentiful water conditions, favorable weather conditions, a growing residential customer base and the Company's aggressive wholesale marketing efforts. These factors also contributed to the Company achieving record sales during the year as well as establishing new record peak loads for both the summer and winter seasons.

Operating revenues of $794 million increased $92 million compared to the same period last year driven by a $69 million increase in wholesale revenues combined with $23 million of retail revenue increases. Retail revenue gains were largely due to 1995 rate increases accompanied by 2% higher energy sales. These gains were partially offset by a $16 million revenue refund provision related to energy efficiency programs and Oregon excise tax "kicker" benefits.

Favorable weather conditions contributed to higher energy sales in both residential and commercial classes with significantly colder mean temperatures in January and February by 2.6 and 4.5 degrees respectively, and warmer mean summer weather in July and August by 1.4 and 3.1 degrees respectively. Industrial loads have benefited from the growth in high-tech industries; however, weak demand from paper and metals manufacturers has led to a 6.8% decline in sales for the year. Wholesale revenues comprised 36% of PGE loads and an additional 5.5 million in MWh sales. The average sales price was 49% below last year.

The price per kWh of variable power dropped 24% keeping total variable power costs to a $13 million increase despite a 39% rise in total Company energy requirements. Optimal hydro conditions brought steep reductions in the cost of wholesale power in general as well as the cost of firm power purchased from the mid-Columbia projects. PGE hydro projects generated 9% of the Company's energy needs, with an 11% increase in production levels. PGE's thermal plants operated efficiently, however, excluding Coyote Springs, thermal plant generation was down 50% due to economic displacement early in the year as power purchases provided 79% of total PGE loads.

RESOURCE MIX/VARIABLE POWER COSTS

	Resource Mix			Average Variable Power Cost (Mills/KWh)	
	1996	1995		1996	1995
Generation	21%	37%		5.9	7.5
Firm Purchases	64	36		13.2	24.7
Spot Purchases	15	27		9.0	10.7
Total Resources	100%	100%	Average	12.1	16.0

PGE does not have a fuel adjustment clause as part of its retail rate structure; therefore, changes in fuel and purchased power expenses are reflected currently in earnings.

Operating expenses (excluding variable power, depreciation and income taxes) were $28 million or 14% higher than last year. The increase is primarily due to additional operating costs related to Coyote Springs including fixed natural gas transportation costs, increased costs for transmission and distribution most of which is related to storm related repair costs and maintenance projects deferred during winter storms, and an increase in planned customer marketing and support costs to meet 1996 marketing objectives. PGE realized decreased costs at its coal generating facilities due to lower levels of operation.

Depreciation, Decommissioning and Amortization increased $15 million, or 15%, due to depreciation taken on Coyote Springs and other 1995 plant additions. Excluding regulatory disallowances of $50 million, other income and deductions declined $15 million due to merger costs, the absence of carrying costs on regulatory assets for the current year and decreased AFDC.

CASH FLOW

PORTLAND GENERAL CORPORATION

Portland General requires cash to pay dividends to its common shareholders, to provide funds to its subsidiaries, to meet debt service obligations and for day to day operations. Sources of cash are dividends from PGE, leasing rentals, short- and intermediate-term borrowings and the sale of its common stock. During the third quarter of 1996 Portland General received $56 million in cash dividends from PGE. Portland General used a portion of these proceeds to retire $30 million in medium term notes which matured in September 1996.

Portland General has agreed, as to itself, PGE and other subsidiaries, to certain limitations on its ability to declare or pay dividends on or repurchase or redeem its securities, issue securities, or incur indebtedness pending consummation of the merger with Enron. This is not expected to interfere with the ability of Portland General or PGE to declare dividends, obtain financing or conduct its business operations in a manner consistent with past practice. For further information regarding these limitations please see the Merger Agreement included with Portland General's Form 8-K dated July 20, 1996.

PORTLAND GENERAL ELECTRIC COMPANY

CASH PROVIDED BY OPERATIONS is used to meet the day-to-day cash requirements of PGE. Supplemental cash is obtained from external borrowings as needed. A significant portion of cash from operations comes from depreciation and amortization of utility plant, charges which are recovered in customer revenues but require no current cash outlay. Changes in accounts receivable and accounts payable can also be significant contributors or users of cash. Improved cash flow for the current year reflects a higher percentage of cash revenues combined with lower variable power costs.

INVESTING ACTIVITIES include improvements to generation, transmission and distribution facilities and continued investment in energy efficiency programs. Capital expenditures for 1996 of approximately $170 million are expected to be fully funded by operating cash flows. Through September 30, 1996 nearly $144 million has been expended for capital projects, including energy efficiency programs, primarily for improvements to the Company's distribution system to support the addition of new customers to PGE's service territory.

PGE funds an external trust for Trojan decommissioning costs through customer collections at a rate of $14 million annually. The trust invests in investment-grade tax-exempt and U.S. Treasury bonds. The Company makes withdrawals from the trust, as necessary, for reimbursement of decommissioning expenditures.

FINANCING ACTIVITIES - In August 1996 PGE issued $50 million in additional medium-term notes due September 1999. The proceeds were used to pay down outstanding short-term debt. The Company has entered into an interest rate swap agreement for the same period which effectively puts PGE in a floating rate position on the additional $50 million of long term debt.

In early October 1996 the Company issued a 10 year $81 million energy conservation bond with a coupon rate of 6.91%. The bond is collateralized by the OPUC's designation of a portion of the Company's energy efficiency investments as Bondable Conservation Investment.

