PORTLAND GENERAL ELECTRIC CO /OR/
Form 10-K
February 25, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition period from to

Commission File Number 1-5532-99

PORTLAND GENERAL ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

Oregon (State or other jurisdiction of incorporation or organization)	93-0256820 (I.R.S. Employer Identification No.)

121 SW Salmon Street
Portland, Oregon 97204
(503) 464-8000
(Address of principal executive offices, including zip code,
and Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, no par value (Title of class)	New York Stock Exchange (Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [x] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [x]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of

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the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [x] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[x]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [x]

As of June 30, 2010, the aggregate market value of voting common stock held by non-affiliates of the Registrant was $1,377,258,515. For purposes of this calculation, executive officers and directors are considered affiliates.

As of February 18, 2011, there were 75,316,419 shares of common stock outstanding.

Documents Incorporated by Reference

Part III, Items 10 - 14	Portions of Portland General Electric Company's definitive proxy statement to be filed pursuant to Regulation 14A for the 2011 Annual Meeting of Shareholders to be held on May 11, 2011.

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DEFINITIONS

The following abbreviations or acronyms used throughout this Form 10-K are defined below:

Abbreviation orAcronym	Definition
AFDC	Allowance for funds used during construction
BART	Best Available Retrofit Technology
Beaver	Beaver natural gas-fired generating plant
Biglow Canyon	Biglow Canyon Wind Farm
Boardman	Boardman coal-fired generating plant
BPA	Bonneville Power Administration
CAA	Clean Air Act
Colstrip	Colstrip Units 3 and 4 coal-fired generating plant
Coyote Springs	Coyote Springs Unit 1 natural gas-fired generating plant
CUB	Citizens' Utility Board
Dth	Decatherm = 10 therms = 1,000 cubic feet of natural gas
DEQ	Oregon Department of Environmental Quality
EPA	United States Environmental Protection Agency
ESA	Endangered Species Act
ESS	Electricity Service Supplier
FERC	Federal Energy Regulatory Commission
IRP	Integrated Resource Plan
ISFSI	Independent Spent Fuel Storage Installation
kV	Kilovolt = one thousand volts of electricity
kW	Kilowatt = one thousand watts of electricity
kWh	Kilowatt hours
Moody's	Moody's Investors Service
MW	Megawatts
MWa	Average megawatts
MWh	Megawatt hours
NRC	Nuclear Regulatory Commission
NVPC	Net Variable Power Costs
OATT	Open Access Transmission Tariff
OEQC	Oregon Environmental Quality Commission
OPUC	Public Utility Commission of Oregon
PCAM	Power Cost Adjustment Mechanism
Port Westward	Port Westward natural gas-fired generating plant
REP	Residential Exchange Program
RPS	Renewable Portfolio Standard
S&P	Standard & Poor's Ratings Services
SB 408	Oregon Senate Bill 408 (Oregon Revised Statutes 757.268)
SEC	United States Securities and Exchange Commission
SIP	Oregon Regional Haze State Implementation Plan
Trojan	Trojan nuclear power plant
USDOE	United States Department of Energy
VIE	Variable interest entity

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PART I

ITEM 1. BUSINESS.

General

Portland General Electric Company (PGE or the Company) was incorporated in 1930 and is a vertically integrated electric utility engaged in the generation, purchase, transmission, distribution, and retail sale of electricity in the state of Oregon. PGE operates as a cost-based, regulated electric utility, with revenue requirements and customer prices determined based upon the forecast cost to serve retail customers, including an opportunity to earn a reasonable rate of return. The Company's energy requirement is met with both company-owned generation and power purchased in the wholesale market. The Company also participates in the wholesale market by purchasing and selling electricity and natural gas in order to manage its net variable power costs (NVPC). PGE is publicly-owned, with its common stock listed on the New York Stock Exchange, and operates as a single segment, with revenues and costs related to its business activities maintained and analyzed on a total electric operations basis.

In 1997, Portland General Corporation, the former parent of PGE, merged with Enron Corporation (Enron), with Enron continuing in existence as the surviving corporation and PGE operating as a wholly-owned subsidiary of Enron through April 3, 2006. In December 2001, Enron, along with certain of its subsidiaries (collectively "Debtors"), filed for bankruptcy under Chapter 11 of the federal Bankruptcy Code. PGE was not included in the filing. On April 3, 2006, in accordance with Enron's Chapter 11 plan, PGE's 42.8 million shares of common stock held by Enron were canceled, PGE issued 62.5 million of new shares of common stock, with 27 million shares issued to the Debtors' creditors holding allowed claims and 35.5 million shares issued to a Disputed Claims Reserve, and PGE and Enron entered into a separation agreement. Following issuance of the new PGE common stock, PGE ceased to be a subsidiary of Enron. On June 18, 2007, the Disputed Claims Reserve sold substantially all of its remaining holdings of PGE stock in a public offering.

PGE's state-approved service area allocation of approximately 4,000 square miles is located entirely within Oregon and includes 52 incorporated cities, of which Portland and Salem are the largest. The Company estimates that at the end of 2010 its service area population was 1.7 million, comprising approximately 44% of the state's population. The Company added 4,937 customers during 2010 and served a total of 820,676 retail customers as of December 31, 2010.

As of December 31, 2010, PGE had 2,671 employees, with 872 employees covered under two separate agreements with Local Union No. 125 of the International Brotherhood of Electrical Workers. Such agreements cover 837 and 35 employees and expire on February 28, 2012 and August 1, 2011, respectively.

Available Information

PGE's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available and may be accessed free of charge through the Investors section of the Company's Internet website at www.portlandgeneral.com as soon as reasonably practicable after the reports are electronically filed with, or furnished to, the United States Securities and Exchange Commission (SEC). It is not intended that PGE's website and the information contained therein or connected thereto be incorporated into this Annual Report on Form 10-K. Information may also be obtained via the SEC Internet website at www.sec.gov.

Regulation and Rates

PGE is subject to both federal and state regulation, which can have a significant impact on the operations of the Company. In addition to those agencies and activities discussed below, the Company is subject to regulation by certain environmental agencies, as described in the Environmental Matters section in this Item 1.

Federal Regulation

PGE is subject to regulation by several federal agencies, including the Federal Energy Regulatory Commission (FERC) and the Nuclear Regulatory Commission (NRC).

FERC Regulation

The Company is a "licensee" and a "public utility," as defined in the Federal Power Act, and is subject to regulation by the FERC in matters related to wholesale energy activities, transmission services, reliability standards, natural gas pipelines, hydroelectric projects, accounting policies and practices, short-term debt issuances, and certain other matters. The Energy Policy Act of 2005 (EPAct 2005) granted the FERC statutory authority to implement mandatory reliability standards and also authorized monetary penalties for non-compliance with such standards and other FERC regulations. EPAct 2005 also provides for enhanced oversight of power and transmission markets, including protection against market manipulation.

Wholesale Energy—PGE has authority under its FERC Market-Based Rates tariff to charge market-based rates for wholesale energy sales. Re-authorization for continued use of such rates requires the filing of triennial market power studies with the FERC. The Company's next triennial market power study is due in June 2013.

Transmission—PGE offers transmission service pursuant to its Open Access Transmission Tariff (OATT), which is filed with the FERC. As required by the OATT, PGE provides information regarding its transmission business on its Open Access Same-time Information System. As of December 31, 2010, PGE owned approximately 1,100 miles of transmission lines. For additional information, see the Transmission and Distribution section in this Item 1. and in Item 2.—"Properties."

Reliability and Cyber Security Standards—Pursuant to EPAct 2005, the FERC has adopted mandatory reliability standards for owners, users and operators of the bulk electric system. Such standards, which are applicable to PGE, were developed by the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC), which has responsibility for compliance and enforcement of these standards. These standards include Critical Infrastructure Protection standards, a set of cyber security standards that provide a framework to identify and protect critical cyber assets to support reliable operation of the bulk electric system.

Pipeline—The Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978 provide FERC authority in matters related to the extension, enlargement, safety, and abandonment of jurisdictional pipeline facilities, as well as transportation rates and accounting for interstate natural gas commerce. PGE is subject to such authority as the Company has a 79% ownership interest in the 17-mile interstate pipeline that provides natural gas to its Port Westward and Beaver plants.

Hydroelectric Licensing—Under the Federal Power Act, PGE's hydroelectric generating plants are subject to FERC licensing requirements. These include an extensive public review process that involves the consideration of numerous natural resource issues and environmental conditions. PGE holds FERC licenses for the Company's projects on the Deschutes, Clackamas, and Willamette Rivers. For additional information, see the Environmental Matters section in this Item 1.

Accounting Policies and Practices—Pursuant to applicable provisions of the Federal Power Act, PGE prepares financial statements in accordance with the accounting requirements of the FERC, as set forth in its applicable Uniform System of Accounts and published accounting releases. Such financial statements are included in annual

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and quarterly reports filed with the FERC.

Short-term Debt—Pursuant to applicable provisions of the Federal Power Act and FERC regulations, regulated public utilities are required to obtain FERC approval to issue certain securities. Pursuant to an order issued by the FERC on January 29, 2010, the Company is authorized to issue up to $750 million of short-term debt through February 6, 2012.

NRC Regulation

The NRC regulates the licensing and decommissioning of nuclear power plants, including PGE’s Trojan nuclear power plant (Trojan), which was closed in 1993. The NRC approved the 2003 transfer of spent nuclear fuel from a spent fuel pool to a separately licensed dry cask storage facility that will house the fuel on the plant site until a U.S. Department of Energy (USDOE) facility is available. Radiological decommissioning of the plant site was completed in 2004 under an NRC-approved plan, with the plant’s operating license terminated in 2005. Spent fuel storage activities will continue to be subject to NRC regulation until all nuclear fuel is removed from the site and radiological decommissioning of the storage facility is completed.

State of Oregon Regulation

PGE is subject to the jurisdiction of the Public Utility Commission of Oregon (OPUC), which is comprised of three members appointed by Oregon’s governor to serve non-concurrent four-year terms. Current commissioners are Susan Ackerman, whose term expires March 31, 2012, and John Savage, whose term expires March 31, 2013. Ray Baum, Chairman of the OPUC since March 2010, resigned effective January 16, 2011 to accept a position as senior policy advisor to the chairman of the House Subcommittee on Communications and Technology in Washington D.C.; no successor has yet been named.

The OPUC reviews and approves the Company’s retail prices (see “Ratemaking” below) and establishes conditions of utility service. In addition, the OPUC regulates the issuance of stock and long-term debt, prescribes accounting policies and practices, and reviews applications to sell utility assets, engage in transactions with affiliated companies, and acquire substantial influence over a public utility. The OPUC also reviews the Company’s generation and transmission resource acquisition plans, pursuant to an integrated resource planning process.

Oregon’s Energy Facility Siting Council (EFSC) has regulatory and siting responsibility for large electric generating facilities, high voltage transmission lines, gas pipelines, and radioactive waste disposal sites. The EFSC also has responsibility for overseeing the decommissioning of Trojan. The seven volunteer members of the EFSC are appointed to four-year terms by the state’s governor, with staff support provided by the Oregon Department of Energy.

Ratemaking—Under Oregon law, the OPUC is required to ensure that the prices and terms of service are fair, non-discriminatory, and provide regulated companies an opportunity to earn a fair return on their investments. Customer prices are determined through formal ratemaking proceedings that generally include testimony by participating parties, data requests, public hearings, and the issuance of a final order. Participants in such proceedings, which are conducted under established procedural schedules, include PGE, OPUC staff, and intervenors.

