

SETTLEMENT AGREEMENT
AMONG ENRON CORP., PORTLAND GENERAL HOLDINGS, INC.,
PORTLAND GENERAL ELECTRIC CO., CREDITORS' COMMITTEE AND
CERTAIN PLAN PARTICIPANTS WITH RESPECT TO
CERTAIN BENEFIT PLAN CLAIMS

Settlement Agreement (the "Settlement Agreement") dated January __, 2005, by and among: (i) Enron Corp. ("ENE"), as reorganized debtor and successor to Portland General Corporation ("PGC"), (ii) Portland General Holdings, Inc., as debtor and debtor in possession (collectively with any successors, "PGH"), (iii) Portland General Electric Company ("PGE"), (iv) the Official Committee of Unsecured Creditors of Enron Corp., et al. (the "Creditors' Committee"), and (v) the individuals identified on Exhibit A (referred to herein collectively as the "Settling Participants"), who have asserted certain rights to receive deferred compensation, supplemental retirement and/or other benefits (the "Benefits") under one or more of the benefit plans listed in Paragraph 2, below (the "Benefit Plans"), and have authorized other Settling Participants, Alvin Alexanderson, Grieg Anderson, Leonard Girard and Don Kielblock (collectively, the "Authorized Spokespersons"), to enter into this Settlement Agreement on their behalf (each, a "Party" and, collectively, the "Parties").

RECITALS

A. ENE, on December 2, 2001 (the "ENE Petition Date"), and PGH, on June 27, 2003 (the "PGH Petition Date"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the "Bankruptcy Code") with the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

B. On December 12, 2001, the United States Trustee duly appointed the Creditors' Committee, which appointment was amended on December 24, 2001.

C. By order, dated July 15, 2004, the Bankruptcy Court confirmed the Supplemental Modified Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Code, dated July 2, 2004 (the “Chapter 11 Plan”) in the Chapter 11 cases of ENE and virtually all of its affiliated debtor entities. The Chapter 11 Plan became effective on November 17, 2004.

D. The Chapter 11 Plan did not pertain to PGH. As of the date hereof, PGH continues to operate its business and manage its property as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

E. Through the filing of proofs of claims against ENE and/or PGH, and through other formal and informal communications, the Settling Participants and other Benefit Plan participants who are not Parties to this Settlement Agreement (the “Non-Signatory Participants”) have asserted their belief that they may have claims against one or more of PGH, ENE and PGE, in connection with one or more of the Benefit Plans.

F. ENE, PGH, PGE and the Creditors’ Committee have advised the Settling Participants and the Non-Signatory Participants of their intention to oppose any actions, claims or proceedings that may be commenced with respect to the Benefit Plans.

G. The Parties, in order to resolve all matters in controversy, disputes, causes of action, claims, contentions and differences between and among them with respect to the Benefit Plans, without incurring the costs of further litigation, have reached a full and final compromise and settlement with the Settling Participants with respect to the Benefit Plans, except as otherwise expressly provided herein.

H. The Parties, as a condition of performing their respective obligations as provided for herein, have agreed to execute, deliver and comply fully with the terms and provisions of this Settlement Agreement.

NOW, THEREFORE, in consideration of the covenants set forth below, without any admission or concession on the part of any of the Parties hereto, it is hereby STIPULATED AND AGREED, by and among the Parties, through their respective counsel or other authorized representatives, subject to the approval of the Bankruptcy Court, that the foregoing claims shall be compromised, settled, released and dismissed with prejudice, and without costs (except as otherwise provided herein), upon the following terms and conditions.

AGREEMENT

The Motion.

1. ENE, PGH and the Creditors' Committee shall file a joint motion seeking the approval of this Settlement Agreement, and the payment provisions and release and waiver requirements described herein, from the Bankruptcy Court (the "Motion").

The Benefit Plans and Trusts.

2. The Settling Participants and the Non-Signatory Participants are former or current employees or directors of PGC, PGH and/or PGE who have asserted or may assert claims under one or more of the following Benefit Plans:

- (a) Portland General Holdings, Inc. Management Deferred Compensation Plan,
- (b) Portland General Holdings, Inc. Supplemental Executive Retirement Plan ("SERP"),
- (c) Portland General Holdings, Inc. Senior Officers' Life Insurance Benefit Plan,
- (d) Portland General Holdings, Inc. Retirement Plan for Outside Directors ("ODRP"),

- (e) Portland General Holdings, Inc. Outside Directors' Deferred Compensation Plan, and
- (f) Portland General Holdings, Inc. Outside Directors' Life Insurance Benefit Plan.