The issuance of additional preferred stock and First Mortgage Bonds requires PGE to meet earnings coverage and security provisions set forth in the Articles of Incorporation and Indenture securing its First Mortgage Bonds. As of September 30, 1996, PGE has the capability to issue preferred stock and additional First Mortgage Bonds in amounts sufficient to meet capital requirements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME FOR THE
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(UNAUDITED)

	Three Months Ended SEPTEMBER 30		Nine Months Ended September 30	
	1996	1995	1996	1995
		(Thousands of Dollars)		
OPERATING REVENUES	$ 260,091	$ 222,612	$ 794,097	$ 701,681
OPERATING EXPENSES				
Purchased power and fuel	83,073	64,428	211,632	198,740
Production and distribution	22,698	15,963	64,668	47,404
Maintenance and repairs	12,016	10,563	37,110	31,880
Administrative and other	27,653	25,346	82,904	76,895
Depreciation and amortization	38,889	33,340	114,972	99,583
Taxes other than income taxes	12,336	11,889	39,995	38,672
	196,665	161,529	551,281	493,174
OPERATING INCOME BEFORE INCOME TAXES	63,426	61,083	242,816	208,507
INCOME TAXES	18,684	20,817	79,655	71,509
NET OPERATING INCOME	44,742	40,266	163,161	136,998
OTHER INCOME (DEDUCTIONS)				
Regulatory disallowances - net of income taxes of $8,441 and $25,542	-	(12,859)	-	(49,567)
Interest expense	(20,894)	(19,592)	(60,497)	(58,921)
Allowance for funds used during construction	609	3,608	1,351	8,682
Preferred dividend requirement - PGE	(581)	(2,380)	(2,212)	(7,380)
Other - net of income taxes	(3,335)	5,138	1,779	14,818
NET INCOME	$ 20,541	$ 14,181	$ 103,582	$ 44,630
COMMON STOCK				
Average shares outstanding	51,158,923	50,798,082	51,110,760	50,696,185
Earnings per average share	$0.40	$0.28	$2.03	$0.88
Dividends declared per share	$0.32	$0.30	$0.96	$0.90

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS FOR THE
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(Unaudited)

	Three Months Ended SEPTEMBER 30		Nine Months Ended September 30	
	1996	1995	1996	1995
		(Thousands of Dollars)		
BALANCE AT BEGINNING OF PERIOD	$ 185,081	$ 117,777	$ 135,885	$ 118,676
NET INCOME	20,541	14,181	103,582	44,630
ESOP TAX BENEFIT AND OTHER	(530)	(470)	(1,665)	(1,418)
	205,092	131,488	237,802	161,888
DIVIDENDS DECLARED ON COMMON STOCK	16,384	15,247	49,094	45,647
BALANCE AT END OF PERIOD	$ 188,708	$ 116,241	$ 188,708	$ 116,241

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 1996 AND DECEMBER 31, 1995

	(Unaudited) September 30 1996	December 31 1995
	(Thousands of Dollars)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of $50,616 and $33,382)	$2,856,770	$2,754,280
Accumulated depreciation	(1,104,274)	(1,040,014)
	1,752,496	1,714,266
Capital leases - less amortization of $29,953 and $27,966	7,365	9,353
	1,759,861	1,723,619
OTHER PROPERTY AND INVESTMENTS		
Leveraged leases	150,721	152,666
Trojan decommissioning trust, at market value	77,726	68,774
Corporate owned life insurance, less loans of $27,763 and $26,432	77,639	74,574
Other investments	40,463	28,603
	346,549	324,617
CURRENT ASSETS		
Cash and cash equivalents	17,114	11,919
Accounts and notes receivable	113,356	104,815
Unbilled and accrued revenues	25,527	64,516
Inventories, at average cost	34,832	38,338
Prepayments and other	25,629	16,953
	216,458	236,541
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	283,888	301,023
Trojan decommissioning	294,077	311,403
Income taxes recoverable	206,794	217,366
Debt reacquisition costs	28,682	29,576
Energy efficiency programs	83,222	77,945
Other	26,153	27,611
WNP-3 settlement exchange agreement	164,512	168,399
Miscellaneous	29,051	29,917
	1,116,379	1,163,240
	$3,439,247	$3,448,017
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, $3.75 par value per share, 100,000,000 shares authorized, 51,203,763 and 51,013,549 shares outstanding	$ 192,010	$ 191,301
Other paid-in capital - net	579,346	574,468
Unearned compensation	(6,275)	(8,506)
Retained earnings	188,708	135,885
	953,789	893,148
Cumulative preferred stock of subsidiary		
Subject to mandatory redemption	30,000	40,000
Long-term debt	869,059	890,556
	1,852,848	1,823,704
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	81,582	105,114
Short-term borrowings	174,893	170,248
Accounts payable and other accruals	96,781	133,405
Accrued interest	17,385	16,247
Dividends payable	17,347	16,668
Accrued taxes	51,364	15,151
	439,352	456,833
OTHER		
Deferred income taxes	631,608	652,846
Deferred investment tax credits	48,031	51,211
Trojan decommissioning and transition obligation	368,036	379,179
Miscellaneous	99,372	84,244
	1,147,047	1,167,480
	$3,439,247	$3,448,017

The accompanying notes are an integral part of these consolidated balance sheets.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(UNAUDITED)