- General Rate Cases. PGE periodically evaluates the need to change its retail electric price structure to sufficiently cover its operating costs and provide a reasonable rate of return. Such changes are requested pursuant to a comprehensive general rate case process that includes a forecasted test year, debt-to-equity capital structure, return on equity, and overall rate of return. Based upon such factors, revenue requirements and retail customer price changes are proposed. PGE’s most recent general rate cases were the 2009 General Rate Case, which became effective on January 1, 2009, and the 2011 General Rate Case, which became effective on January 1, 2011. For additional information, see the Overview section of Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

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- Power Costs. In addition to price changes resulting from the general rate case process, the OPUC has approved the following mechanisms by which PGE can adjust retail customer prices to cover the Company's NVPC, which consists of the cost of power and fuel (including related transportation costs) less revenues from wholesale power and fuel sales:
  Annual Power Cost Update Tariff (AUT). Under this tariff, customer prices are adjusted annually to reflect the latest forecast of NVPC. Such forecasts assume average regional hydro conditions (based on seventy years of stream flow data covering the period 1928 - 1998) and current hydro operating constraints and requirements. An initial NVPC forecast, submitted to the OPUC by April 1 each year, is updated during the year and finalized in November. Based upon the final forecast, new prices, as approved by the OPUC, become effective at the beginning of the next calendar year; and
  Power Cost Adjustment Mechanism (PCAM). Customer prices can also be adjusted to reflect a portion of the difference between each year's forecasted NVPC included in prices and actual NVPC for the year. Under the PCAM, PGE is subject to a portion of the business risk or benefit associated with the difference between actual NVPC and that included in base prices. The PCAM utilizes an asymmetrical deadband within which PGE absorbs cost variances, with a 90/10 sharing of such variances between customers and the Company outside of the deadband. Annual results of the PCAM are subject to application of a regulated earnings test, under which a refund will occur only to the extent that it results in PGE's actual regulated return on equity (ROE) for that year being no less than 1% above the Company's latest authorized ROE. A collection will occur only to the extent that it results in PGE's actual regulated ROE for that year being no greater than 1% below the Company's last authorized ROE. A final determination of any customer refund or collection is made by the OPUC through a public filing and review. The OPUC order in PGE's 2011 General Rate Case provides for a fixed deadband range of $15 million below, to $30 million above, forecasted NVPC, beginning in 2011. For additional information, see the Results of Operations section of Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

- Renewable Energy. The 2007 Oregon Renewable Energy Act (the Act) established a Renewable Portfolio Standard (RPS) which requires that PGE serve at least 5% of its retail load with renewable resources by 2011, 15% by 2015, 20% by 2020, and 25% by 2025. PGE currently meets the 2011 requirement of the Act with existing renewable resources. Further, the Company expects that it will meet the 2015 requirements with additional resources included in its most recent Integrated Resource Plan (IRP). It is anticipated that requirements for subsequent years will be met by the acquisition of additional renewable resources, as determined pursuant to the Company's integrated resource planning process. The Act also allows Renewable Energy Credits, resulting from energy generated from qualified renewable resources placed in service after January 1, 1995, to be carried forward, with any excess of what is required to meet the Company's compliance obligation used to fulfill RPS requirements of future years. For additional information, see the Power Supply section in this Item 1.

The Act also provides for the recovery in customer prices of all prudently incurred costs required to comply with the RPS. Under a renewable adjustment clause (RAC) mechanism, PGE can recover the revenue requirement of new renewable resources and associated transmission that are not yet included in prices. Under the RAC, PGE submits a filing on April 1 of each year for new renewable resources being placed in service in the current year, with prices to become effective January 1st of the following year. In addition, the RAC provides for the deferral and subsequent recovery of eligible costs incurred prior to January 1st of the following year.

For additional information, see the "Legal, Regulatory and Environmental Matters" discussion in the Overview section of Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

Other ratemaking proceedings can involve charges or credits related to specific costs, programs, or activities, as well as the recovery or refund of deferred amounts recorded pursuant to specific OPUC authorization. Such amounts are generally collected from, or refunded to, retail customers through the use of supplemental tariffs.

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Regulatory Treatment of Income Taxes—In 2005, Oregon adopted Senate Bill 408 (SB 408). The law attempts to match estimates of income taxes collected in revenues with the amount of income taxes paid to governmental entities by investor-owned electric and natural gas utilities or their consolidated group. The law requires that utilities file a report with the OPUC each year indicating the amount of taxes paid by the utility (with certain adjustments), as well as the amount of taxes authorized to be collected in rates. If the OPUC determines that the difference between taxes collected and taxes paid, as defined by the statute, is greater than $100,000, the utility is required to adjust future rates, with a regulatory asset or liability recorded for the total amount (including accrued interest) to be collected from, or refunded to, retail customers.

Application of the provisions of SB 408 can result in unusual outcomes, commonly termed the “double whammy” effect. As the provisions of the law apply to PGE, if the Company records higher actual operating income than forecast in its latest general rate case, customers are surcharged for the resulting increase in income taxes, further increasing earnings. Conversely, if the Company records lower actual operating income than forecast in its latest rate case, customers receive refunds for the resulting decrease in income taxes, further decreasing earnings.

For additional information, see Note 6, Regulatory Assets and Liabilities, in the Notes to Consolidated Financial Statements in Item 8.—“Financial Statements and Supplementary Data.”

Retail Customer Choice Program—PGE’s commercial and industrial customers have access to other providers (Electricity Service Suppliers, or ESSs) under the retail customer choice program. While such customers can purchase their electricity from an ESS, PGE continues to deliver the energy to the customer. The Company includes such “direct access” customers in its customer counts and includes energy delivered in its total retail energy deliveries. PGE served an average of 216 direct access customer accounts in 2010, compared to 262 in 2009 and 417 in 2008.

In 2010, ESSs supplied PGE customers with a total average load of approximately 124 MWa, representing 10% of PGE’s non-residential load and 6% of the Company’s total retail load for the year. In January 2011, the three ESSs registered to transact business with PGE supply an average load of approximately 139 MWa, representing 11% of the Company’s non-residential load and 6% of total retail load.

In addition to providing customers with the option to be served by an ESS for a term of one year or less, PGE offers an option by which certain large non-residential customers may elect to be removed from cost-of-service pricing for a fixed three-year or a minimum five-year term, to be served either by an ESS or under a market price option.

Under market price options, PGE served commercial and industrial customers with an average load of approximately 16 MWa in 2010, representing approximately 1% of non-residential load and less than 1% of total retail load. While daily and monthly market price options were available in 2010, only the daily option will be available beginning in 2011.

The retail customer choice program has no material impact on the Company’s financial condition or operating results. Revenue changes resulting from increases or decreases in electricity sales to direct access customers are substantially offset by changes in the Company’s cost of purchased power and fuel. Further, the program provides for “transition adjustment” charges or credits to direct access customers that reflect the above- or below-market cost of energy resources owned or purchased by the Company, with such adjustments designed to ensure that costs or benefits of the program do not unfairly shift to those customers that continue to purchase their energy requirements from the Company.

Residential and small commercial customers can purchase electricity from PGE from a portfolio of rate options that includes a basic cost-of-service rate, a time-of-use rate, and renewable resource rates. Approximately 77,000, 82,000, and 71,000 customers were enrolled in renewable energy options as of December 31, 2010, 2009, and 2008, respectively. Approximately 2,100, 2,130, and 2,058 customers were enrolled in time-of-use options as of

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December 31, 2010, 2009, and 2008, respectively.

Energy Efficiency Funding—Oregon's electricity restructuring law also provides for a "public purpose charge" to fund cost-effective energy efficiency measures, new renewable energy resources, and weatherization measures for low-income housing. This charge, equal to 3% of retail revenues, is collected from customers and remitted to the Energy Trust of Oregon (ETO) and other agencies for administration of these programs. Approximately $48 million was billed to customers for this charge in both 2010 and 2009.

PGE also remits to the ETO amounts collected under an Energy Efficiency Adjustment tariff to fund additional energy efficiency measures. The tariff, which became effective on June 1, 2008, initially included an approximate 1% charge for eligible customers that provided about $14 million annually for measures that enable customers to reduce their energy use. Effective January 1, 2010, the charge was increased to approximately 1.5%, which provides approximately $24 million annually.

Decoupling—The decoupling mechanism, initially authorized by the OPUC in PGE's 2009 General Rate Case, is intended to provide for recovery of reduced revenues resulting from a reduction in electricity sales attributable to energy efficiency and conservation efforts by residential and certain commercial customers. The mechanism provides for customer collection if weather adjusted use per customer is lower than levels included in the Company's most recent general rate case; it also provides for customer refunds if weather adjusted use per customer exceeds levels included in the general rate case.
The initial twelve month term of the mechanism, which ended January 31, 2010, resulted in an approximate $2.7 million customer refund, which is being credited to customers over a one-year period that began June 1, 2010. During 2010, the Company recorded an estimated customer collection of $8 million, as weather adjusted use per customer was lower than levels included in the 2009 General Rate Case. Pending review and approval by the OPUC, any resulting collections from customers would be expected over a one-year period beginning June 1, 2011.
As part of the Company's 2011 General Rate Case, the OPUC authorized the continued use of the decoupling mechanism through December 31, 2013, with conversion to an annual calendar basis.

Regulatory Accounting

As a regulated public utility, PGE is subject to generally accepted accounting principles for regulated operations to reflect the effects of rate regulation in its financial statements. These principles provide for the deferral as regulatory assets of certain actual or anticipated costs that would otherwise be charged to expense, based on expected recovery from customers in future prices. Likewise, certain actual or anticipated credits that would otherwise reduce expense can be deferred as regulatory liabilities, based on expected future credits or refunds to customers. PGE records regulatory assets or liabilities if it is probable that they will be reflected in future prices, based on regulatory orders or other available evidence.

The Company periodically assesses the applicability of regulatory accounting to its business, considering both the current and anticipated future rate environment and related accounting guidance. For additional information, see Regulatory Assets and Liabilities in Note 2, Summary of Significant Accounting Policies, and Note 6, Regulatory Assets and Liabilities, in the Notes to Consolidated Financial Statements in Item 8.—"Financial Statements and Supplementary Data."

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Customers and Revenues

PGE conducts retail electric operations exclusively in Oregon within a state-approved service area. Retail customers are generally classified within one of the following three categories: i) residential; ii) commercial; or iii) industrial. Within its service territory, the Company competes with: i) the local natural gas distribution company for the energy needs of residential and commercial space heating, water heating, and appliances, and ii) fuel oil suppliers, primarily for residential customers' space heating needs. In addition, the Company competes with ESSs to supply the energy needs of commercial and industrial customers. Customers who choose to purchase their energy requirements from an ESS continue to receive transmission and delivery services from PGE. For additional information on customer options, see "Retail Customer Choice Program" within the Regulation and Rates section of this Item 1.

The following table summarizes PGE's revenues for the years presented, with dollars in millions:

	Years Ended December 31,				
	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Retail:						
Residential	$803	45 %	$856	47 %	$796	46 %
Commercial	601	34	642	36	606	35
Industrial	221	12	166	9	150	8
Subtotal	1,625	91	1,664	92	1,552	89
Other accrued revenues, net	39	2	(7)	—	(44)	(2)
Total retail revenues	1,664	93	1,657	92	1,508	87
Wholesale revenues	87	5	112	6	195	11
Other operating revenues	32	2	35	2	42	2
Revenues, net	$1,783	100 %	$1,804	100 %	$1,745	100 %

The following table provides certain averages for the years presented regarding retail customers who purchase their energy requirements from the Company*:

	Years Ended December 31,		
	2010	2009	2008
Average usage per customer (in kilowatt hours):			
Residential	10,384	11,059	11,080
Commercial	68,040	70,853	72,486
Industrial	12,986,466	9,343,838	11,392,166
Average revenue per customer (in dollars):			
Residential	$1,049	$1,111	$1,066
Commercial	5,769	6,127	5,996
Industrial	859,251	660,839	730,994
Average revenue per kilowatt hour (in cents):			
Residential	10.10¢	10.05¢	9.62¢
Commercial	8.48	8.65	8.27
Industrial	6.62	7.07	6.42

* Excludes customers who purchase their energy from ESSs.

For additional information, see Results of Operations in Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

Retail Revenues

Retail customers are classified within residential, commercial, and industrial classes, with no single customer representing more than 4% of PGE’s total retail revenues or 5% of total retail deliveries. Commercial and industrial customer classes are not dominated by any single industry. While the 20 largest commercial and industrial customers constituted 10% of total retail revenues in 2010, they represented nine different groups, including retail, high technology, paper manufacturing, metal fabrication, health services and governmental agencies. Additional information on the customer classes follows.

Residential customers include single family housing, multiple family housing (such as apartments, duplexes, and town homes), mobile homes, and small farms. Pricing of service to the residential class is based on the costs PGE incurs to provide electric service.

Residential demand is sensitive to the effects of weather, with demand historically highest during the winter heating season although, due to the increased use of air conditioning in PGE’s service territory, the summer peaks have increased in recent years. Economic conditions can also affect demand from the Company’s residential customers, as historical data suggests that high unemployment rates eventually lead to a decrease in demand from the Company’s residential customers. Residential demand is also impacted by energy efficiency measures; however, the decoupling mechanism substantially mitigates the financial effects of such measures.