3. Certain assets with respect to the Benefit Plans (the "Trust Assets"), the ownership of which is disputed, are held in one or more of the following "rabbi" trusts (the "Trusts");

- (a) Portland General Holdings, Inc. Umbrella TrustTM for Management, and
- (b) Portland General Holdings, Inc. Umbrella TrustTM for Outside Directors, including subtrusts created thereunder.

The Consideration.

4. On or shortly after June 17, 2004, each of the Settling Participants was provided with a term sheet (the "Term Sheet") outlining the terms and conditions of this Settlement Agreement and was given the opportunity to review the Term Sheet with his or her immediate family and with legal counsel or tax advisors of his or her choosing. Thereafter, each Settling Participant executed an Authorization in substantially the form attached hereto as Exhibit B, authorizing the Authorized Spokespersons to act as his or her exclusive representative in connection with negotiating the compromise and settlement set forth in this Settlement Agreement and agreeing to be bound by the terms and conditions set forth herein, provided that this Settlement Agreement does not materially modify any term or condition of the Term Sheet.

5. The amounts to be distributed to the Settling Participants in accordance with this Settlement Agreement (the "Distribution Amounts"), upon approval hereof by the Bankruptcy Court, are listed on, and calculated in accordance with, Exhibit C (including Schedule C-1 and Schedule C-2 thereto), which calculations are stated as of April 1, 2004.

Schedule C-1 and Schedule C-2 shall be filed under seal with the Bankruptcy Court in accordance with Paragraph 12 below.

6. In accordance with Exhibit C, each Settling Participant shall be eligible to receive a Distribution Amount calculated as a percentage of his or her total claim, which shall be composed of the following three (3) parts:

- (a) an amount payable in cash in a lump sum, in lieu of any past amounts due to the Settling Participant under the Benefit Plans that have not been paid through March 31, 2004 (the “Pending Distributions”);
- (b) either: (i) an amount to be paid in cash in a lump sum or (ii) an amount representing the liability for future benefits to be transferred to one or more “rabbi” trusts currently maintained, or to be created and maintained, by PGE (each, a “PGE Trust”) and to be paid out pursuant to one or more PGE Rollover Plans adopted by PGE (and described in further detail below), depending on the total Distribution Amount payable to the Settling Participant and also depending on whether such portion of the Distribution Amount is allocable to the Settling Participant as a deferred compensation benefit or a supplemental retirement benefit, in either instance in lieu of any amounts due under the Benefit Plans on and after April 1, 2004, and
- (c) a pro-rated portion of the Earned Amount (as described in greater detail in Paragraph 7).

7. The Earned Amount allocable to each Settling Participant shall be calculated as a pro-rated portion of any amounts earned on the Trust Assets as interest, other

increases in the value of the Trust Assets as a result of investment performance and other earnings on the Trust Assets between April 1, 2004, and the Distribution Date, as set forth in Paragraph 19, below, which amounts shall:

- (a) be reduced by the Administrative Fees (as defined in Paragraph 8, below),
- (b) not be reduced by the Excluded Costs (as defined in Paragraph 9, below),
and
- (c) in no event be less than zero.

The Earned Amount shall be apportioned among ENE (and shall be deemed to constitute an Asset of ENE under the Chapter 11 Plan),¹ PGE and the Settling Participants pro rata, based on the Distribution Amounts set forth on Exhibit C and the ENE/PGE Allocated Portion (which is defined as the Trust Assets minus the aggregate Distribution Amounts).

8. “Administrative Fees” shall mean the sum, calculated between April 1, 2004, and the Distribution Date, of the following:

- (a) expenses of administration of PGH incurred in accordance with sections 503(b) and 507(a) of the Bankruptcy Code, which amount, for purposes of this calculation, shall not exceed \$5,000 per month,
- (b) the expenses incurred leading to and in connection with negotiation of the Term Sheet and this Settlement Agreement and documentation and obtaining approval hereof, including, without limitation: (i) legal fees and travel costs of ENE, PGH, the Creditors’ Committee and PGE, (ii) the travel costs of the Authorized Spokespersons, and (iii) the fees and

¹ Capitalized terms used, but not defined, in this Settlement Agreement shall have the meanings set forth in the Chapter 11 Plan.

expenses of Management Compensation Group, Northwest, LLC dba
M Benefit Solutions (“M Benefit”),

- (c) fees and expenses due and owing, or which may become due and owing, to Wachovia National Bank, N.A. (“Wachovia”), in its capacity as trustee of the Trusts, and
- (d) any amounts over \$17,000 paid, or to be paid, to M Benefit in settlement of any amounts M Benefit has claimed are or may be due and owing prior to June 27, 2003, to the extent agreed to among ENE, PGH and the Creditors’ Committee.