	Three Months Ended SEPTEMBER 30		Nine Months Ended September 30	
	1996	1995	1996	1995
	(Thousands of Dollars)			
CASH PROVIDED (USED) BY -				
OPERATIONS:				
Net income	$ 20,541	$ 14,181	$ 103,582	$ 44,630
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	30,212	24,695	89,828	75,540
Amortization of WNP-3 exchange agreement	1,727	1,227	3,887	3,682
Amortization of Trojan investment	6,358	6,456	18,118	18,865
Amortization of Trojan decommissioning	3,510	3,511	10,531	9,826
Amortization of deferred charges - other	472	(30)	354	(208)
Deferred income taxes - net	(1,663)	2,221	(13,522)	(1,651)
Other noncash revenues	(419)	(2,282)	(1,218)	(3,969)
Regulatory disallowance	-	12,859	-	49,567
Changes in working capital:				
(Increase) Decrease in receivables	7,177	8,175	29,902	18,976
(Increase) Decrease in inventories	3,437	5,228	3,506	(2,363)
Increase (Decrease) in payables	39,946	16,931	7,401	(176)
Other working capital items - net	(8,959)	(12,132)	(8,676)	(11,347)
Trojan decommissioning expenditures	(2,697)	(2,343)	(4,836)	(6,214)
Deferred items - other	1,215	(1,122)	12,841	(6,991)
Miscellaneous - net	2,679	6,670	5,826	11,713
	103,536	84,245	257,524	199,880
INVESTING ACTIVITIES:				
Utility construction - new resources	156	(8,386)	141	(37,797)
Utility construction - other	(43,289)	(43,056)	(133,485)	(108,219)
Energy efficiency programs	(2,838)	(4,439)	(10,243)	(13,391)
Rentals received from leveraged leases	11,165	8,050	27,257	19,735
Nuclear decommissioning trust deposits	(3,742)	(3,046)	(11,692)	(13,553)
Nuclear decommissioning trust withdrawals	1,782	1,805	3,229	8,413
Other	(674)	1,638	(11,276)	3,885
	(37,440)	(47,434)	(136,069)	(140,927)
FINANCING ACTIVITIES:				
Short-term borrowings - net	(51,639)	(25,856)	4,645	(74,381)
Borrowings from Corporate Owned Life Insurance	-	-	1,312	2,589
Long-term debt issued	50,000	-	85,000	75,000
Long-term debt retired	(30,000)	-	(117,661)	(3,045)
Repayment of nonrecourse borrowings for leveraged leases	(9,321)	(6,815)	(23,711)	(17,443)
Preferred stock retired	-	-	(20,000)	(10,000)
Common stock issued	784	2,303	2,570	6,865
Dividends paid	(16,355)	(15,218)	(48,415)	(45,757)
	(56,531)	(45,586)	(116,260)	(66,172)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,565	(8,775)	5,195	(7,219)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	7,549	19,098	11,919	17,542
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	$ 17,114	$ 10,323	$ 17,114	$ 10,323
Supplemental disclosures of cash flow information				
Cash paid during the period:				
Interest, net of amounts capitalized	$ 19,738	$ 12,589	$ 55,912	$ 44,212
Income taxes	11,460	26,220	79,130	67,610

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - PRINCIPLES OF INTERIM STATEMENTS

The interim financial statements have been prepared by Portland General and, in the opinion of management, reflect all material adjustments which are necessary to a fair statement of results for the interim period presented. Certain information and footnote disclosures made in the last annual report on Form 10-K have been condensed or omitted for the interim statements. Certain costs are estimated for the full year and allocated to interim periods based on the estimates of operating time expired, benefit received or activity associated with the interim period. Accordingly, such costs are subject to year-end adjustment. It is Portland General's opinion that, when the interim statements are read in conjunction with the 1995 Annual Report on Form 10-K, the disclosures are adequate to make the information presented not misleading.

RECLASSIFICATIONS - Certain amounts in prior years have been reclassified for comparative purposes.

NOTE 2 - LEGAL MATTERS

BONNEVILLE PACIFIC LAWSUIT - On October 7, 1996 the bankruptcy court approved the settlement entered into by Portland General and Portland General Holdings (collectively referred to as Portland General) with the Bonneville Pacific Corporation's (Bonneville) bankruptcy trustee (Trustee). Pursuant to the settlement, Bonneville and its estate will release all claims and causes of action, including those asserted in the Trustee's civil action against Portland General and its current and former officers and directors. In exchange, Portland General will release any and all claims against Bonneville, its estate and related entities and individuals relating to its equity investment in and loans to Bonneville except that Portland General will retain ownership of 2 million shares of Bonneville common stock. The settlement will not have a material impact on Portland General's results of operations.

Portland General will pursue recovery of certain litigation and settlement costs from its Director and Officer liability carrier. Any such revenues would be recognized into income during periods received.

TROJAN INVESTMENT RECOVERY - In April 1996 a circuit court judge in Marion County, Oregon found that the OPUC could not authorize PGE to collect a return on its undepreciated investment in Trojan contradicting a November 1994 ruling from the same court. The ruling was the result of an appeal of PGE's 1995 general rate order which granted PGE recovery of, and a return on, 87 percent of its remaining investment in Trojan.

The November 1994 ruling, by a different judge of the same court, upheld the Commission's 1993 Declaratory Ruling (DR-10). In DR-10 the OPUC ruled that PGE could recover and earn a return on its undepreciated Trojan investment, provided certain conditions were met. The Commission relied on a 1992 Oregon Department of Justice opinion issued by the Attorney General's office stating that the Commission had the authority to set prices including recovery of and on investment in plant that is no longer in service.

The 1994 ruling was appealed to the Oregon Court of Appeals and stayed pending the appeal of the Commission's March 1995 order. Both PGE and the OPUC have separately appealed the April 1996 ruling which were combined with the appeal of the November 1994 ruling at the Oregon Court of Appeals.

Management believes that the authorized recovery of and on the Trojan investment and decommissioning costs will be upheld and that these legal challenges will not have a material adverse impact on the results of operations or financial condition of the Company for any future reporting period.

OTHER LEGAL MATTERS - Portland General and certain of its subsidiaries are party to various other claims, legal actions and complaints arising in the ordinary course of business. These claims are not considered material.

NOTE 3 - WNP-3 SETTLEMENT EXCHANGE AGREEMENT

PGE is selling energy received under a WNP-3 Settlement Exchange Agreement (WSA) to WAPA for 25 years, which began October 1990. Revenues from the WAPA contract are used to support the carrying value of the WSA asset. A portion of the energy under the WSA contract is sold at market prices. In light of reduced prices for wholesale power the Company is performing an evaluation for potential impairment of the WSA asset. This evaluation is expected to be completed during the fourth quarter of 1996.