During 2010, total residential deliveries decreased 5.7% compared to 2009, with milder weather conditions accounting for nearly half of the decrease. During 2009, total residential deliveries remained comparable to 2008; however, on a weather adjusted basis they declined 2.5%.

Commercial customers consist of non-residential customers who accept energy deliveries at voltages equivalent to those delivered to residential customers. This customer class consists of most businesses, including small industrial companies, and public street and highway lighting accounts.

Demand from the Company’s commercial customers is generally not affected as much by weather as the residential class. In 2010, however, the weather did contribute to the decline in deliveries compared to 2009. Economic conditions and fluctuations in total employment in the region can also lead to corresponding changes in energy demand from commercial customers. Commercial demand is also impacted by energy efficiency measures, the financial effects of which are partially mitigated by the decoupling mechanism.

During 2010, as the Oregon economy lost approximately 0.9% of its payroll, the Company’s commercial energy deliveries decreased 3.7% compared to 2009 with milder weather, including a very cool summer in 2010, contributing about one-third of the decline. During 2009, as the Oregon economy lost about 6.2% of its payroll, the Company’s commercial energy deliveries decreased 3.6% compared to 2008.

Industrial customers consist of non-residential customers who accept delivery at higher voltages than commercial customers, with pricing based on the amount of electricity delivered and the applicable tariff. Demand from industrial customers is primarily affected by national and global economic conditions. Weather has little impact on this customer class.

A change in Oregon’s economic activity can also lead to a change in energy demand from the Company’s industrial customers. In 2010, the Company’s industrial energy deliveries rose 3.3% compared to 2009, driven by increased production levels by certain industrial customers in the latter half of 2010. In 2009, total energy deliveries to industrial customers decreased 9.3% compared to 2008 as industrial production declined.

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The following table reflects averages over the past three year period by customer class. Retail energy deliveries and retail revenues are expressed as a percentage of the totals:

Customer Class	Average Customers	Energy Deliveries		Revenues	
Residential	714,362	40	%	51	%
Commercial	101,188	39		38	
Industrial	266	21		11	

Other accrued revenues, net consists of items that are not currently included in customer prices, but are expected to be included in prices in a future period. Such amounts include deferrals recorded under SB 408 and regulatory mechanisms for the renewable adjustment clause, the power cost adjustment, and decoupling. See “State of Oregon Regulation” in the Regulation and Rates section of this Item 1 for further information on these items.

Other accrued revenues also include deferrals recorded pursuant to the Residential Exchange Program (REP). Under the REP, the Bonneville Power Administration (BPA) provides federal hydropower benefits to residential and small farm customers of certain investor-owned electric utilities. PGE receives monthly payments from BPA under the program and passes such payments along to eligible customers in the form of monthly billing credits. In September 2008, the BPA and PGE entered into an agreement that provides for monthly payments through the term of the agreement, which extends to September 2011. PGE received payments totaling $44 million in each of the twelve month periods ended September 30, 2010 and 2009, which were credited to customers. Payments for the twelve month period ending September 30, 2011 are expected to be approximately $49 million, with benefits to be credited to eligible customers. The Company will continue to pursue ongoing benefits for its customers under the REP and, along with other investor-owned utilities in the Pacific Northwest, is currently in settlement negotiations that would provide benefits from October 1, 2011 until the year 2028.

Wholesale Revenues

PGE participates in the wholesale electricity marketplace in order to balance its supply of power to meet the needs of its retail customers, manage risk, and administer its current long-term wholesale contracts. The Company’s participation includes purchases and sales of power that result from economic dispatch decisions for its own generation, which contributes to PGE’s ability to secure reasonably priced power for its customers. Interconnected transmission systems in the western United States serve utilities with diverse load requirements and allow the Company to purchase and sell electricity within the region depending upon the relative price and availability of power, hydro conditions, and daily and seasonal retail demand.

The majority of PGE’s wholesale electricity sales is to utilities and power marketers and is predominantly short-term. The Company may net purchases and sales with the same counterparty rather than simultaneously receiving and delivering physical power, with only the net amount of those purchases or sales required to meet retail and wholesale obligations physically settled.

Other Operating Revenues

Other operating revenues consist primarily of the sale of excess natural gas and oil, as well as revenues from transmission services, excess transmission capacity resales, pole contact rentals, and certain other electric services provided to customers.

Seasonality

Demand for electricity by PGE's residential customers is affected by seasonal weather conditions, as discussed above. Heating and cooling degree-days are common measures used to analyze the effect of weather on the demand for electricity. Heating and cooling degree-days, which measure how much the average daily temperature varies from 65 degrees over a period of time, indicate the extent to which customers are likely to use, or have used,

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electricity for heating or air conditioning. The higher the numbers of degree-days, the greater the expected demand for heating or cooling.

The following table indicates the heating and cooling degree-days for the most recent three-year period, along with 15-year averages for the most recent year provided by the National Weather Service, as measured at Portland International Airport:

	Heating Degree-Days	Cooling Degree-Days
2010	4,187	314
2009	4,391	627
2008	4,582	474
15-year average for 2010	4,192	473

The table above indicates that during 2010, heating degree-days were down about 5% from the prior year, while in 2009 demand for heating was greater than the 15-year average, but less than what it was in 2008. Demand for electricity for air conditioning was down in 2010 due to the 50% decline in cooling degree-days from 2009, which saw an unusually warm summer, while 2008 was a near average cooling degree year.

PGE's all-time high net system load peak of 4,073 MW occurred in December 1998. The Company's all-time "summer peak" of 3,949 MW occurred in July 2009, driven by unusually warm weather, and exceeded the December 2009 "winter peak" of 3,851 MW. The following table shows the Company's average winter and summer loads for the periods indicated along with the corresponding peak load and month in which it occurred:

		Average Load MW	Month	Peak Load MW
2010	Winter	2,445	November	3,582
	Summer	2,220	August	3,544
2009	Winter	2,658	December	3,851
	Summer	2,267	July	3,949
2008	Winter	2,691	December	4,031
	Summer	2,324	August	3,743

The Company tracks and evaluates both base load growth and peak capacity for purposes of long-term load forecasting and integrated resource planning as well as for preparing general rate case assumptions. Behavior patterns, conservation, energy efficiency initiatives and measures, weather effects, and demographic changes all play a role in determining expected future customer demand and the resulting resources the Company will need to adequately meet those loads and maintain adequate reserves.

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Power Supply

PGE relies upon its generating resources as well as short- and long-term power purchase contracts to meet its customers’ energy requirements. The Company executes economic dispatch decisions concerning its own generation, and participates in the wholesale market as a result of those economic dispatch decisions, in an effort to obtain reasonably priced power for its retail customers.

PGE’s base generating resources consist of five thermal plants, seven hydroelectric plants, and a wind farm located at Biglow Canyon in eastern Oregon. The volume of electricity the Company generates is dependent upon, among other factors, the capacity and availability of its generating resources. Capacity of a given plant represents the MW the plant is capable of generating under normal operating conditions, net of electricity used in the operation of the plant. The capacity of the Company’s thermal generating resources is also affected by ambient temperatures. Availability represents the percentage of the year the plant was available for operations, which reflects the impact of planned, forced and maintenance outages. For a complete listing of these facilities, see Item 2.—“Properties.”

The Company also promotes the expansion of renewable energy resources, as well as energy efficiency measures, to meet its energy requirements and enhance customers’ ability to manage their energy use more efficiently.

PGE’s resource capacity (in MW) was as follows:

	As of December 31,					
	2010		2009		2008	
	Capacity	%	Capacity	%	Capacity	%
Generation:						
Thermal:						
Natural gas	1,157	24 %	1,175	26 %	1,175	26 %
Coal	670	14	670	15	670	15
Total thermal	1,827	38	1,845	41	1,845	41
Hydro	489	10	489	11	489	11
Wind	450	9	275	6	125	3
Total generation	2,766	57	2,609	58	2,459	55
Purchased power:						
Long-term contracts:						
Capacity/exchange	540	11	640	14	654	15
Mid-Columbia hydro	507	10	548	12	545	12
Confederated Tribes hydro	150	3	150	3	150	3
Wind	44	1	35	1	35	1
Other	221	5	233	5	233	5
Total long-term contracts	1,462	30	1,606	35	1,617	36
Short-term contracts	612	13	315	7	379	9
Total purchased power	2,074	43	1,921	42	1,996	45
Total resource capacity	4,840	100 %	4,530	100 %	4,455	100 %

For information regarding actual generating output and purchases for the years ended December 31, 2010, 2009 and 2008, see the Results of Operations section of Item 7.—“Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

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Generation

That portion of PGE's energy requirements generated by its plants varies from year to year and is determined by various factors, including planned and forced outages, availability and price of coal and natural gas, precipitation and snow-pack levels, the market price of electricity, and wind variability.

Thermal   PGE has a 65% ownership interest in Boardman, which it operates, and a 20% ownership interest in Colstrip Units 3 and 4. These two coal-fired generating facilities provided approximately 26% of the Company's total retail load requirement in 2010, compared to 20% in 2009 and 27% in 2008. The Company's three natural gas-fired generating facilities, Port Westward, Beaver, and Coyote Springs, provided approximately 24% of its total retail load requirement in 2010, 2009 and 2008. These thermal plants, which have a combined capacity of approximately 1,157 MW, continue to provide reliable power for customers. Plant availability, excluding Colstrip, was 94% in 2010, 84% in 2009 and 89% in 2008, with Colstrip availability 95% in 2010, 68% in 2009 and 97% in 2008.

Hydro   The Company's FERC-licensed hydroelectric projects consist of two plants on the Deschutes River near Madras, Oregon, four plants on the Clackamas River and one on the Willamette River. The licenses for these projects expire at various dates from 2035 to 2055. These plants, which have a combined capacity of 489 MW, provided 10% of the Company's total retail load requirement in 2010, 2009 and 2008, with availability of 99% in those years. Northwest hydro conditions have a significant impact on the region's power supply, with water conditions significantly impacting PGE's cost of power and its ability to economically displace more expensive thermal generation and spot market power purchases.

PGE has a 66.67% ownership interest in the 450 MW Pelton/Round Butte hydroelectric project on the Deschutes River, with the remaining interest held by the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribes). A 50-year joint license for the project, which is operated by PGE, was issued by the FERC in 2005. The Tribes have an option to purchase an additional undivided 16.66% interest in Pelton/Round Butte at its discretion no sooner than January 2, 2019 and no later than July 1, 2021. The Tribes have a second option to purchase an undivided 0.02% interest in Pelton/Round Butte at its discretion no sooner than December 31, 2036. If both options are exercised by the Tribes, the Tribes' ownership percentage would exceed 50%.

Wind   Biglow Canyon Wind Farm (Biglow Canyon), located in Sherman County, Oregon, is PGE's largest renewable energy resource with 217 wind turbines with a total installed capacity of approximately 450 MW. It was completed and placed in service in three phases between December 2007 and August 2010. In 2010, Biglow Canyon provided 4% of the Company's total retail load requirement, compared to 3% in 2009 and 2% in 2008, with availability at 96% in 2010, 97% in 2009, and 92% in 2008.

Dispatchable Standby Generation (DSG)—PGE has a DSG program under which the Company can start, operate, and monitor customer-owned standby generators when needed to meet peak demand. The program helps provide operating reserves for the Company's generating resources and, when operating, can supply most or all of DSG customer loads. As of December 31, 2010, there were 27 projects that together can provide approximately 53 MW of diesel-fired capacity at peak times. In addition, there were 15 projects under construction that are expected to provide an additional 34 MW.

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Fuel Supply—PGE contracts for natural gas and coal supplies required to fuel the Company's thermal generating plants, with certain plants also able to operate on fuel oil if needed. In addition, the Company uses forward, swap, option, and futures contracts to manage its exposure to volatility in natural gas prices.

Coal Boardman—PGE has fixed-price purchase agreements that provide coal for Boardman through 2011. The coal is obtained from surface mining operations in Wyoming and Montana and is delivered by rail under two separate ten-year transportation contracts which extend through 2013.