9. “Excluded Costs” shall mean any expenses incurred by ENE, PGH, Wachovia, M Benefit and/or the Creditors’ Committee, even if otherwise includable as an Administrative Fee, from and after April 1, 2004, in connection with prosecuting claims against or defending claims asserted by any Non-Signatory Participants in connection with or relating to the Benefit Plans, the Trusts or the Trust Assets.

10. If the combined amounts payable to any Settling Participant in accordance with Paragraphs 6(a) and (b) above (whether as a Pending Distribution or a payment in lieu of any amounts due under the Benefit Plans on and after April 1, 2004, or both), are \$500,000 or less, the payment due under Paragraph 6(b) will be made to the Settling Participant in cash, in a lump sum. If the combined amounts payable to any Settling Participant in accordance with Paragraphs 6(a) and (b) are greater than \$500,000, the liability for the full amount due under Paragraph 6(b) for any such Settling Participant will be payable in accordance with one or more comparable benefit plans that will be maintained by PGE (the “PGE Rollover Plans”), and in accordance with such Settling Participant’s benefit elections as recorded as of June 27, 2003,

without regard to any prior requests for early or emergency withdrawals pending on the date hereof, which shall be deemed by this Settlement Agreement to have been withdrawn.

Notwithstanding the immediately preceding sentence, any amount payable to a Settling Participant with respect to Benefits allegedly accrued under the SERP or ODRP, that would have been paid to a Settling Participant between April 1, 2004, and the date payments in accordance with the PGE Rollover Plans shall commence, shall be paid in cash in a lump sum. PGE will adopt the PGE Rollover Plans, or otherwise ensure that such PGE Rollover Plans are established and maintained, as soon as reasonably practicable following the receipt of the approval of the Settlement Agreement by the Bankruptcy Court, but in no event later than the Distribution Date. PGE will adopt the PGE Rollover Plans in substantially the form attached hereto as Exhibit E. Any portion of a Settling Participant's Distribution Amount which is not otherwise payable in a lump sum in accordance with this Paragraph 10, shall be payable in accordance with the PGE Rollover Plans, and such payments shall be in the form and in accordance with the timing set forth on the benefit elections applicable to the Settling Participant, as recorded as of June 27, 2003, without regard to any prior requests for early or emergency withdrawals pending on the date hereof, which shall be deemed by this Settlement Agreement to have been withdrawn.

11. The schedule for making payments or transferring liabilities with respect to the Distribution Amounts shall be as follows:

- (a) The following shall occur on the Distribution Date:
 - (i) all Pending Distributions shall be paid;
 - (ii) the amounts payable in cash to Settling Participants whose combined Pending Distribution and payment in lieu of any amounts due

under the Benefit Plans on and after April 1, 2004, is \$500,000 or less shall be paid;

(iii) the PGE Rollover Plans shall become effective;

(iv) the SERP or ODRP-related payments that are payable between April 1, 2004 and the Distribution Date shall be paid; and

(v) the liabilities referred to in Paragraph 6(b) shall be transferred to the applicable PGE Rollover Plans;

(b) The PGE Rollover Plans shall commence making payments within ten (10) days after the Distribution Date or as soon as otherwise is reasonably practicable after the Distribution Date in accordance with the terms thereof; and

(c) The pro-rated portion of the Earned Amount payable to each Settling Participant shall be paid within sixty (60) days after the Distribution Date.