NOTE 4 - PROPOSED MERGER

On July 20, 1996, Portland General entered into an Agreement and Plan of Merger with Enron, a Delaware corporation, to merge in a tax-free, stock-for-stock transaction. The transaction which has been approved by both companies' boards of directors, will entitle Portland General shareholders to receive one share of Enron common stock for each share of Portland General common stock held by them.

Under the terms of the merger agreement, Enron will reincorporate in Oregon to allow it to qualify as an intrastate holding company that is exempt from the registration requirements of PUHCA. In the event that PUHCA is amended or repealed in a manner that would make this reincorporation no longer necessary, PGC will merge directly into the present Enron. PGE, Portland General's utility subsidiary, will retain its name, most of its functions and maintain its principal corporate offices in Portland, Oregon.

The merger is subject to the approval of each company's shareholders. Both Enron and PGC have scheduled special shareholder meetings each of which will take place on November 12, 1996 in which shareholders of record for each corporation as of September 23, 1996 will vote upon a proposal to approve the Merger Agreement. The affirmative vote of holders of a majority of the shares of both the PGC Common Stock and Enron Voting Stock outstanding is required for merger approval under the state laws where each company is incorporated. In addition the merger is conditioned, among other things, upon and the completion of regulatory procedures including those already initiated at the OPUC and the FERC. The companies are hopeful that the regulatory procedures can be completed in less than 12 months from the date of the agreement.

The merger agreement may be terminated by Enron if the average of the closing prices of Enron Common Stock during the 20 consecutive trading day period ending five trading days prior to the date of the special meeting of the shareholders of Portland General is more than $47.25 per share, and may be terminated by PGC if the average of the closing prices of Enron Common Stock during such period is less than $36.25 per share.

NOTE 5 - SUBSEQUENT EVENT

Bondable Conservation Investment - In early October 1996 the Company issued a 10 year $81 million conservation bond with a coupon rate of 6.91%. The issuance was authorized by the OPUC which earlier designated $81 million of PGE's energy efficiency investment as Bondable Conservation Investment. The bond is collateralized by the future revenue stream assured by the OPUC designation. The financing provides an estimated $21 million in present value savings for customers while granting PGE immediate recovery of its energy efficiency program expenditures. Future revenues collected from customers will pay debt service obligations. Once the Commission designates a Bondable Conservation Investment it may not revalue or affect the timing of the revenue stream. Therefore, the OPUC may not remove the debt service obligation from rates.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

FINANCIAL STATEMENTS AND RELATED INFORMATION

TABLE OF CONTENTS

* The discussion is substantially the same as that disclosed by Portland General and, therefore, is incorporated by reference to the information on the page numbers listed above.

** The notes are substantially the same as those disclosed by Portland General and are incorporated by reference to the information on the page numbers shown above, excluding the Bonneville Pacific litigation discussion contained in Note 2 which relates solely to Portland General.

Portland General Electric Company and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME FOR THE
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(UNAUDITED)

	Three Months Ended SEPTEMBER 30		Nine Months Ended September 30	
	1996	1995	1996	1995
	(Thousands of Dollars)			
OPERATING REVENUES	$ 259,656	$ 222,240	$ 792,772	$ 699,607
OPERATING EXPENSES				
Purchased power and fuel	83,074	64,428	211,633	198,740
Production and distribution	22,698	15,963	64,668	47,404
Maintenance and repairs	12,016	10,563	37,110	31,880
Administrative and other	26,726	24,943	80,862	75,904
Depreciation and amortization	38,868	33,318	114,909	99,520
Taxes other than income taxes	12,325	11,915	39,918	38,650
Income taxes	18,435	21,208	79,492	71,720
	214,142	182,338	628,592	563,818
NET OPERATING INCOME	45,514	39,902	164,180	135,789
OTHER INCOME (DEDUCTIONS)				
Regulatory disallowances - net of income taxes of $8,441 and $25,542	-	(12,859)	-	(49,567)
Allowance for equity funds used during construction	-	1,274	-	1,960
Other	2,043	5,348	5,434	14,852
Income taxes	48	(258)	476	(518)
	2,091	(6,495)	5,910	(33,273)
INTEREST CHARGES				
Interest on long-term debt and other	17,770	17,735	50,720	51,546
Interest on short-term borrowings	2,525	1,217	7,784	5,463
Allowance for borrowed funds used during construction	(609)	(2,334)	(1,351)	(6,722)
	19,686	16,618	57,153	50,287
NET INCOME	27,919	16,789	112,937	52,229
PREFERRED DIVIDEND REQUIREMENT	581	2,380	2,212	7,380
INCOME AVAILABLE FOR COMMON STOCK	$ 27,338	$ 14,409	$ 110,725	$ 44,849

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS FOR THE
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(Unaudited)

	Three Months Ended SEPTEMBER 30		Nine Months Ended September 30	
	1996	1995	1996	1995
	(Thousands of Dollars)			
BALANCE AT BEGINNING OF PERIOD	$ 295,610	$ 222,870	$ 246,282	$ 216,468
NET INCOME	27,919	16,789	112,937	52,229
ESOP TAX BENEFIT AND OTHER	(530)	(470)	(1,665)	(1,418)
	322,999	239,189	357,554	267,279
DIVIDENDS DECLARED				
Common stock	56,014	13,682	88,938	36,772
Preferred stock	581	2,380	2,212	7,380
	56,595	16,062	91,150	44,152
BALANCE AT END OF PERIOD	$ 266,404	$ 223,127	$ 266,404	$ 223,127