In the first half of 2011, PGE intends to seek requests for proposal for the purchase of coal for 2012 and beyond. The terms of the contract and quality of coal is expected to be staged in alignment with the timing of the installation of required emissions controls. For additional information on Boardman's emissions controls, see the Capital Requirements section in Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

Natural Gas Port Westward and Beaver—Firm gas supplies for Port Westward and Beaver are purchased up to 60 months in advance, based on anticipated operation of the plants. PGE owns 79% of the Kelso-Beaver Pipeline, which directly connects both generating plants to the Northwest Pipeline, an interstate natural gas pipeline operating between British Columbia and New Mexico. Currently, PGE transports gas on the Kelso-Beaver Pipeline for its own use under a firm transportation service agreement, with capacity offered to others on an interruptible basis to the extent not utilized by the Company. PGE has access to 103,305 Dth per day of firm gas transportation capacity to serve the two plants.

PGE also has contractual access through April 2017 to natural gas storage in Mist, Oregon, from which it can draw in the event that gas supplies are interrupted or if economic factors require its use. This storage may be used to fuel both Port Westward and Beaver. PGE believes that sufficient market supplies of gas are available to meet anticipated operations of both plants.

The Beaver generating plant has the capability to operate on No. 2 diesel fuel oil when it is economical or if the plant's natural gas supply is interrupted. PGE had an approximate 5-day supply of ultra low sulfur diesel fuel oil at the plant site as of December 31, 2010. The current operating permit for Beaver limits the number of gallons of fuel that can be burned daily, which effectively limits the daily hours of operation of Beaver.

Coyote Springs—The Coyote Springs generating station utilizes 41,000 Dth/day of natural gas when operating at full capacity, with firm transportation capacity on three pipeline systems accessing gas fields in Alberta, Canada. PGE believes that sufficient market supplies of gas are available for Coyote Springs, based on anticipated operation of the plant. Although Coyote Springs was designed to also operate on oil, such capability has been deactivated in order to optimize natural gas operations.

Purchased Power

PGE supplements its own generation with power purchased in the wholesale market to meet its energy requirements. The Company utilizes short- and long-term wholesale power purchase contracts to provide the most favorable economic mix on a variable cost basis. Such contracts have terms ranging from one month to 30 years and expire at varying dates through 2036.

PGE's medium term power cost strategy helps mitigate the effect of price volatility on its customers due to changing energy market conditions. The strategy allows the Company to take positions in power and fuel markets up to five years in advance of physical delivery. By purchasing a portion of anticipated energy needs for future years over an extended period, PGE mitigates a portion of the potential future volatility in the average cost of purchased power and fuel.

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The Company's major power purchase contracts consist of the following (also see the preceding table which summarizes the average resource capabilities related to these contracts):

Capacity/exchange—These five contracts provide PGE with firm capacity to help meet the Company's peak loads. The contracts range from 10 MW to 300 MW and expire at various dates from February 2011 through December 2016. They include seasonal exchange contracts with other western utilities that help meet both winter- and summer-peaking requirements.

Mid-Columbia hydro—PGE has long-term power purchase contracts with certain public utility districts in the state of Washington for a portion of the output of four hydroelectric projects on the mid-Columbia River. The projects currently provide a total of 507 MW of firm capacity, with actual energy received dependent upon river flows.

Confederated Tribes—PGE has a long-term agreement under which the Company purchases, at market prices, the Tribes' interest in the output of the Pelton/Round Butte hydroelectric project.

Wind—The Company has three long-term contracts, which extend to various dates between 2028 and 2035, that provide for the purchase of renewable wind-generated electricity.

Other—These primarily consist of long-term contracts to purchase power from various counterparties, including other Pacific Northwest utilities, over terms extending up to 2018.

Other also includes contracts that provide for the purchase of renewable solar-powered electricity. PGE has invested in three photovoltaic solar power projects, with a combined installed capacity of 3.6 MW, through separate limited liability companies as follows:

- Installation completed in December 2008, the first project has an installed capacity of approximately 104 kW and is located on property owned by the Oregon Department of Transportation (ODOT). PGE purchases any excess energy generated from this facility pursuant to a net metering arrangement with ODOT;
- Installation completed in January 2009, the second project has a total installed capacity of approximately 1.1 MW and is located on the rooftops of three distribution warehouses in Portland, Oregon. PGE purchases 100% of the energy generated from these facilities; and
- Installation completed in July 2010, the third project has a total installed capacity of approximately 2.4 MW and is located on the rooftops of seven distribution warehouses in Portland, Oregon. PGE purchases 100% of the energy generated from these facilities.

In September 2010, PGE entered into two 25-year purchase agreements for the power to be generated from two solar photovoltaic projects to be installed near Salem, Oregon. The construction of the projects is expected to be completed by mid-2011, with PGE then purchasing the power generated from these facilities, which are designed to have a combined generating capacity of 2.8 MW.

Short-term contracts—These contracts are for delivery periods of one month up to one year in length. They are entered into with various counterparties to provide additional firm energy to help meet the Company's load requirement.

PGE also utilizes spot purchases of power in the open market to secure the energy required to serve its retail customers. Such purchases are made under contracts that range in duration from one hour to less than one month. For additional information regarding PGE's power purchase contracts, see Note 15, Commitments and Guarantees, in the

Notes to Consolidated Financial Statements in Item 8.—“Financial Statements and Supplementary Data.”

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Future Energy Resource Strategy

PGE is required to file with the OPUC an Integrated Resource Plan (IRP) within two years of its previous IRP acknowledgment order. The IRP guides the utility on how it will meet future customer demand and describes the Company's future energy supply strategy, reflecting new technologies, market conditions, and regulatory requirements. The primary goal of the IRP is to identify an acquisition plan for generation, transmission, demand-side and energy efficiency resources that, along with the Company's existing portfolio, provides the best combination of expected cost and associated risks and uncertainties for PGE and its customers.

On November 5, 2009, PGE filed an IRP that included an action plan for the acquisition of new resources and a 20-year strategy that outlined long-term expectations for resource needs and portfolio performance. PGE projected that it would need 873 MWa of new resources by 2015, increasing to 1,396 MWa by 2020, to meet expected customer demand. Such projected energy gaps are driven primarily by continued load growth and the expiration of certain long-term power supply contracts. If Boardman were to cease operations, the projected energy gap would increase by approximately 374 MW.

To meet the projected energy requirements, the IRP included energy efficiency measures, new renewable resources, new transmission capability, new generating plants, and improvements to existing generating plants, as follows:

- Acquisition of 214 MWa of energy efficiency through continuation of Energy Trust of Oregon programs, with funding to be provided from the existing public purpose charge and through enabling legislation included in Oregon's RPS;
- An additional 122 MWa of wind or other renewable resources necessary to meet requirements of Oregon's RPS by 2015;
- Transmission capacity additions to interconnect new and existing energy resources in eastern Oregon to PGE's services territory. For additional information on the Cascade Crossing Transmission Project (Cascade Crossing), see the Transmission and Distribution section in this Item 1;
- New natural gas generation facilities to help meet additional base load requirements estimated at 300 to 500 MW, which is expected to be in service in or around 2015;
- New natural gas generation facilities to help meet peak capacity requirements estimated at up to 200 MW, which is expected to be in service in or around 2013; and
- Future plans for the Boardman plant, including the addition of certain emissions controls and the continuation of coal-fired operation of the plant through 2020.

After considerable review and public comment, on November 23, 2010, the OPUC issued an order that acknowledged PGE's 2009 IRP, as amended, with certain requirements. Among those requirements, the OPUC directed the Company in its next IRP filing to: (i) include an updated cost benefit analysis of Cascade Crossing; (ii) provide information regarding the ability of customers to respond to high demand periods by curtailing use; (iii) consider the potential savings from operating its distribution system in the lower portion of the acceptable voltage ranges; (iv) include a study addressing the cost and impacts of integrating variable wind generation into PGE's system; (v) evaluate the use of unbundled Renewable Energy Credits in its strategy to meet RPS requirements; and (vi) evaluate alternatives to the physical compliance with RPS requirements. The OPUC also directed the Company to file its next IRP no later than November 2012.

For additional information about emissions controls for the Boardman plant, see the Capital Requirements section in Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

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Transmission and Distribution

Transmission systems deliver energy from generating facilities to distribution systems for final delivery to customers. PGE schedules energy deliveries over its transmission system in accordance with FERC requirements and operates one balancing authority area (an electric system bounded by interchange metering) in its service territory. In 2010, PGE delivered approximately 20 million MWh in its balancing authority area through approximately 1,100 miles of transmission lines.

PGE's transmission system is part of the Western Interconnection, the regional grid in the western United States. The Western Interconnection includes the interconnected transmission systems of 11 western states, two Canadian provinces and parts of Mexico, and is subject to the reliability rules of the WECC and the NERC. PGE relies on transmission contracts with BPA to transmit a significant amount of the Company's generation to its distribution system. PGE's transmission system, together with contractual rights to other transmission systems, enables the Company to integrate and access generation resources to meet its customers' load requirements. PGE's generation is managed on a coordinated basis to obtain maximum load-carrying capability and efficiency. The Company's transmission and distribution systems are located as follows:

- On property owned or leased by PGE;
- Under or over streets, alleys, highways and other public places, the public domain and national forests and state lands under franchises, easements or other rights that are generally subject to termination;
- Under or over private property as a result of easements obtained primarily from the record holder of title; or
- Under or over Native American reservations under grant of easement by the Secretary of the Interior or lease by Native American tribes.

PGE's wholesale transmission activities are regulated by the FERC. In accordance with its OATT, PGE offers several transmission services to wholesale customers:

- Network integration transmission service, a service that integrates generating resources to serve retail loads;
- Short- and long-term firm point-to-point transmission service, a service with fixed delivery and receipt points; and
- Non-firm point-to-point service, an "as available" service with fixed delivery and receipt points.

These services are offered on a non-discriminatory basis, with all potential customers provided equal access to PGE's transmission system. In accordance with the FERC's Standards of Conduct, PGE's transmission business is managed and operated independently from its power marketing business.

PGE's current IRP, which has been acknowledged by the OPUC, includes a proposal for a double-circuit 200-mile, 500 kV transmission project (the Cascade Crossing Transmission Project) that would help meet growing electricity demand and ensure future grid reliability by interconnecting new and existing energy resources in eastern Oregon to the Company's service territory. The Company has agreed to include further cost benefit analysis of the project in its next IRP filing. PGE is coordinating with other utilities in planning the project and is actively engaged in the federal, state, and tribal permitting processes. The Company has signed Memorandums of Understanding with certain parties, including the BPA, PacifiCorp, and Idaho Power Company, concerning the Cascade Crossing Transmission Project.

PGE continues to meet state regulatory requirements related to power distribution service quality and reliability. Such requirements are reflected in specific indices that measure outage duration, outage frequency, and momentary power interruptions. The Company is required to include performance results related to service quality measures in annual reports filed with the OPUC. Specific monetary penalties are provided for failure to attain required performance levels, with amounts dependent upon the extent to which actual results fail to meet such requirements.

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For additional information regarding the Company's transmission and distribution facilities, see Item 2.—"Properties."

Environmental Matters

PGE's operations are subject to a wide range of environmental protection laws and regulations, which pertain to air quality (including climate change), water quality, endangered species and wildlife protection, and hazardous waste. Environmental matters that relate to the siting and operation of generation, transmission, and substation facilities and the handling, accumulation, cleanup, and disposal of toxic and hazardous substances fall under the jurisdiction of various state and federal agencies. In addition, certain of the Company's hydroelectric projects and transmission facilities are located on property under the jurisdiction of federal, tribal, and/or state agencies which have authority in environmental protection matters. The following discussion provides further information on certain regulations that affect the Company's operations.

Air Quality Standards

Clean Air Act—PGE's operations, primarily its thermal generating plants, are subject to regulation under the federal Clean Air Act (CAA). Primary pollutants addressed by the CAA that affect PGE are sulfur dioxide (SO_2), nitrogen oxides (NOx), carbon monoxide, and particulate matter. The states in which PGE facilities are located, Oregon and Montana, also implement and administer certain portions of the CAA and have set standards that are at least equal to federal standards.

PGE manages its air emissions by the use of low sulfur fuel, emissions controls and monitoring, and combustion controls. The SO_2 emissions allowances awarded under the CAA, along with expected future annual allowances, are anticipated to be sufficient to permit the Company to operate its thermal generating plants at forecasted capacity for at least the next several years.