12. As set forth on Schedule C-1, each Settling Participant was provided with a “Signatory Participants” calculation summary that reflected the Settling Participants’ gross claims in respect of any Benefits and the aggregate amount to be paid to such Settling Participants in compromise of the matters settled under this Settlement Agreement. As set forth on Schedule C-2, each Settling Participant was provided with an individualized calculation of the Distribution Amounts to be paid to him or her as a part of this Settlement Agreement, subject to the terms and conditions stated in the Term Sheet and restated herein. The Settling Participants will be eligible to receive the Distribution Amounts calculated, in the aggregate, in accordance with Schedule C-1 (excluding any amounts allocated to Non-Signatory Participants) and, individually, in accordance with Schedule C-2. The Parties will file a motion with the

Bankruptcy Court simultaneously with the Motion referred to in Paragraph 1, above, requesting that both Schedule C-1 and Schedule C-2 be filed with this Settlement Agreement under seal, and that both schedules remain confidential at all times; provided, however, that nothing herein shall be deemed to provide any assurance regarding the Bankruptcy Court's approval of such motion.

13. In consideration of, and as a condition to, their receipt of any payments and/or substitute benefits pursuant to this Settlement Agreement, the Settling Participants shall each execute a General Release and Covenant Not to Sue (the "Release") that shall, in accordance with the terms and conditions set forth therein, forever bar them from asserting any claims against the Released Entities, the Released Plans, the Released Trusts (as each of those terms is defined in the Release), M Benefit, Wachovia and the Authorized Spokespersons, except as expressly permitted therein, and thereafter all Settling Participants shall be permanently enjoined from commencing any actions or engaging any activities in violation of this Settlement Agreement and the Release. The form of the Release was attached to the Term Sheet as Exhibit D and, as modified at the request of certain of the Settling Participants, is attached to this Settlement Agreement, also as Exhibit D.

14. Subject to approval of this Settlement Agreement by the Bankruptcy Court, Wachovia shall make distributions directly to the Settling Participants or as directed by PGH and ENE with respect to any transfers to a PGE Trust, or shall facilitate such other transfer as PGE and PGH may reasonably agree, in accordance with Exhibit C.

Further Conditions to Settlement.

15. The Distribution Amounts that would be allocable under this Settlement Agreement to Non-Signatory Participants, had such persons been Settling Participants, shall be

maintained by PGH in a segregated account for the sole and exclusive benefit of (a) the Non-Signatory Participants, (b) ENE and (c) PGE, pending resolution of any and all claims asserted by the Non-Signatory Participants, ENE and PGE against PGH, including any claims by PGE for indemnification arising under this Settlement Agreement or any other agreement providing for indemnification of any Party with respect to the matters resolved pursuant to this Settlement Agreement.

16. The ENE/PGE Allocated Portion and all Assets of PGH remaining after the distributions required by this Settlement Agreement, including, without limitation, any claims or causes of action of PGH against any Non-Signatory Participants or otherwise, the stock of any PGH subsidiaries and any rights to payment on account of any split dollar life insurance policies pursuant to which PGH has any rights or interests, shall be deemed to be Assets of ENE, and the interests therein shall be transferred or otherwise assigned, as applicable, by ENE to or for the benefit of PGE, and in such amount, as may be agreed to in writing by ENE and PGE. In accordance with the foregoing, any amounts that PGH and PGE may reasonably agree are equivalent to the cost to PGE for the continued payment and administration of the Settling Participants' Distribution Amounts that are not otherwise payable in a lump sum, may, at the election of PGH and with the consent of PGE, be distributed to PGE in such manner as PGH shall determine in its sole discretion.

17. PGH and ENE (but only to the extent the indemnity provided by PGH is insufficient) shall indemnify and hold harmless PGE and its offices, branches, parents, subsidiaries and affiliates and its present and former directors, officers, agents, attorneys, representatives, employees, successors, investors, shareholders and assigns from any and all claims, demands and causes of action that may be asserted by any Non-Signatory Participant

with respect to the Benefit Plans, including, without limitation, under any theory of veil piercing, alter-ego, joint employer and/or successor liability. This indemnity shall cover all legal fees and expenses as and when incurred by PGE in defense of such claims, demands and causes of action, and the full amount of any liability resulting therefrom, subject to exceptions regarding notice, procedures to be followed and enforceability and any other reasonable exceptions.

18. All pending motions filed before the Bankruptcy Court or elsewhere against any Released Entities, Released Plans or Released Trusts by or on behalf of any Settling Participant shall, upon approval of this Settlement Agreement by the Bankruptcy Court, be deemed withdrawn, except any motions filed with respect to the case captioned Tittle, et al. v. Enron Corp., et al., No. H-01-3913 (S.D. Tex).