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 1996 AND DECEMBER 31, 1995

	(Unaudited) September 30 1996	December 31 1995
	(Thousands of Dollars)	
ASSETS		
ELECTRIC UTILITY PLANT - ORIGINAL COST		
Utility plant (includes Construction Work in Progress of $50,616 and $33,382)	$2,856,770	$2,754,280
Accumulated depreciation	(1,104,274)	(1,040,014)
	1,752,496	1,714,266
Capital leases - less amortization of $29,953 and $27,966	7,365	9,353
	1,759,861	1,723,619
OTHER PROPERTY AND INVESTMENTS		
Trojan decommissioning trust, at market value	77,726	68,774
Corporate owned life insurance, less loans of $27,763 and $26,432	47,096	44,635
Other investments	35,096	24,943
	159,918	138,352
CURRENT ASSETS		
Cash and cash equivalents	4,561	2,241
Accounts and notes receivable	113,145	102,592
Unbilled and accrued revenues	25,527	64,516
Inventories, at average cost	34,832	38,338
Prepayments and other	24,316	15,619
	202,381	223,306
DEFERRED CHARGES		
Unamortized regulatory assets		
Trojan investment	283,888	301,023
Trojan decommissioning	294,077	311,403
Income taxes recoverable	206,794	217,366
Debt reacquisition costs	28,682	29,576
Energy efficiency programs	83,222	77,945
Other	26,153	27,611
WNP-3 settlement exchange agreement	164,512	168,399
Miscellaneous	27,178	26,997
	1,114,506	1,160,320
	$3,236,666	$3,245,597
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock equity		
Common stock, $3.75 par value per share, 100,000,000 shares authorized, 42,758,877 shares outstanding	$ 160,346	160,346
Other paid-in capital - net	471,522	466,325
Retained earnings	266,404	246,282
Cumulative preferred stock		
Subject to mandatory redemption	30,000	40,000
Long-term debt	869,059	890,556
	1,797,331	1,803,509
CURRENT LIABILITIES		
Long-term debt and preferred stock due within one year	81,582	75,114
Short-term borrowings	174,525	170,248
Accounts payable and other accruals	97,656	132,064
Accrued interest	16,015	15,442
Dividends payable	17,117	14,956
Accrued taxes	48,473	12,870
	435,368	420,694
OTHER		
Deferred income taxes	508,555	525,391
Deferred investment tax credits	48,031	51,211
Trojan decommissioning and transition costs	368,036	379,179
Miscellaneous	79,345	65,613
	1,003,967	1,021,394
	$3,236,666	$3,245,597

The accompanying notes are an integral part of these consolidated balance sheets.

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(Unaudited)

	Three Months Ended SEPTEMBER 30 1996	1995	Nine Months Ended September 30 1996	1995
	(Thousands of Dollars)			
CASH PROVIDED (USED) BY -				
OPERATIONS:				
Net Income	$ 27,919	$ 16,789	$ 112,937	$ 52,229
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	30,188	24,729	89,765	75,533
Amortization of WNP-3 exchange agreement	1,727	1,227	3,887	3,682
Amortization of Trojan investment	6,358	6,456	18,118	18,865
Amortization of Trojan decommissioning	3,510	3,511	10,531	9,826
Amortization of deferred charges - other	472	(30)	354	(208)
Deferred income taxes - net	(2,180)	2,113	(8,900)	1,423
Regulatory disallowances	-	12,859	-	49,567
Changes in working capital:				
(Increase) Decrease in receivables	7,824	7,997	27,890	21,655
(Increase) Decrease in inventories	3,437	5,228	3,506	(2,363)
Increase (Decrease) in payables	33,337	19,678	7,896	781
Other working capital items - net	(8,583)	(10,946)	(8,697)	(11,156)
Trojan decommissioning expenditures	(2,697)	(2,343)	(4,836)	(6,214)
Deferred items - other	1,215	(1,122)	12,841	(6,991)
Miscellaneous - net	1,675	4,864	4,440	9,156
	104,202	91,010	269,732	215,785
INVESTING ACTIVITIES:				
Utility construction - new resources	156	(8,386)	141	(37,797)
Utility construction - other	(43,289)	(43,056)	(133,485)	(108,219)
Energy efficiency programs	(2,838)	(4,439)	(10,243)	(13,391)
Nuclear decommissioning trust deposits	(3,742)	(3,046)	(11,692)	(13,553)
Nuclear decommissioning trust withdrawals	1,782	1,805	3,229	8,413
Other investments	(131)	(70)	(9,301)	(3,048)
	(48,062)	(57,192)	(161,351)	(167,595)
FINANCING ACTIVITIES:				
Short-term debt - net	(49,807)	(25,869)	4,277	(74,381)
Borrowings from Corporate Owned Life Insurance	-	-	1,312	2,589
Long-term debt issued	50,000	-	85,000	75,000
Long-term debt retired	-	-	(87,661)	(3,045)
Preferred stock retired	-	-	(20,000)	(10,000)
Dividends paid	(58,305)	(13,926)	(88,989)	(43,505)
	(58,112)	(39,795)	(106,061)	(53,342)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,972)	(5,977)	2,320	(5,152)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	6,533	10,415	2,241	9,590
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	$ 4,561	$ 4,438	$ 4,561	$ 4,438
Supplemental disclosures of cash flow information				
Cash paid during the period:				
Interest, net of amounts capitalized	$ 18,601	$ 11,375	$ 53,485	$ 41,768
Income taxes	19,032	27,721	75,667	72,842

The accompanying notes are an integral part of these consolidated statements.

PORTLAND GENERAL CORPORATION AND SUBSIDIARIES
PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For further information, see Portland General's and PGE's reports on Form 10-K for the year ended December 31, 1995.