For information on regulatory and legal proceedings alleging that PGE is in violation of certain standards under the CAA at Boardman see Note 18, Contingencies, in the Notes to Consolidated Financial Statements in Item 8.— "Financial Statements and Supplementary Data."

Regional Haze Rules—In accordance with federal regional haze rules aimed at visibility impairment in certain federally protected areas, PGE submitted an initial analysis and control plan to the Oregon Department of Environmental Quality (DEQ) for Boardman in 2007, after it was determined that the plant would be subject to a Regional Haze Best Available Retrofit Technology (BART) Determination, as required under the CAA.

In December 2010, the Oregon Environmental Quality Commission (OEQC) approved revised BART rules, which provide for the coal-fired operation at Boardman to cease no later than December 31, 2020 and require the installation of controls at Boardman to reduce NOx and SO_2 emissions in 2011 and a Dry Sorbent Injection (DSI) system in 2014 to further reduce SO_2. The revised rules also require the use of a lower sulfur coal and testing of the DSI system to determine attainable emission levels. The total cost of the controls, including approximately $7 million for mercury controls as discussed below in "Mercury Rules - Oregon," is estimated at approximately $60 million. The revised rules are subject to EPA approval, which is expected by May 2011.

The EPA has been considering new emission limits under the CAA's National Emission Standards for Hazardous Air Pollutants (NESHAP) regulating hazardous air pollutant emissions from coal- and oil-fired electric generating units. According to a 2009 consent decree, the EPA must publish its proposed Electric Generating Unit NESHAP by March 16, 2011. Emission limits included in the NESHAP must be based on the application of maximum achievable control technology. These regulatory requirements, which are due to be final by the end of 2011, could have an influence on the ultimate control package and remaining operating life of Boardman.

For additional information, see “Boardman emissions controls” in the Capital Requirements section of Item 7.

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—“Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Once the EPA has approved the OEQC rules regarding BART and an early closure of Boardman, PGE would seek to recover its remaining investment in Boardman (approximately $125 million as of December 31, 2010) plus the cost of the emissions controls and any decommissioning or other costs related to the plant’s closure, as well as the construction or acquisition costs of replacement generating capacity, in future customer prices. The OPUC approved a tariff in the Company’s 2011 General Rate Case that would provide for the recovery of the Company's remaining investment in the Boardman generating plant over a shortened operating life, if that were to occur.

Mercury Rules—Oregon and Montana have adopted regulations concerning mercury emissions that are expected to have, or have had, an impact on the Company as follows:

Oregon—The OEQC has adopted final rules that pertain to mercury emissions from Boardman. Such rules require compliance with stated mercury limits by July 1, 2012, although this deadline can be extended by two years under certain circumstances. PGE has submitted its mercury control plan to the DEQ outlining measures it plans to take to comply with the state’s mercury emissions rules. PGE has agreed to install controls that are expected to eliminate 90% of the mercury emissions from the plant. These controls are expected to be installed in 2011 at a total estimated cost of approximately $7 million.

Montana—The Montana Board of Environmental Review adopted final rules on mercury emissions from coal-fired generating plants in Montana, including Colstrip, which required compliance with mercury emission limits by January 1, 2010. With the installation of additional mercury control systems now completed, the Colstrip units are in compliance with these requirements.

Climate Change—State, regional, and federal legislative efforts continue with respect to establishing regulation of greenhouse gas (GHG) emissions and their potential impacts on climate change. Recent or pending environmental measures include the following:

- In 2007, the State of Oregon adopted a goal to reduce GHG emissions to 10% below 1990 levels by 2020. The non-binding goal does not mandate reductions by any specific entity nor does it include penalties for failure to meet the goal; however, it serves as a policy guideline for the state.

- In 2009, the U.S. House of Representatives approved the American Clean Energy and Security Act of 2009, which seeks to establish a cap and trade system for GHG emissions. The U.S. Senate did not act and it is uncertain whether a cap and trade system will move forward in the near term. However, it is expected that Congress will debate funding levels for the EPA, which is moving ahead with efforts to set regulations on GHG emissions under its existing CAA authority.

- The Oregon Emissions Performance Standard, passed by the Oregon legislature in 2009, prohibits utilities from entering into commitments with energy facilities, or contracts for energy, with a duration of more than five years, for which the associated emissions exceed prescribed levels. This standard may have an impact on the Company’s ability to contract for, or prices it pays to acquire, energy to meet future customer needs. Other states in the western electricity grid, including Washington and California, have also enacted similar legislation.

- Effective January 1, 2010, the EPA required mandatory measurement and reporting of GHG emissions. PGE is subject to these requirements and is meeting the monitoring and reporting requirements. Reported data will be used to establish a baseline for measuring progress toward any future emissions reduction targets in the United States. In addition, the EPA is moving ahead with efforts to regulate GHG emissions under the CAA.

Any laws that impose mandatory reductions in GHG emissions could have a material impact on PGE, as the Company utilizes fossil fuels in its own power generation and other companies use such fuels to generate power

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that PGE purchases in the wholesale market. PGE's Beaver, Coyote Springs, and Port Westward natural gas-fired facilities, and the Company's ownership interest in Boardman and Colstrip coal-fired facilities, provide approximately 66% of the Company's net generating capacity. If PGE were to incur incremental costs as a result of changes in the regulations regarding GHGs, the Company would seek recovery in customer prices, although there can be no guarantee such recovery would be granted.

The ultimate impact that the above regulatory requirements and emissions controls will have on future operations, costs, or generating capacity of PGE's thermal generating facilities is not yet determinable.

Water Quality Standards

The federal Clean Water Act requires that any federal license or permit to conduct an activity that may result in a discharge to waters of the United States must first receive a water quality certification from the state in which the activity will occur. In Oregon, the DEQ is responsible for reviewing proposed projects under this requirement to ensure that federally approved activities will meet water quality standards and policies established by the state. PGE has obtained necessary permits where required, and has certificates of compliance for its hydroelectric operations under the FERC licenses.

Endangered Species and Wildlife Protection

Fish Protection—Populations of many migratory fish species in the Pacific Northwest have declined significantly over the last several decades. Many of these distinct populations have been granted protection under the federal Endangered Species Act (ESA). Long-term recovery plans for these species include major operational changes to the region's hydroelectric projects, which have resulted in reductions in hydroelectric generation capacity and the seasonal shifting of hydroelectric generation from the fall and winter periods to the spring and summer periods. PGE has purchase contracts for power generated at affected facilities on the mid-Columbia River in central Washington and may be adversely affected by such reductions and seasonal shifting at those facilities. The timing of stored water releases also affects the availability and price of power in the regional wholesale market.

PGE is implementing a series of fish protection measures at its hydroelectric projects on the Clackamas, Deschutes, and Willamette rivers that were prescribed by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service under their authority granted in the ESA. As a result of measures contained in their operating licenses, the Deschutes River and Willamette River projects have been certified as low impact hydro, with 50 MWa of their output included as part of the Company's renewable energy portfolio used to meet the requirements of Oregon's RPS.

The following are related to conditions outlined in the Company's FERC operating licenses:

- The FERC approved a 40-year license term for the Company's hydroelectric project on the Clackamas River in December 2010. Operating conditions required in the new license are expected to result in a minor reduction in power production.
- As required by the FERC license for its Pelton/Round Butte project on the Deschutes River, which is in effect until 2055, PGE constructed a selective water withdrawal system in an effort to restore fish passage on the upper portion of the river. The system, which was placed in service in January 2010, is designed to collect juvenile salmon and steelhead, allowing them to bypass the dam when migrating to the Pacific Ocean. The system will also help regulate downstream water temperature.
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As required under the FERC license for its Willamette River hydroelectric project, in effect until 2035, PGE implemented several fish protection measures, the performance of which will receive ongoing evaluation.

Avian Protection—Various statutory authorities as well as the Migratory Bird Treaty Act have established civil, criminal, and administrative penalties for the unauthorized take of migratory birds. Because PGE operates electric transmission lines and wind generation facilities that can pose risks to a variety of such birds, the Company is required to have an avian protection plan in place. PGE has developed and implemented such a plan to reduce risks to bird species that can result from Company operations.

Hazardous Waste

PGE has a comprehensive program to comply with requirements of both federal and state regulations related to hazardous waste storage, handling and disposal. The handling and disposal of hazardous waste from Company facilities is subject to regulation under the federal Resource Conservation and Recovery Act (RCRA). In addition, the use, disposal, and clean-up of polychlorinated biphenyls, contained in certain electrical equipment, are regulated under the federal Toxic Substances Control Act.

The Company's coal-fired generation facilities, Boardman and Colstrip, produce coal combustion byproducts, which have been exempt from federal hazardous waste regulations under the RCRA. The EPA is revisiting this exemption and currently considering listing these residuals as hazardous wastes, which would likely increase the Company's cost of handling these materials and could affect operations. The Company cannot predict the possible impact of this matter until the EPA provides further guidance on the proposed rules. The EPA has indicated that the timing of issuance of a final rule has yet to be determined. If PGE were to incur incremental costs as a result of changes in the regulations, the Company would seek recovery in customer prices, although there can be no guarantee such recovery would be granted.

PGE is also subject to regulation under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), commonly referred to as Superfund. The CERCLA provides authority to the EPA to assert joint and several liability for investigation and remediation costs for designated Superfund sites. PGE is listed by the EPA as a Potentially Responsible Party (PRP) at two Superfund sites as follows:

Portland Harbor—A 1997 investigation by the EPA of a segment of the Willamette River, known as the Portland Harbor, revealed significant contamination of river sediments. The EPA subsequently included Portland Harbor on the federal National Priority List as a Superfund site pursuant to CERCLA and listed sixty−nine PRPs, including PGE, which has historically owned or operated property near the river. In 2008, the EPA requested further information from various parties, including PGE, concerning property several miles beyond the original river segment. As a result, PRPs now number in excess of one hundred.

Harbor Oil—The Harbor Oil site in north Portland is the location of a company that PGE engaged to process used oil from power plants and electrical distribution systems until 2003. The Harbor Oil facility continues to be utilized by other entities for the processing of used oil and other lubricants. In September 2003, the Harbor Oil site was included on the federal National Priority List as a federal Superfund site.

For additional information on these EPA actions, see Note 18, Contingencies, in the Notes to Consolidated Financial Statements in Item 8.—"Financial Statements and Supplementary Data."

Under the Nuclear Waste Policy Act of 1982, the USDOE is responsible for the permanent storage and disposal of spent nuclear fuel. PGE has contracted with the USDOE for permanent disposal of spent nuclear fuel from Trojan that is stored in the Independent Spent Fuel Storage Installation (ISFSI), an NRC-licensed interim dry storage facility that houses the fuel at the plant site. The spent nuclear fuel is expected to remain in the ISFSI until permanent off-site storage is available, which is not likely to be before 2020. Shipment of the spent nuclear fuel from the ISFSI to off-site storage is not expected to be completed prior to 2033. For additional information regarding this matter, see "Trojan decommissioning activities" in Note 7, Asset Retirement Obligations, in the Notes to Consolidated Financial

Statements in Item 8.—“Financial Statements and Supplementary Data.”

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ITEM 1A. RISK FACTORS.

Certain risks and uncertainties that could have a significant impact on PGE's business, financial condition, results of operations or cash flows, or that may cause the Company's actual results to vary from the forward-looking statements contained in this Annual Report on Form 10-K, include, but are not limited to, those set forth below.

Recovery of PGE's costs is subject to regulatory review and approval, and the inability to recover costs may adversely affect the Company's results of operations.

The prices that PGE charges for its retail services, as authorized by the OPUC, are a major factor in determining the Company's operating income, financial position, liquidity, and credit ratings. The OPUC has the authority to disallow the recovery of any costs that it considers excessive or imprudently incurred. Further, the regulatory process does not guarantee that PGE will be able to achieve the earnings level authorized. Although the OPUC is required to establish rates that are fair, just and reasonable, it has significant discretion in the interpretation of this standard.