19. Upon entry of an order by the Bankruptcy Court granting the Motion (the “Approval Order”), PGH shall file a motion to dismiss its chapter 11 bankruptcy case, No. 03-14231-ajg. Within thirty (30) days of the Approval Order becoming a final, non-appealable order, the Parties shall consummate this Settlement Agreement. The date on which the first Distribution Amounts are paid or transferred shall be referred to as the Distribution Date.

20. In the event that the Approval Order is not entered by June 30, 2005, or is reversed or vacated prior to consummation of this Settlement Agreement, this Settlement Agreement shall be of no further force or effect, and shall be null and void and without prejudice to any Party hereto, and each Party shall be restored to his, her or its respective position as it existed prior to the execution of this Settlement Agreement. If the Bankruptcy Court enters the Approval Order, and the Parties consummate this Settlement Agreement in reliance on such approval but prior to such order becoming final and non-appealable, absent a stay of such approval pending appeal, any subsequent reversal or modification on appeal of such approval

shall not affect the continuing validity of this Settlement Agreement, to the greatest extent permitted by law.

Miscellaneous.

21. No provision contained in this Settlement Agreement shall constitute, or be deemed to constitute, an admission that any Party has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever, and neither this Settlement Agreement nor the negotiations or proceedings in connection with this Settlement Agreement, including the Term Sheet, shall be offered or received in evidence against any Party hereto, except in an action or proceeding to enforce the terms or conditions of this Settlement Agreement.

22. This Settlement Agreement, including the Exhibits hereto, sets forth the entire agreement and understanding of the Parties in respect of the compromise and settlement of the matters described herein and supersedes all prior agreements, arrangements and understanding related to the subject matter hereof. All representations, warranties, promises, inducements or statements of intention made by the Parties hereto with respect to the subject matter hereof are embodied in this Settlement Agreement, and no Party hereto shall be bound by, or liable for, any alleged representation, warranty, inducement or statement of intention that is not expressly embodied herein. The Exhibits to this Settlement Agreement are incorporated in and are an integral part of this Settlement Agreement.

23. This Settlement Agreement shall not be modified or amended except by written agreement executed by the Parties or their authorized representatives.

24. The failure of any Party hereto to enforce at any time any provision of this Settlement Agreement shall not be construed to be a waiver of such provision or in any way to

affect the validity of this Settlement Agreement or any part hereof or the right of any Party thereafter to enforce each and every such provision. No waiver of any breach of this Settlement Agreement shall constitute or be deemed a waiver of any other breach.

25. This Settlement Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

26. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

27. This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of New York, except to the extent governed by federal bankruptcy law, and the Parties hereto submit to the exclusive jurisdiction of the Bankruptcy Court for any suit, action, proceeding or dispute arising out of or relating to this Settlement Agreement, and if such jurisdiction is not available, to the jurisdiction of the federal courts located in the Southern District of New York.

28. None of the Parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that might cause any provision to be construed against the drafter hereof.

[Signatures on following page]

In witness hereof, the Parties have executed this Settlement Agreement as of the ____ day of _____, 2005.

REPRESENTATIVE OF DEBTORS:

WEIL, GOTSHAL & MANGES LLP

By: _____
Brian S. Rosen

Date: _____

REPRESENTATIVE OF CREDITORS'
COMMITTEE

MILBANK, TWEED, HADLEY & MCCLOY
LLP

By: _____
Susheel Kirpalani

Date: _____

PORTLAND GENERAL ELECTRIC
COMPANY

By: _____
James J. Piro
Executive Vice President Finance,
Chief Financial Officer and Treasurer

Date: _____

PORTLAND GENERAL HOLDINGS, INC.

By: _____
K. Wade Cline
Director
President and Chief Executive Officer

Date: _____

ENRON CORP.

By: _____
Robert S. Bingham
Interim Chief Financial Officer and
Interim Treasurer

Date: _____

AUTHORIZED SPOKESPERSONS:

Alvin Alexanderson
Date: _____

Leonard Girard
Date: _____

Grieg Anderson
Date: _____

Don F. Kielblock
Date: _____

EXHIBIT A

SETTLING PARTICIPANTS

Employee Participants

Alexanderson, Alvin	Allcock, Charles E.
Anderson, Grieg L.	Arthur, David L.
Bauman, Walter W.	Bell, Joyce A.
Carboneau, David K.	Clark, Susan K.
DeGabriele, David M.	Devich, Cynthia R.
Dicus, Lonnie D.	Dudley, Jay J.
Durham, James	Dyer, Richard E.
Elliott, Steven N.	
Feltz, Joseph E.	Friesen, Wes M.
Girard, Leonard A.	
Heger, Edgar E.	Heinrich, Charles L.
Hobbs, C. D.	Johnson, Ronald W.
Kielblock, Donald F.	Laberge, Thomas E.
Lehnebach, William A.	Linger, Richard E.
Lobdell, James F.	McCarrel, Steven F.
	Morton, Clifford
O'Neill, Peter S.	Pattinson, Donn H.
Petersen, Julian D.	Plambeck, Douglas K.
Reiten, Richard G.	Shah, Mahendra B.
Sherwood, J. Rand	Shively, James M.
Short, Robert (Estate of)	Tittle, Pamela M.
Westbury, R. Bruce	Wolvert, Robert A.

Director Participants

Brix, Peter J.	Clark, Edward L., Jr.
Creighton, John W., Jr.	Gamble-Booth, Gwyneth E.
Geary, Richard	Hudson, Jerry E.
Knudson, Conrad Calvert	McCain, Warren E.
Meyer, Jerome J.	Miller, Randolph L.
Roth, Robert W. (spouse)	Wessinger, William W.
Willison, Bruce G.	

EXHIBIT B

EXHIBIT B

AUTHORIZATION

I, _____, do hereby acknowledge and agree to the following:

1. I authorize Alvin Alexanderson, Grieg Anderson, Leonard Girard and Don Kielblock (the "Authorized Spokespersons") to act as my exclusive representatives in connection with negotiating a compromise and settlement (the "Settlement Agreement") of any claims I may have with respect to the Benefit Plans, the Trusts and/or the Trust Assets (as those terms are defined in the Term Sheet that has been provided to me).
2. I understand and agree that:
 - (a) The Authorized Spokespersons do not and have not acted as my legal counsel in this matter. The Authorized Spokespersons have advised me to obtain independent legal advice as to the legal effect of my signing this Authorization and authorizing the Authorized Spokespersons to finalize the Settlement Agreement on my behalf.
 - (b) The Authorized Spokespersons have advised me that the Settlement Agreement, if and when approved and implemented, will WAIVE, RELEASE and otherwise affect important legal rights that I possess.
 - (c) I understand that there is a risk that the Settlement Agreement will not be approved or implemented and that even if approved and implemented, there is no certainty that the payments provided under the Settlement Agreement will be made without interruption or risk of discontinuance, forfeiture or termination.
 - (d) It is my responsibility to determine the accuracy of the numbers contained on Schedule C-2, as it applies to me, as well as any tax consequences thereof.
3. I hereby waive and release any and all claims I may have against the Authorized Spokespersons for their actions or failure to act in regard to the Settlement Agreement and further indemnify and hold harmless Authorized Spokespersons from any such claim by me, my successors and assigns.
4. I agree to take full responsibility for consulting with the Authorized Spokespersons with respect to my claims and understand and agree that I will be bound by the terms and conditions of any Settlement Agreement that the Authorized Spokespersons may enter into with the entities listed in the Term Sheet, provided that the Settlement Agreement does not materially modify any term or condition of the Term Sheet.
5. I acknowledge and agree to the terms and conditions set forth in the Term Sheet.

Name: _____
[Print name]

Date: _____

EXHIBIT C

EXHIBIT C

DISTRIBUTION AMOUNTS

1. Bifurcated Sliding Scale Recovery Structure:

- (a) The Distribution Amount allocable to each Settling Participant shall be such portion of the Benefits to be paid to the Settling Participant under the Benefit Plans reduced as set forth below:¹

Account Balance	PGC Percentage of Payout	PGH Percentage of Payout
Up to \$1,000,000	91%	91%
Amounts from \$1,000,000 up to \$2,000,000	85%	85%
Amounts from \$2,000,000 up to \$3,000,000	50%	50%
Over \$3,000,000	Not Applicable	Not Applicable

In determining the Distribution Amount allocable to each Settling Participant, Enron Corp. (“ENE”), as reorganized debtor and successor to Portland General Corporation (“PGC”), Portland General Holdings, Inc., as debtor and debtor in possession (collectively with any successors, “PGH”) and (iii) Portland General Electric Company (“PGE”) shall together calculate the average payout rate resulting from the foregoing percentage payouts, considered separately for aggregated PGC- and PGH-originated accounts and applied separately to each box within the above table sequentially until each aggregated balance is accounted for, and apply the resulting average blended payout rate (the “Average Recovery Percentage”) to the Settling Participant’s account balance or, in the case of Section 2(d) below, to the Settling Participant’s monthly benefit amount.