NONUTILITY

ROGER G. SEGAL, AS THE CHAPTER 11 TRUSTEE FOR BONNEVILLE PACIFIC CORPORATION V. PORTLAND GENERAL CORPORATION, PORTLAND GENERAL HOLDINGS, INC. ET AL, U.S. DISTRICT COURT FOR THE DISTRICT OF UTAH
and PORTLAND GENERAL HOLDINGS, INC. V. THE BONNEVILLE GROUP AND RAYMOND L. HIXSON, THIRD JUDICIAL DISTRICT COURT FOR SALT LAKE COUNTY

On October 7, 1996 the bankruptcy court approved the settlement entered into by Portland General and Portland General Holdings (collectively referred to as Portland General) with the Bonneville Pacific Corporation's (Bonneville) bankruptcy trustee (Trustee). Pursuant to the settlement, Bonneville and its estate will release all claims and causes of action, including those asserted in the Trustee's civil action against Portland General and its current and former officers and directors. In exchange, Portland General will release any and all claims against Bonneville, its estate and related entities and individuals relating to its equity investment in and loans to Bonneville except that Portland General will retain ownership of 2 million shares of common stock of Bonneville. For further information regarding the settlement see Portland General's report on Form 8-K dated August 23, 1996.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

NUMBER	EXHIBIT	PGC	PGE
10	Portland General Corporation Management Deferred Compensation Plan, 1996 Restatement, Amendment No. 1, dated October 18, 1996, filed herewith	X	X
	Portland General Corporation Outside Directors' Life Insurance Benefit Plan, 1996 Restatement Amendment No. 1, dated October 22, 1996, filed herewith	X	X

PART II. OTHER INFORMATION

NUMBER	EXHIBIT	PGC	PGE
10	Portland General Corporation Outside Directors' Deferred Compensation Plan, 1996 Restatement Amendment No. 1, dated October 18, 1996, filed herewith	X	X
	Portland General Corporation Senior Officers' Life Insurance Benefit Plan, 1996 Restatement, Amendment No. 1, dated October 22, 1996, filed herewith	X	X
27	Financial Data Schedule - UT (Electronic Filing Only)	X	X

b. Reports on Form 8-K

August 23, 1996 - Item 5. Other Events: Litigation Settlement between PGC and Bonneville Pacific trustee.

September 6, 1996 - Item 5. Other Events: OPUC's response to PGE's rate proposal.

September 11, 1996 - Item 5. Other Events: Postponement of settlement discussions on rate proposal.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PORTLAND GENERAL CORPORATION
PORTLAND GENERAL ELECTRIC COMPANY
(Registrants)

October 24, 1996 By /S/ JOSEPH M. HIRKO
Joseph M. Hirko
Sr. Vice President and
Chief Financial Officer

PORTLAND GENERAL CORPORATION

MANAGEMENT DEFERRED COMPENSATION PLAN

1996 RESTATEMENT

AMENDMENT NO. 1

This Amendment No. 1 to the Portland General Corporation Management Deferred Compensation Plan, as restated effective January 1, 1996 (the "Plan") is effective as of September 10, 1996 and has been executed as of the 18th day of October, 1996 on behalf of Portland General Corporation (the "Company").

WHEREAS, pursuant to Section 10.1, the Human Resources Committee of the Company's Board of Directors (the "Committee") has the authority to amend the Plan; and

WHEREAS, the Committee wishes to protect the Participants' benefits under the Plan at the level promised when the Participants entered into each Deferral Election;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: Section 10.1 is amended in its entirety to read as follows:

10.1 Amendment

The Senior Administrative Officer may amend the Plan from time to time as may be necessary for administrative purposes and legal compliance of the Plan, provided, however, that no such amendment shall affect the benefit rights of Participants or Beneficiaries in the Plan. The Committee may amend the Plan at any time, provided, however, that no amendment shall be effective to decrease or restrict the accrued rights of Participants and Beneficiaries to the amounts in their Accounts at the time of the amendment. Such amendments shall be subject to the following:

(a) PRESERVATION OF ACCOUNT BALANCE. No amendment shall reduce the amount accrued in any Account to the date such notice of the amendment is given.

(b) 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 Compensation credited to any Account under Deferral Elections already in effect on the date of the amendment.

SECOND: Section 10.3 is amended in its entirety to read as follows:

10.3 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 5.6, and shall be paid in the form designated by the Participant.

THIRD: Except as provided herein, all other Plan provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of the day and year first written above.

PORTLAND GENERAL CORPORATION

By: /s/ Don F. Kielblock
Its Vice President

PORTLAND GENERAL CORPORATION

OUTSIDE DIRECTORS' DEFERRED COMPENSATION PLAN

1996 RESTATEMENT

AMENDMENT NO. 1

This Amendment No. 1 to the Portland General Corporation Outside Directors' Deferred Compensation Plan, as restated effective January 1, 1996 (the "Plan") is effective as of September 10, 1996 and has been executed as of the 18th day of October, 1996 on behalf of Portland General Corporation (the "Company").

WHEREAS, pursuant to Section 9.1, the Human Resources Committee of the Company's Board of Directors (the "Committee") has the authority to amend the Plan; and

WHEREAS, the Committee wishes to protect the Participants' benefits under the Plan at the level promised when the Participants entered into each Deferral Election;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: Section 9.1 is amended in its entirety to read as follows:

9.1 Amendment

The Senior Administrative Officer may amend the Plan from time to time as may be necessary for administrative purposes and legal compliance of the Plan, provided, however, that no such amendment shall affect the benefit rights of Participants or Beneficiaries in the Plan. The Committee may amend the Plan at any time, provided, however, that no amendment shall be effective to decrease or restrict the accrued rights of Participants and Beneficiaries to the amounts in their Accounts at the time of the amendment. Such amendments shall be subject to the following:

(a) PRESERVATION OF ACCOUNT BALANCE. No amendment shall reduce the amount accrued in any Account to the date such notice of the amendment is given.

(b) 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 Compensation credited to any Account under Deferral Elections already in effect on the date of the amendment.

SECOND: Section 9.3 is amended in its entirety to read as follows:

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 5.6, and shall be paid in the form designated by the Participant.