In both PGE's 2009 and 2011 general rate cases, overall price increases approved by the OPUC were less than the Company's initial proposals. PGE attempts to manage its costs at levels consistent with the reduced price increases. However, if the Company is unable to do so, or if such cost management results in increased operational risk, the Company's financial and operating results could be adversely affected. For additional information regarding the 2011 General Rate Case, see the Overview section of Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

PGE utilizes a PCAM by which the Company can adjust future prices to reflect a portion of the difference between each year's forecasted ("baseline") and actual NVPC that falls outside of a pre-established "deadband." Application of this cost sharing mechanism requires that PGE absorb certain power cost increases before the Company is allowed to recover any amount from customers. Accordingly, application of the PCAM is expected to only partially mitigate the potentially adverse financial impacts of forced generating plant outages, severe weather, reduced hydro availability, and volatile wholesale energy prices. PGE's actual 2010 NVPC were $12 million below the baseline but within the deadband for the year; accordingly, no refund to retail customers is expected to be required. Actual 2009 NVPC, however, exceeded the baseline by $22 million. As this amount was below the threshold for recovery under the PCAM, no collection from retail customers was allowed, and PGE absorbed these increased costs. The OPUC order in PGE's 2011 General Rate Case provides for a fixed deadband range of $15 million below, to $30 million above, forecasted NVPC, beginning in 2011.

The current weak economy has reduced the demand for electricity and has impaired the financial stability of some of PGE's customers, which has affected the Company's results of operations and could continue to do so.

The continued weak economy has resulted in sustained high unemployment in Oregon and has resulted in reduced demand for electricity, which could continue. Such reduction has affected the Company's results of operations and cash flows and could continue to do so. Further, the Company's vendors and service providers could experience cash flow problems and be unable to perform under existing or future contracts.

The construction of new facilities, or modifications to existing facilities, is subject to risks that could result in the disallowance of certain costs for recovery in customer prices, reduced efficiency, or higher operating costs.

PGE's current position as a "short" utility requires that the Company supplement its own generation with wholesale market purchases to meet its energy requirements. In addition, long-term increases in both the number of customers and demand for energy will require continued expansion and reinforcement of PGE's generation, transmission, and distribution systems. Construction of new facilities and modifications to existing facilities could be affected by various factors, including unanticipated delays and cost increases, which could result in failure to complete the

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projects and the disallowance of certain costs in the rate determination process. In addition, failure to complete construction projects according to specifications could result in reduced plant efficiency, equipment failure, and plant performance that falls below expected levels, which could increase operating costs.

Market prices for power and natural gas are subject to forces that are often not predictable and which can result in price volatility and general market disruption, adversely affecting PGE's costs and ability to manage its energy portfolio and procure required energy supply, which ultimately could have an adverse effect on the Company's liquidity and results of operations.

As part of its normal business operations, PGE purchases power and natural gas in the open market or under short-term, long-term or variable-priced contracts. Market prices for power and natural gas are influenced primarily by factors related to supply and demand. These factors generally include the adequacy of generating capacity, scheduled and unscheduled outages of generating facilities, hydroelectric generation levels, prices and availability of fuel sources for generation, disruptions or constraints to transmission facilities, weather conditions, economic growth, and changes in technology. Volatility in these markets can affect the availability, price and demand for power and natural gas. Disruption in power and natural gas markets could result in a deterioration of market liquidity, increase the risk of counterparty default, affect regulatory and legislative processes in unpredictable ways, affect wholesale power prices, and impair PGE's ability to manage its energy portfolio. Changes in power and natural gas prices can also affect the market value of derivative instruments and cash requirements to purchase power and natural gas. Although the Company's PCAM can be expected to partially mitigate adverse financial effects related to market conditions, cost sharing features of the mechanism do not provide for full recovery in customer prices.

If power and natural gas prices decrease from those contained in the Company's existing purchased power and natural gas agreements, PGE may be required to provide increased collateral, which could adversely affect the Company's liquidity. From the last half of 2008 through 2010, PGE has been required to provide increased levels of margin deposits for its existing purchased power and natural gas agreements as a result of depressed wholesale power and natural gas prices.

Conversely, if power and natural gas prices rise, especially during periods when the Company requires greater-than-expected volumes that must be purchased at market or short-term prices, PGE could incur greater costs than originally estimated. The Company may not be able to fully recover these increased costs through ratemaking.

The effects of weather on electricity usage can adversely affect operating results.

Weather conditions can adversely affect PGE's revenues and costs, impacting the Company's financial and operating results. Variations in temperatures can affect customer demand for electricity, with warmer-than-normal winters or cooler-than-normal summers reducing energy sales and revenues. Weather conditions are the dominant cause of usage variations from normal seasonal patterns, particularly for residential customers. Severe weather can also disrupt energy delivery and damage the Company's transmission and distribution system.

Rapid increases in load requirements resulting from unexpected adverse weather changes, particularly if coupled with transmission constraints, could adversely impact PGE's cost and ability to meet the energy needs of its customers. Conversely, rapid decreases in load requirements could result in the sale of excess energy at depressed market prices.

Forced outages at PGE's generating plants can increase the cost of power required to serve customers because the cost of replacement power purchased in the wholesale market generally exceeds the Company's cost of generation.

Forced outages at the Company's generating plants could result in power costs greater than those included in customer prices. As indicated above, application of the Company's PCAM could help mitigate adverse financial impacts of such outages; however, full recovery is not assured. Inability to fully recover such costs in future prices

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could have a negative impact on the Company's results of operations.

Adverse changes in PGE's credit ratings could negatively affect its access to the capital markets and its cost of borrowed funds.

Access to capital markets is important to PGE's ability to operate and to complete its capital projects. Credit rating agencies evaluate PGE's credit ratings on a periodic basis and when certain events occur. A ratings downgrade could increase the interest rates and fees on PGE's revolving credit facilities, increasing the cost of funding day-to-day working capital requirements, and could also result in higher interest rates on future long-term debt. A ratings downgrade could also restrict the Company's access to the commercial paper market, a principal source of short-term financing, or result in higher interest costs.

In addition, if Moody's Investors Service (Moody's) and/or Standard and Poor's Ratings Services (S&P) reduce their rating on PGE's unsecured debt to below investment grade, the Company could be subject to requests by certain wholesale counterparties to post additional performance assurance collateral, which could have an adverse effect on the Company's liquidity.

Current capital and credit market conditions could adversely affect the Company's access to capital, cost of capital, and ability to execute its business plan as currently scheduled.

Access to capital and credit markets is important to PGE's continued ability to operate. The Company potentially faces significant capital requirements over the next three to five years and expects to issue debt and equity securities to fund certain projects. In addition, because of contractual commitments and regulatory requirements, the Company may have limited ability to delay or terminate certain projects. For additional information concerning PGE's capital requirements, see "Capital Requirements" in the Liquidity and Capital Resources section of Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

If the capital and credit market conditions in the United States and other parts of the world deteriorate, the Company's future cost of debt and equity capital, as well as access to capital markets, could be adversely affected. In addition, restrictions on PGE's ability to access capital markets could affect its ability to execute its business plan.

PGE is subject to various legal and regulatory proceedings, the outcome of which is uncertain, and resolution unfavorable to PGE could adversely affect the Company's results of operations, financial condition or cash flows.

From time to time in the normal course of its business, PGE is subject to various regulatory proceedings, lawsuits, claims and other matters, which could result in adverse judgments, settlements, fines, penalties, injunctions, or other relief. These matters are subject to many uncertainties, the ultimate outcome of which management cannot predict with assurance. The final resolution of certain matters in which PGE is involved could require that the Company incur expenditures over an extended period of time and in a range of amounts that could have an adverse effect on its cash flows and results of operations. Similarly, the terms of resolution could require the Company to change its business practices and procedures, which could also have an adverse effect on its cash flows, financial position or results of operations.

There are certain pending legal and regulatory proceedings, such as those related to PGE's recovery of its investment in Trojan, the proceedings related to refunds on wholesale market transactions in the Pacific Northwest and the investigation and any resulting remediation efforts related to the Portland Harbor site, that may have an adverse effect on results of operations and cash flows for future reporting periods. For additional information, see Item 3.—"Legal Proceedings" and Note 18, Contingencies, in the Notes to Consolidated Financial Statements in Item 8.—"Financial

Statements and Supplementary Data."

Reduced stream flows and unfavorable wind conditions can adversely affect generation from PGE's hydroelectric and wind resources. The Company could be required to replace generation from these sources with higher cost power from other facilities or with wholesale market purchases, which could have an adverse effect on operating results.

PGE derives a significant portion of its power supply from its own hydroelectric facilities and from those owned by certain public utility districts in the state of Washington with which the Company has long-term purchase contracts. Regional rainfall and snow pack levels affect stream flows and the resulting amount of generation available from these facilities. Shortfalls in low-cost hydro production would require increased generation from the Company's higher cost thermal plants and/or power purchases in the wholesale market, which could have an adverse effect on operating results.

PGE also derives a portion of its power supply from wind resources, output from which is dependent upon wind conditions. Unfavorable wind conditions could require increased reliance on power from the Company's other generating resources or on wholesale power purchases, both of which would have an adverse effect on operating results.

Although the application of the PCAM could help mitigate adverse financial effects from any decrease in power provided by hydroelectric and wind resources, full recovery of any increase in power costs is not assured. Inability to fully recover such costs in future prices could have a negative impact on the Company's results of operations.

Legislative or regulatory efforts to reduce greenhouse gas emissions could lead to increased capital and operating costs and have an adverse impact on the Company's operations or results of operations.

PGE expects that future legislation or regulations could result in limitations on greenhouse gas emissions from the Company's fossil fuel-fired electric generating facilities. Legislation has been introduced in the U.S. Congress that would require greenhouse gas emission reductions from such facilities as well as other sectors of the economy. Although no such legislation has yet been enacted, the House of Representatives passed climate legislation in June 2009. Compliance with any greenhouse gas emission reduction requirements could require PGE to incur significant expenditures, including those related to carbon capture and sequestration technology, purchase of emission allowances and offsets, fuel switching, and the replacement of high-emitting generation facilities with lower emitting facilities.

The cost to comply with expected greenhouse gas emissions reduction requirements is subject to significant uncertainties, including those related to: the timing of the implementation of emissions reduction rules; required levels of emissions reductions; requirements with respect to the allocation of emissions allowances; the maturation, regulation and commercialization of carbon capture and sequestration technology; and PGE's compliance alternatives. Although the Company cannot currently estimate the effect of future legislation or regulations on its results of operations, financial condition or cash flows, the costs of compliance with such legislation or regulations could be material. Although the Company would likely seek to recover such costs through the ratemaking process, there can be no assurance that such recovery would be granted.

Under certain circumstances, banks participating in PGE's credit facilities could decline to fund advances requested by the Company or could withdraw from participation in the credit facilities.

PGE currently has unsecured revolving credit facilities with several banks for an aggregate amount of $600 million. These credit facilities are available for general corporate purposes and may be used to supplement operating cash flow and provide a primary source of liquidity. The credit facilities may also be used as backup for commercial paper borrowings.

The credit facilities represent commitments by the participating banks to make loans and, in certain cases, to issue letters of credit. The Company is required to make certain representations to the banks each time it requests an advance under one of the credit facilities. However, in the event of a material adverse change in the business, financial condition or results of operations of PGE, the Company may not be able to make such representations, in which case the banks would not be required to lend. PGE is also subject to the risk that one or more of the participating banks may default on their obligation to make loans under the credit facilities.

In addition, it is possible that the Company might not be aware of certain developments at the time it makes such a representation in connection with a request for a loan, which could cause the representation to be untrue at the time made and constitute an event of default. Such a circumstance could result in a loss of the banks' commitments under the credit facilities and, in certain circumstances, the accelerated repayment of any outstanding loan balances.

Measures required to comply with state and federal regulations related to emissions from thermal generating plants could result in increased capital expenditures and changes to PGE's operations that could increase operating costs, reduce generating capacity, and adversely affect the Company's results of operations.

In December 2010, the OEQC adopted a rule that would require installation of emissions controls at Boardman as well as the end to coal fueled operations at the plant by the end of 2020. The Company expects the EPA to issue a decision on the OEQC rule by May 2011. For additional information, see "Environmental Matters" in Item 1.—"Business."

Although the full impact of required state and federal remediation measures is not yet determinable, they could have an adverse effect on future operations, operating costs, and generating capacity at both Boardman and Colstrip. The Company would seek to recover through the ratemaking process any costs of additional emissions control equipment or emission reduction measures that may be required. However, there can be no assurance that such recovery would be granted.

In addition, PGE could be subject to litigation brought by environmental groups and other private parties alleging violations of state or federal law and seeking the imposition of penalties, damages, injunctive relief, and the closure of plants. For information regarding pending litigation, see Sierra Club et al. v. Portland General Electric Company in Item 3.—"Legal Proceedings."