The total Distribution Amount payable to all Settling Participants is set forth on Schedule C-1, and the Distribution Amount for each of the Settling Participants individually is set forth on the calculation sheets attached Schedule C-2 to this Exhibit C.

- (b) The Distribution Amount payable to any Settling Participant in accordance with Section 2 below shall include a pro-rated portion of the Earned Amount, as the same shall be calculated in accordance with the Settlement Agreement.

¹ Capitalized terms used but not defined in this Exhibit C shall have the meanings ascribed to them in the Settlement Agreement to which this Exhibit C is attached.

2. Form and Method of Payment:

In consideration of the covenants and agreements set forth in the Settlement Agreement, including without limitation the execution of the General Release described in, and in the form attached at Exhibit D to, the Settlement Agreement, the amounts paid to or transferred on behalf of the Settling Participants, after application of the above schedule shall be paid as follows:

- (a) Pending Distributions: The portion of the Distribution Amount representing the payments that would have been received by each of the Settling Participants through March 31, 2004, shall be payable to each such Settling Participant in cash as soon as reasonably practicable following the entry of an order by the Bankruptcy Court approving the Settlement Agreement (the "Approval Date") (such payment date being referred to herein as the "Distribution Date").
- (b) Distribution Amounts Less than \$500,000: If a Settling Participant's aggregate Distribution Amount, excluding any pro-rated Earned Amount and before reduction by the cash payment for any Pending Distribution in accordance with Section 2(a), is less than \$500,000, the remaining portion of the Distribution Amount shall be payable to the Settling Participant in cash on the Distribution Date.
- (c) Distribution Amounts Greater than \$500,000 (Deferred Compensation Benefits Portion): If a Settling Participant's aggregate Distribution Amount, excluding any pro-rated Earned Amount and before reduction by the cash payment for any Pending Distribution under Section 2(a), is more than \$500,000, the liability for the remaining portion of the Distribution Amount allocable to the Settling Participant's deferred compensation benefit shall be transferred to one or more "rabbi" trusts currently maintained, or to be created and maintained, by PGE (each, a "PGE Trust"), and paid out to the Settling Participant in accordance with the Settling Participant's payment designation elections as recorded as of June 27, 2003, and in accordance with one or more comparable benefit plans that will be maintained by PGE (the "PGE Rollover Plans").
- (d) Distribution Amounts Greater than \$500,000 (Supplemental Retirement Benefits Portion): If a Settling Participant's aggregate Distribution Amount, excluding any pro-rated Earned Amount and before reduction by the cash payment for any Pending Distribution, is more than \$500,000, an amount necessary to provide a monthly supplemental retirement benefit in the amount, and in the annuity form, set forth on Schedule C-1 to this Exhibit C, shall be transferred to a PGE Trust, and such benefit shall thereafter be payable to the Settling Participant by PGE in accordance with the terms and conditions of a PGE Rollover Plan.

Any supplemental retirement benefit payments (SERP or ODRP) that would have been received by the Settling Participant between April 1, 2004 and the date payments from the PGE Rollover Plans commence, shall be paid to in cash in a lump sum on the Distribution Date. The PGE Rollover Plans shall commence making payments within ten (10) days after the Distribution Date, or as soon as otherwise is reasonably practicable after the Distribution Date, in accordance with the terms thereof.

- (e) Earned Amount: The portion of the Earned Amount applicable to a Settling Participant's account(s) shall be calculated and payable in cash in a lump sum within sixty (60) days following the Distribution Date, as a pro rata share of earnings on Trust Assets between April 1, 2004 and Distribution Date, reduced by Administrative Fees, but not reduced by the Excluded Costs.
3. General Release. No payments or transfer of any portion of the Distribution Amount shall be made prior to the receipt of a General Release executed by the Settling Participant, in substantially the form set forth on Exhibit D.

Income Tax Withholding. PGH or, at its direction, the Trustee, will report Distribution Amounts to applicable taxing authorities, as required by applicable law, and PGH shall have the right to withhold or otherwise collect, or direct the Trustee to withhold or otherwise collect, income tax upon the Distribution Amount as required by applicable law.