THIRD: Except as provided herein, all other Plan provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of the day and year first written above.

PORTLAND GENERAL CORPORATION

By: /s/ Don F. Kielblock
Its Vice President

PORTLAND GENERAL CORPORATION

OUTSIDE DIRECTORS' LIFE INSURANCE BENEFIT PLAN

1996 RESTATEMENT

AMENDMENT NO. 1

This Amendment No. 1 to the Portland General Corporation Outside Directors' Life Insurance Benefit Plan, as restated effective January 1, 1996 (the "Plan") is effective as of September 10, 1996 and has been executed as of the 22nd day of October, 1996 on behalf of Portland General Corporation (the "Company").

WHEREAS, pursuant to Section 10.1 of the Plan, the Human Resources Committee of the Company's Board of Directors (the "Committee") has the authority to amend the Plan; and

WHEREAS, the Committee has determined that the proposed merger with Enron Corporation should not trigger a change in control under Section 2.4 of the Plan; and

WHEREAS, the Committee wishes to reward those Participants who remain with the Company following the proposed merger with Enron Corporation;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: Section 2.4 is amended in its entirety to read as follows:

2.4 Change in Control

"Change in Control" shall mean an occurrence in which:

(a) Any "person," as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than Portland General Corporation ("PGC") or Portland General Electric ("PGE"), any trustee or other fiduciary holding securities under an employee benefit plan of PGC or PGE, or any Employer owned, directly or indirectly, by the stockholders of PGC or PGE in substantially the same proportions as their ownership of stock of PGC or PGE), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities representing thirty percent (30%) or more of the combined voting power of PGC's or PGE's then outstanding voting securities;

(b) During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by PGC's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors as of the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

(c) The stockholders of PGC or PGE approve a merger or consolidation of PGC or PGE with any other corporation other than (i) the Merger Plan, (ii) a merger or consolidation which would result in the voting securities of PGC or PGE outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than eighty percent (80%) of the combined voting power of the voting securities of PGC or PGE or such surviving entity outstanding immediately after such merger or consolidation or (iii) a merger or consolidation effected to implement a recapitalization of PGC or PGE (or similar transaction) in which no "person" (as hereinabove defined) acquires more than thirty percent (30%) of the combined voting power of PGC's or PGE's then outstanding securities; or

(d) The stockholders of PGC or PGE approve a plan of complete liquidation of PGC or PGE or an agreement for the sale or disposition by PGC or PGE of sixty percent (60%) or more of PGC's or PGE's assets (including stock of subsidiaries) to a person or entity that is not a subsidiary or parent corporation. For purposes of determining whether a sale or other disposition of sixty percent (60%) of PGE's assets has occurred, only long-term assets shall be considered. Assets shall not be considered long-term assets if they constitute "regulatory assets," "stranded investments" or abandoned or nonoperational projects. Projects in economy shutdown shall be considered long-term assets.

SECOND: A new Section 2.11 shall be added to read as follows, with the former Section 2.11 becoming Section 2.12 and subsequent sections being renumbered accordingly:

2.11 Merger Plan

"Merger Plan" shall mean the Agreement and Plan of Merger by and between Enron Corporation, Portland General Corporation and New Falcon Corp., dated as of July 20, 1996, as that Agreement may be amended or restated from time to time.

THIRD: New subsections (c) and (d) shall be added to the end of Section 8.2 to read as follows:

(c) In the event of termination of service on the Board, or the Board of the successor corporation established pursuant to the Merger Plan, or any advisory committee to the Board or officers of a corporation qualifying as both a Direct Subsidiary of Company and Participating Company of the Plan, occurring at least one (1) year from the consummation date of the Merger Plan, the Participant shall be deemed to have retired for purposes of this Plan and shall be eligible to make the election specified in Section 8.4.

(d) In the event of involuntary termination of service on the Board, or the Board of the successor corporation established pursuant to the Merger Plan, or any advisory committee to

PORTLAND GENERAL CORPORATION

OUTSIDE DIRECTORS' LIFE INSURANCE BENEFIT PLAN

1996 RESTATEMENT

AMENDMENT NO. 1

the Board or officers of a corporation qualifying as both a Direct Subsidiary of Company and Participating Company of the Plan, without Cause, occurring during the one (1) year period beginning with the date the stockholders of PGC or PGE approve the Merger Plan, the Participant shall be entitled to the Change in Control benefit specified in Section 8.3.

FOURTH: Except as provided herein, all other Plan provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of the day and year first written above.

PORTLAND GENERAL CORPORATION

By: /s/ Don F. Kielblock
Its Vice President

PORTLAND GENERAL CORPORATION

SENIOR OFFICERS' LIFE INSURANCE BENEFIT PLAN

1996 RESTATEMENT

AMENDMENT NO. 1

This Amendment No. 1 to the Portland General Corporation Senior Officers' Life Insurance Benefit Plan, as restated effective January 1, 1996 (the "Plan") is effective as of September 10, 1996 and has been executed as of the 22nd day of October, 1996 on behalf of Portland General Corporation (the "Company").

WHEREAS, pursuant to Section 10.1 of the Plan, the Human Resources Committee of the Company's Board of Directors (the "Committee") has the authority to amend the Plan; and

WHEREAS, the Committee has determined that the proposed merger with Enron Corporation should not trigger a change in control under Section 2.4 of the Plan; and

WHEREAS, the Committee wishes to reward those Participants who remain with the Company following the proposed merger with Enron Corporation;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: Section 2.3 is amended in its entirety to read as follows:

2.3 Cause

"Cause" shall have the meaning specified in any employment contract in effect between the Participant and the Participating Employer; provided, that if no such employment contract is in effect, or if such an employment contract is in effect but does not define the term "Cause," then such term shall mean termination of the Participant's employment by action of the Participating Employer's Board of Directors because of the Participant's (i) conviction of a felony (which, through lapse of time or otherwise, is not subject to appeal); or (ii) willful refusal without proper legal cause to perform the Participant's duties and responsibilities; or (iii) willfully engaging in conduct which the Participant has or should have reason to know may be materially injurious to PGC, PGE, or the Participating Employer.