Adverse market performance could result in reductions in the fair value of benefit plan assets and increase the Company's liabilities related to such plans. Sustained declines in the fair value of the plans' assets could result in significant increases in funding requirements, adversely affecting PGE's liquidity and results of operations.

Performance of the capital markets affects the value of assets that are held in trust to satisfy future obligations under the Company's defined benefit pension plan. Sustained adverse market performance could result in lower rates of return for these assets than projected by the Company and could increase PGE's funding requirements related to the pension plan. Additionally, changes in interest rates affect the Company's liabilities under the pension plan. As interest rates decrease, the Company's liabilities increase, potentially requiring additional funding. In 2008, the fair value of the pension plan assets declined substantially, contributing to the pension plan's underfunded status of $120 million as of December 31, 2008. In 2009 and 2010, the fair value of the pension plan assets appreciated and changes in certain actuarial assumptions resulted in an improvement in the underfunded status of the pension plan to $85 million as of December 31, 2009 and $77 million as of December 31, 2010. The Company made a $30 million contribution to the pension plan in 2010 but expects to make no contribution in 2011, pursuant to the requirements of the federal Pension Protection Act.

Performance of the capital markets also affects the fair value of assets that are held in trust to satisfy future obligations under the Company's non-qualified employee benefit plans, which include deferred compensation plans and a Supplemental Executive Retirement Plan. As changes in the fair value of these assets are recorded in current earnings, decreases can adversely affect the Company's operating results. In addition, such decreases can require that PGE make additional payments to satisfy its obligations under these plans. In 2008, PGE recorded a $17 million loss on the fair value of these assets, which reduced net income by $12 million for the year ended December 31, 2008. In 2009 and 2010, however, PGE recorded after-tax gains of $5 million and $3 million, respectively, related to increases in the fair value of the assets.

For additional information regarding PGE's contribution obligations under its pension and non-qualified benefit plans, see the "Contractual Obligations and Commercial Commitments" table in the Liquidity and Capital Resources section of Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Pension and Other Postretirement Plans" in Note 10, Employee Benefits, in the Notes to Consolidated Financial Statements in Item 8.— "Financial Statements and Supplementary Data."

Failure of PGE's wholesale suppliers to perform their contractual obligations could adversely affect the Company's ability to deliver electricity and increase the Company's costs.

PGE relies on suppliers to deliver natural gas, coal and electricity, in accordance with short- and long-term contracts. Failure of suppliers to comply with such contracts in a timely manner could disrupt PGE's ability to deliver electricity and require the Company to incur additional expenses to meet the needs of its customers. In addition, as these contracts expire, PGE could be unable to continue to purchase natural gas, coal or electricity on terms and conditions equivalent to those of existing agreements. The cost and availability of natural gas and coal can also impact the cost and output of the Company's thermal generating plants.

Operational changes required to comply with both existing and new environmental laws related to fish and wildlife could adversely affect PGE's results of operations.

A portion of PGE's total energy requirement consists of generation from hydroelectric projects on the Columbia, Clackamas, Deschutes, and Willamette rivers. Operation of these projects is subject to extensive regulation related to the protection of fish and wildlife. The listing of various species of salmon, wildlife, and plants as threatened or endangered has resulted in significant changes to federally-authorized activities, including those of hydroelectric projects. Salmon recovery plans could include further major operational changes to the region's hydroelectric projects, including those owned by PGE and those from which the Company purchases power under long-term contracts. In addition, new interpretations of existing laws and regulations could be adopted or become applicable to such facilities, which could further increase required expenditures for salmon recovery and endangered species protection and reduce the amount of hydro generation available to meet the Company's energy requirements. The Company would likely seek recovery of any such expenditures through the ratemaking process; however, there can be no assurance that such recovery would be granted.

Storms and other natural disasters could damage the Company's facilities and disrupt delivery of electricity resulting in significant property loss, repair costs, and reduced customer satisfaction.

The Company has exposure to natural disasters that can cause significant damage to its generation, transmission, and distribution facilities. Such events can interrupt the delivery of electricity, increase repair and service restoration expenses, and reduce revenues. Such events, if repeated or prolonged, can also affect customer satisfaction and the level of regulatory oversight. As a regulated utility, the Company is required to provide service to all customers within its service territory and generally has been afforded liability protection against customer claims related to service failures beyond the Company's reasonable control.
In PGE's 2011 General Rate Case, the OPUC authorized the Company to collect $2 million annually from retail customers for such damages and to defer any amount not utilized in the current year. The deferred amount, along with the annual collection, would be available to offset potential storm damage costs in future years.

PGE utilizes insurance, when possible, to mitigate the cost of physical loss or damage to the Company's property. As cost effective insurance coverage for transmission and distribution property is currently not available, however, the

Company would likely seek recovery of large losses to such property through the ratemaking process. As there is no assurance that any recovery would be granted, however, any increased costs resulting from such damage could have an adverse effect on PGE's results of operations.

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PGE is subject to extensive regulation that affects the Company's operations and costs.

PGE is subject to regulation by the FERC, the OPUC, and by certain federal, state and local authorities under environmental and other laws. Such regulation significantly influences the Company's operating environment and affects many aspects of its business. Changes to regulations are ongoing, and the Company cannot predict with certainty the future course of such changes or the ultimate effect that they might have on its business. However, changes in regulations could delay or adversely affect business planning and transactions, and substantially increase the Company's costs.

PGE has an aging workforce with a significant number of employees approaching retirement age.

The Company anticipates higher averages of retirement rates over the next ten years and will likely need to replace a significant number of employees in key positions. PGE's ability to successfully implement a workforce succession plan is dependent upon the Company's ability to employ and retain skilled professional and technical workers. Without a skilled workforce, the Company would face greater challenges in providing quality service to its customers and meeting regulatory requirements, both of which could affect operating results.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

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ITEM 2. PROPERTIES.

PGE’s principal property, plant, and equipment are located on land owned by the Company in fee or land under the control of the Company pursuant to existing leases, federal or state licenses, easements or other agreements. In some cases, meters and transformers are located on customer property. The Company leases its corporate headquarters complex, located in Portland, Oregon. The Indenture securing the Company’s First Mortgage Bonds constitutes a direct first mortgage lien on substantially all utility property and franchises, other than expressly excepted property.

The Company’s service territory and generating facilities are indicated below:

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Generating Facilities

The following are generating facilities owned by PGE as of December 31, 2010:

Facility	Location	Net Capacity [1]	
Wholly-owned:			
Hydro:			
Faraday	Clackamas River	46	MW
North Fork	Clackamas River	58	
Oak Grove	Clackamas River	44	
River Mill	Clackamas River	25	
T.W. Sullivan	Willamette River	18	
Natural Gas/Oil:			
Beaver	Clatskanie, Oregon	516	
Port Westward	Clatskanie, Oregon	410	
Coyote Springs	Boardman, Oregon	231	
Wind:			
Biglow Canyon	Sherman County, Oregon	450	
Jointly-owned [2]:			
Coal:			
Boardman [3]	Boardman, Oregon	374	
Colstrip [4]	Colstrip, Montana	296	
Hydro:			
Pelton [5]	Deschutes River	73	
Round Butte [5]	Deschutes River	225	
Total net capacity		2,766	MW

(1) Represents net capacity of generating unit as demonstrated by actual operating or test experience, net of electricity used in the operation of a given facility. For wind-powered generating facilities, nameplate ratings are used in place of net capacity. A generator's nameplate rating is its full-load capacity under normal operating conditions as defined by the manufacturer.
(2) Reflects PGE's ownership share.
(3) PGE operates Boardman and has a 65% ownership interest.
(4) PPL Montana, LLC operates Colstrip and PGE has a 20% ownership interest.
(5) PGE operates Pelton and Round Butte and has a 66.67% ownership interest.

PGE's hydroelectric projects are operated pursuant to FERC licenses issued under the Federal Power Act. The licenses for the hydroelectric projects on the three different rivers expire as follows: Clackamas River, 2050; Willamette River, 2035; and Deschutes River, 2055.

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Transmission and Distribution

PGE owns and/or has contractual rights associated with transmission lines that deliver electricity from its Oregon generation facilities to its distribution system in its service territory and also to the Western Interconnect. As of December 31, 2010, PGE owned an electric transmission system consisting of approximately 710 circuit miles of 500-kV line and 360 circuit miles of 230-kV line. The Company also has approximately 24,000 circuit miles of primary and secondary distribution lines that deliver electricity to its customers.

The Company also owns, or has contractual rights to, the following transmission facilities:

- 280 MW of capacity over the Montana Intertie from the Colstrip plant in Montana to BPA's transmission system;
- Approximately 3,000 MW of firm BPA transmission from remote resources and markets on BPA's system to PGE's service territory in Oregon;
- 300 MW of firm BPA transmission from mid-Columbia projects to the California-Oregon Intertie;
- Approximately 19% of the California-Oregon AC Intertie, a 4,800 MW transmission facility between John Day, in northern Oregon, and Malin, in southern Oregon near the California border; and
- 100 MW of the Pacific DC Intertie between Celilo, Oregon and Sylmar, in southern California.

The California-Oregon AC Intertie and the Pacific DC Intertie are used primarily for the transmission of interstate purchases and sales of electricity among utilities, including PGE.

ITEM 3. LEGAL PROCEEDINGS.

Citizens' Utility Board of Oregon v. Public Utility Commission of Oregon and Utility Reform Project and Colleen O'Neill v. Public Utility Commission of Oregon, Public Utility Commission of Oregon Docket Nos. DR 10, UE 88, and UM 989, Marion County Oregon Circuit Court, Case No. 94C-10417, the Court of Appeals of the State of Oregon, the Oregon Supreme Court, Case No. SC S45653.

Following the closure of Trojan, PGE, in its 1993 general rate filing, sought OPUC approval to recover through rates future decommissioning costs and full recovery of, and a rate of return on, its Trojan investment. PGE's request was challenged and PGE requested from the OPUC a Declaratory Ruling regarding recovery of the Trojan investment and decommissioning costs. In August 1993, the OPUC issued a Declaratory Ruling in PGE's favor. The Declaratory Ruling was appealed to the Marion County Circuit Court, which, in November 1994, upheld the OPUC's Declaratory Ruling. The Citizens' Utility Board (CUB) appealed the decision to the Oregon Court of Appeals.

In PGE's 1995 general rate case, the OPUC issued an order (1995 Order) granting PGE full recovery of Trojan decommissioning costs and 87% of its remaining undepreciated investment in the plant. The Utility Reform Project (URP) filed an appeal of the 1995 Order to the Marion County Circuit Court, alleging that the OPUC lacked authority to allow PGE to recover Trojan costs through its rates. The CUB also filed an appeal to the Marion County Circuit Court challenging the portion of the 1995 Order that authorized PGE to recover a return on its remaining undepreciated investment in Trojan.

In April 1996, the Marion County Circuit Court issued a decision that contradicted the Court's November 1994 ruling. The 1996 decision found that the OPUC could not authorize PGE to collect a return on its undepreciated investment in Trojan. The 1996 decision was appealed to the Oregon Court of Appeals, where it was consolidated with the earlier appeal of the 1994 decision.

In June 1998, the Oregon Court of Appeals ruled that the OPUC did not have the authority to allow PGE to recover a rate of return on its undepreciated investment in Trojan, but upheld the OPUC's authority to allow PGE's recovery of its undepreciated investment in Trojan and its costs to decommission Trojan (1998 Decision). The court remanded the matter to the OPUC for reconsideration of its 1995 Order in light of the court's decision.

In August 1998, PGE and the URP each filed a Petition for Review with the Oregon Supreme Court seeking review of that portion of the 1998 Decision relating to PGE's return on its undepreciated investment in Trojan. On November 19, 2002, the Oregon Supreme Court dismissed both Petitions for Review.

In September 2000, PGE, CUB, and the OPUC Staff settled proceedings related to PGE's recovery of its investment in the Trojan plant (Settlement). The Settlement allowed PGE to remove from its balance sheet the remaining investment in Trojan of approximately $180 million at September 30, 2000, along with several largely offsetting regulatory liabilities. The URP did not participate in the Settlement and filed a complaint with the OPUC, challenging PGE's application for approval of the accounting and ratemaking elements of the Settlement.