SECOND: Section 2.4 is amended in its entirety to read as follows:

2.4 Change in Control

"Change in Control" shall mean an occurrence in which:

(a) Any "person," as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than Portland General Corporation ("PGC") or Portland General Electric ("PGE"), any trustee or other fiduciary holding securities under an employee benefit plan of PGC or PGE, or any Employer owned, directly or indirectly, by the stockholders of PGC or PGE in substantially the same proportions

as their ownership of stock of PGC or PGE), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities representing thirty percent (30%) or more of the combined voting power of PGC's or PGE's then outstanding voting securities;

(b) During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director whose election by the Board or nomination for election by PGC's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors as of the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

(c) The stockholders of PGC or PGE approve a merger or consolidation of PGC or PGE with any other corporation, other than (i) the Merger Plan (ii) a merger or consolidation which would result in the voting securities of PGC or PGE outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than eighty percent (80%) of the combined voting power of the voting securities of PGC or PGE or such surviving entity outstanding immediately after such merger or consolidation or (iii) a merger or consolidation effected to implement a recapitalization of PGC or PGE (or similar transaction) in which no "person" (as hereinabove defined) acquires more than thirty percent (30%) of the combined voting power of PGC's or PGE's then outstanding securities; or

(d) The stockholders of PGC or PGE approve a plan of complete liquidation of PGC or PGE or an agreement for the sale or disposition by PGC or PGE of sixty percent (60%) or more of PGC's or PGE's assets (including stock of subsidiaries) to a person or entity that is not a subsidiary or parent corporation. For purposes of determining whether a sale or other disposition of sixty percent (60%) of PGE's assets has occurred, only long-term assets shall be considered. Assets shall not be considered long-term assets if they constitute "regulatory assets," "stranded investments" or abandoned or nonoperational projects. Projects in economy shutdown shall be considered long-term assets.

THIRD: New Sections 2.11 and 2.12 shall be added to read as follows, with the former Sections 2.11 and 2.12 becoming Sections 2.13 and 2.14, and subsequent sections being renumbered accordingly:

2.11 Involuntary Termination

"Involuntary Termination" shall have the meaning specified in any employment contract in effect between the Participant and the Participating Employer; provided, that if no such employment contract is in effect, or if such an employment contract is in effect but does not define the term "Involuntary Termination," then such term shall mean termination of the Participant's employment under any of the following circumstances:

(a) Termination by the Participating Employer on any grounds whatsoever except (i) for "Cause" as defined above, or (ii) upon Employee's death or permanent disability; or

(b) Termination by the Participant within sixty (60) days of and in connection with or based upon any of the following:

(i) An assignment to the Participant of duties and responsibilities inconsistent with his position or inappropriate to a senior officer of the Participating Employer;

(ii) A reduction in the Participant's annual base salary or a failure to continue the Participant's participation in any compensation or employee benefit plan or program in which the Participant was participating other than as a result of the expiration of such plan or program or as part of a general program to reduce employee benefits on a proportional basis relative to other employees of the Participating Employer; or

(iii) A relocation of the Participant from Portland, Oregon without the Participant's consent.

2.12 MERGER PLAN

"Merger Plan" shall mean the Agreement and Plan of Merger by and between Enron Corporation, Portland General Corporation and New Falcon Corp., dated as of July 20, 1996, as that Agreement may be amended or restated from time to time.

FOURTH: New subsections (c) and (d) shall be added to the end of Section 8.3 to read as follows:

(c) In the event of termination of employment, occurring at least two (2) years from the consummation date of the Merger Plan, the Participant shall be deemed to have retired for purposes of this Plan and shall be eligible to make the election specified in Section 8.5.

(d) In the event of Involuntary Termination, occurring during the two-year period beginning with the date the stockholders of PGC or PGE approve the Merger Plan, the Participant shall be entitled to the Change in Control benefit specified in Section 8.4.

FIFTH: Except as provided herein, all other Plan provisions shall remain in full force and effect.

PORTLAND GENERAL CORPORATION

SENIOR OFFICERS' LIFE INSURANCE BENEFIT PLAN

1996 RESTATEMENT

AMENDMENT NO. 1

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of the day and year first written above.

PORTLAND GENERAL CORPORATION

By: /s/ Don F. Kielblock
Its Vice President

UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1996 FOR PORTLAND GENERAL CORPORATION (PGC) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000079636
PORTLAND GENERAL CORPORATION
1,000

3-MOS
DEC-31-1996
SEP-30-1996
PER-BOOK
1,759,861
346,549
216,458
1,116,379
0
3,439,247
192,010
579,346
182,433
953,789
30,000
0
861,694
0
0
174,893
79,000
0
7,365
2,582
1,329,924
3,439,247
260,091
18,684
196,665
215,349
44,742
(3,335)
41,407
20,285
21,122
581
20,541
16,384
64,190
103,536
$0.40
$0.40

Represents the 12 month-to-date figure ending September 30, 1996.

UT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FILED ON FORM 10-Q FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1996 FOR PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES (PGE) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000784977
PORTLAND GENERAL ELECTRIC COMPANY
1,000

3-MOS
DEC-31-1996
SEP-30-1996
PER-BOOK
1,759,861
159,918
202,381
1,114,506
0
3,236,666
160,346
471,522
266,404
898,272
30,000
0
861,694
0
0
174,525
79,000
0
7,365
2,582
1,183,228
3,236,666
259,656
18,435
195,707
214,142
45,514
2,091
47,605
19,686
27,919
581
27,338
56,014
61,803
104,202
0
0

Represents the 12 month-to-date figure ending September 30, 1996.