In March 2002, the OPUC issued an order (Settlement Order) denying all of the URP's challenges and approving PGE's application for the accounting and ratemaking elements of the Settlement. The URP appealed the Settlement Order to the Marion County Circuit Court. Following various appeals and proceedings, the Oregon Court of Appeals issued an opinion in October 2007 that reversed the Settlement Order and remanded the Settlement Order to the OPUC for reconsideration.

As a result of its reconsideration of the Settlement Order, the OPUC issued an order on September 30, 2008 that required PGE to refund $33.1 million to customers. In the order, the OPUC also made the following findings:

- The OPUC has authority to order a utility to issue refunds under certain limited circumstances; and

- PGE’s rates that were in effect for the period April 1, 1995 through September 30, 2000 were just and reasonable.

On October 22, 2008, the URP and the Class Action Plaintiffs (described in the Dreyer proceeding below) separately appealed the September 30, 2008 OPUC order to the Oregon Court of Appeals. A decision by the Oregon Court of Appeals remains pending.

The Company completed the distribution of the refund to customers, plus accrued interest, as required by the September 30, 2008 OPUC order.

Management cannot predict the ultimate outcome of these matters. Management believes, however, that these matters will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on the results of operations and cash flows in a future reporting period.

Dreyer, Gearhart and Kafoury Bros., LLC v. Portland General Electric Company, Marion County Circuit Court, Case No. 03C 10639; and Morgan v. Portland General Electric Company, Marion County Circuit Court, Case No. 03C 10640.

On January 17, 2003, two class action suits were filed in Marion County Circuit Court against PGE on behalf of two classes of electric service customers. The Dreyer case seeks to represent current PGE customers that were customers during the period from April 1, 1995 to October 1, 2000 (Current Class) and the Morgan case seeks to represent PGE customers that were customers during the period from April 1, 1995 to October 1, 2000, but who are no longer customers (Former Class, together with the Current Class, the Class Action Plaintiffs). The suits seek damages of $190 million plus interest for the Current Class and $70 million plus interest for the Former Class, from the inclusion of a return on investment of Trojan in the rates PGE charged its customers.

On April 28, 2004, the plaintiffs filed a Motion for Partial Summary Judgment and on July 30, 2004, PGE also moved for Summary Judgment in its favor on all of the Class Action Plaintiffs' claims. On December 14, 2004, the Judge granted the Plaintiffs' motion for Class Certification and Partial Summary Judgment and denied PGE's motion for Summary Judgment. On March 3, 2005, PGE filed a Petition for a Writ of Mandamus with the Oregon Supreme Court asking the Court to take jurisdiction and command the trial Judge to dismiss the complaints or to show cause why they should not be dismissed. On March 29, 2005, PGE filed a second Petition for an Alternative Writ of Mandamus with the Oregon Supreme Court seeking to overturn the Class Certification.

On August 31, 2006, the Oregon Supreme Court issued a ruling on PGE's Petitions for Alternative Writ of Mandamus abating these class action proceedings until the OPUC responded with respect to the certain issues that had been remanded to the OPUC by the Marion County Circuit Court in the proceeding described above.

On October 5, 2006, the Marion County Circuit Court issued an Order of Abatement in response to the ruling of the Oregon Supreme Court, abating the class actions for one year.

On October 17, 2007, the plaintiffs in the class action suits filed a motion with the Marion County Circuit Court to lift the abatement. On February 10, 2009, the Circuit Court judge denied the plaintiff's motion to lift the abatement.

Management cannot predict the ultimate outcome of these matters. Management believes, however, that these matters will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on the results of operations and cash flows in a future reporting period.

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Puget Sound Energy, Inc. v. All Jurisdictional Sellers of Energy and/or Capacity at Wholesale Into Electric Energy and/or Capacity Markets in the Pacific Northwest, Including Parties to the Western System Power Pool Agreement, Federal Energy Regulatory Commission, Docket Nos. EL01-10-000, et seq., and Ninth Circuit Court of Appeals, Case No. 03-74139 (collectively, Pacific Northwest Refund proceeding).

On July 25, 2001, the FERC called for a preliminary evidentiary hearing to explore whether there may have been unjust and unreasonable charges for spot market sales of electricity in the Pacific Northwest from December 25, 2000 through June 20, 2001. During that period, PGE both sold and purchased electricity in the Pacific Northwest. In September 2001, upon completion of hearings, the appointed administrative law judge issued a recommended order that the claims for refunds be dismissed. In December 2002, the FERC re-opened the case to allow parties to conduct further discovery. In June 2003, the FERC issued an order terminating the proceeding and denying the claims for refunds. In November 2003 and February 2004, the FERC denied all requests for rehearing of its June 2003 decision. Parties appealed various aspects of these FERC orders to the U.S. Ninth Circuit Court of Appeals (Ninth Circuit).

On August 24, 2007, the Ninth Circuit issued its decision on appeal, concluding that the FERC failed to adequately explain how it considered or examined new evidence showing intentional market manipulation in California and its potential ties to the Pacific Northwest and that the FERC should not have excluded from the Pacific Northwest Refund proceeding purchases of energy made by the California Energy Resources Scheduling (CERS) division in the Pacific Northwest spot market. The Ninth Circuit remanded the case to the FERC to (i) address the new market manipulation evidence in detail and account for it in any future orders regarding the award or denial of refunds in the proceedings, (ii) include sales to CERS in its analysis, and (iii) further consider its refund decision in light of related, intervening opinions of the court. The Ninth Circuit offered no opinion on the FERC’s findings based on the record established by the administrative law judge and did not rule on the FERC’s ultimate decision to deny refunds. Two requests for rehearing were filed with the court and on April 9, 2009, the Ninth Circuit issued an order that denied the requests for rehearing. On April 16, 2009, the Ninth Circuit issued a mandate giving immediate effect to its August 24, 2007 order remanding the case to the FERC.

Since issuance of the mandate, certain parties proposing refunds have filed pleadings with FERC suggesting procedures on remand, attempting to initiate new proceedings, and containing additional evidence that they assert shows market-wide manipulation that justifies refunds from early in 2000. Parties opposing refunds, including PGE, have filed various pleadings that contest allegations of market-wide manipulation and urge the FERC to reaffirm, with a more detailed explanation of its consideration of market manipulation claims, its previous decision not to initiate proceedings to order refunds. As of the filing date of this report, the FERC has not issued an order in response to the Ninth Circuit remand.

On May 17, 2007, the FERC approved a settlement between PGE and certain parties in the California refund case in Docket No. EL00-95, et seq. This resolved the claims between PGE and the California parties named in the settlement as to transactions in the Pacific Northwest during the settlement period, January 1, 2000 through June 21, 2001. The settlement with the California parties did not resolve potential claims from other market participants relating to transactions in the Pacific Northwest.

Management cannot predict the outcome of the Pacific Northwest Refund proceeding, or whether the FERC will order refunds in the Pacific Northwest, and if so, how such refunds would be calculated. Management believes, however, that the outcome will not have a material adverse impact on the financial condition of the Company, but may have a material adverse impact on PGE’s results of operations and cash flows in a future reporting period.

Sierra Club et al. v. Portland General Electric Company, U.S. District Court for the District of Oregon, Case No. CV 08-1136-HA.

On September 30, 2008, the plaintiffs filed a complaint against PGE for alleged violations of the federal Clean Air Act (CAA), Oregon's Regional Haze State Implementation Plan (SIP) at PGE's Boardman Coal Plant, the Plant's CAA Title V permit, and additional alleged violations of various environmental related regulations.

The plaintiffs seek injunctive relief that includes permanently enjoining PGE from operating the Boardman Coal Plant except in accordance with the CAA, Oregon's SIP, and the Plant's Title V Permit. In addition, plaintiffs seek civil penalties against PGE including $27,500 per day per alleged violation for violations occurring before March 15, 2004 and $32,500 per day per alleged violation occurring thereafter. The total amount of monetary penalties and damages asserted in the complaint cannot be determined with certainty. However, based solely on the complaint, the Company estimates that the amount is approximately $60 million.

On September 30, 2009, the District Court ruled on PGE's motion to dismiss most of the claims. In summary, the court denied PGE's motion with respect to most of the plaintiff's claims, but did grant PGE's motion with respect to certain of the plaintiff's claims. The principal claims that remain are (i) that PGE constructed Boardman without complying with the 1974 and 1977 federal pre-construction permitting requirements, (ii) that PGE modified Boardman in the 1990s without complying with Oregon's pre-construction permitting requirements, and (iii) that certain modifications to Boardman triggered new source performance standards (NSPS). Discovery in the case continues, with a tentative trial date set for August 2011.

Management cannot predict the ultimate outcome of this matter. Management believes, however, that it has strong defenses to the plaintiffs' claims and intends to vigorously defend against this lawsuit.

United States Environmental Protection Agency, Region 10 - Notice of Violation

On September 28, 2010, the EPA issued a Notice of Violation (NOV) to PGE in accordance with the CAA. The NOV states that the EPA has determined that the Company is violating the NSPS under Section 111 of the CAA, 42 U.S.C. Section 7411 et seq., and Operating Permit requirements under Title V of the CAA, 42 U.S.C. Sections 7661 et seq., at the Boardman plant. In the NOV, the EPA asserts that certain projects at the Boardman plant completed in 1998 and in 2004 triggered the NSPS, that PGE did not meet the emissions standards required by the regulations and that, therefore, PGE has operated the boiler at the Boardman plant in violation of the CAA. The NOV states the maximum civil penalties the EPA is authorized to impose under the CAA for violations of the NSPS (which range from $25,000 to $37,500 per day), but does not impose any penalties, or specify the amount of any proposed penalties with respect to the alleged violations. Accordingly, management cannot estimate the range of potential liability for the violations asserted in the NOV. In the NOV, the EPA has offered PGE an opportunity to confer about the violations cited and to present information on the specific findings of the EPA. PGE expects to meet with the EPA during the first quarter of 2011.

Management cannot predict the outcome of the claims asserted by the EPA in the NOV. Management believes, however, that it has strong defenses to these claims and intends to vigorously defend against them.

General

From time to time in the normal course of business, PGE is subject to various other regulatory proceedings, lawsuits, claims and other matters, certain of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. Management currently does not believe any of these other matters will have a material adverse effect on the Company’s financial position, results of operations or cash flows.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

PGE's common stock is traded on the New York Stock Exchange (NYSE) under the ticker symbol "POR". As of February 18, 2011, there were 1,121 holders of record of PGE's common stock and the closing sales price of PGE's common stock on that date was $22.75 per share. The following table sets forth, for the periods indicated, the highest and lowest sales prices of PGE's common stock as reported on the NYSE.

	High	Low	Dividends Declared Per Share
2010			
Fourth Quarter	$22.65	$20.13	$0.260
Third Quarter	20.63	18.08	0.260
Second Quarter	20.60	18.10	0.260
First Quarter	20.66	17.46	0.255
2009			
Fourth Quarter	$21.39	$18.25	$0.255
Third Quarter	20.95	17.69	0.255
Second Quarter	20.26	16.43	0.255
First Quarter	19.88	13.45	0.245

While PGE expects to pay regular quarterly dividends on its common stock, the declaration of any dividends is at the discretion of the Company's Board of Directors. The amount of any dividend declaration depends upon factors that the Board of Directors deem relevant and may include, but are not limited to, PGE's results of operations and financial condition, future capital expenditures and investments, and applicable regulatory and contractual restrictions.

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ITEM 6. SELECTED FINANCIAL DATA.

The following consolidated selected financial data should be read in conjunction with Item 7.—"Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8.—"Financial Statements and Supplementary Data."

	Years Ended December 31,				
	2010	2009	2008	2007	2006
	(In millions, except per share amounts)				
Statement of Income Data:					
Revenues, net	$1,783	$1,804	$1,745	$1,743	$1,520
Gross margin	954	860	867	864	757
Income from operations	267	208	217	269	159
Net income	121	89	87	145	71
Net income attributable to Portland General Electric Company	125	95	87	145	71
Earnings per share—basic and diluted	1.66	1.31	1.39	2.33	1.14
Dividends declared per common share	1.035	1.010	0.970	0.930	0.680
Statement of Cash Flows Data:					
Capital expenditures	450	696	383	455	371

	As of December 31,				
	2010	2009	2008	2007	2006
	(Dollars in millions)				
Balance Sheet Data:					
Total assets	$5,491	$5,172	$4,889	$4,108	