SCHEDULES TO EXHIBIT C ARE FILED UNDER SEAL

EXHIBIT D

**GENERAL RELEASE
AND COVENANT NOT TO SUE**

I, _____ (SSN: _____), hereby agree to the terms and conditions set forth in this General Release and Covenant Not to Sue (the "Release") as a condition of receiving the payments and/or benefits described herein and in the settlement agreement to which this Release is attached (the "Settlement Agreement").

1. **Potential Claims.** I believe that I may have claims against one or more of Portland General Holdings, Inc. ("PGH"), Enron Corp. as successor to Portland General Corporation ("ENE"), and Portland General Electric Company ("PGE"), with respect to one or more of the benefit plans (the "Benefit Plans") listed in the Settlement Agreement and with respect to which certain assets (the "Trust Assets") are held in one or more of the trusts (including any subtrusts) (collectively, the "Trusts") also listed in the Settlement Agreement.
2. **The Settlement Agreement.** The Settlement Agreement has been entered into in order to resolve all disputes that I, and certain other participants in the Benefit Plans, may have and to permit me to receive the Distribution Amount described below and calculated in accordance with Schedule C-2 to the Settlement Agreement. Pursuant to an Authorization that I have previously executed in connection with the Benefit Plans, I have agreed to be bound by the Settlement Agreement. Capitalized terms used but not defined in this Release shall have the meanings set forth in the Settlement Agreement.
3. **Distribution Amount.**
 - (a) I will be entitled to the following (in sum, the "Distribution Amount") in exchange for my agreement to the terms and conditions set forth in this Release:
 - (i) The sum of \$ _____, payable in cash in a lump sum on the Distribution Date, in lieu of payment for any past amounts due to me under the Benefit Plans that have not been paid to me through March 31, 2004 (the "Pending Distributions"), plus
 - (ii) Either: (A) an amount to be paid in cash in a lump sum or (B) an amount representing the liability for future benefits to be transferred to one or more "rabbi" trusts currently maintained, or to be created and maintained, by PGE (each, a "PGE Trust") and to be paid out in accordance with one or more comparable benefit plans that will be maintained by PGE (the "PGE Rollover Plans"), depending on the total Distribution Amount payable to me and also depending on whether such portion of the Distribution Amount is allocable to me as a deferred compensation benefit or a supplemental retirement benefit, in either instance in lieu of any amounts due under the Benefit Plans on and after April 1, 2004, plus

- (iii) An amount (the “Earned Amount”) calculated as a pro rata share of earnings on the Trust Assets between April 1, 2004 and the Distribution Date, reduced by the Administrative Fees, but not reduced by the Excluded Costs (as each of those terms is defined by the Settlement Agreement) for the same period.
- (b) If the combined amounts payable to me under Paragraph 3(a)(i) and Paragraph 3(a)(ii) above are \$500,000 or less, the payment due under Paragraph 3(a)(ii) will be made to me in cash in a lump sum. If those combined amounts are greater than \$500,000, the liability for the full amount due under Paragraph 3(a)(ii) will be payable in accordance with the PGE Rollover Plans, and in accordance with my benefit elections as recorded as of June 27, 2003, except that any supplemental retirement benefit payments (SERP or ODRP) that would have been paid to me on and after April 1, 2004, up to the date payments from the PGE Rollover Plans commence, shall be paid to me in cash in a lump sum on the Distribution Date (as provided for in Paragraph 3(c)). PGE’s rights and obligations with respect to the PGE Rollover Plans are described in greater detail in the Settlement Agreement and in the applicable plan document(s) governing the PGE Rollover Plans, that are attached to the Settlement Agreement as Exhibit E.
- (c) The schedule for making payments or transferring liabilities in accordance with the above shall be as follows:
 - (i) on the Distribution Date:
 - (A) the payment required under Paragraph 3(a)(i) shall be paid to me in cash;
 - (B) the amounts due under Paragraph 3(a)(ii) shall either be:
 - 1. paid in cash or
 - 2. the liabilities for future benefits transferred to one or more of the PGE Rollover Plans,as applicable, and
 - (C) any SERP or ODRP-related payments that are payable between April 1, 2004 and the Distribution Date shall be paid; and
 - (ii) the PGE Rollover Plans (to the extent applicable to me) shall commence making payments within ten (10) days after the Distribution Date or as soon as otherwise is reasonably practicable after the Distribution Date in accordance with the terms thereof; and
 - (iii) the pro-rated portion of the Earned Amount shall be paid within sixty (60) days after the Distribution Date.

- (d) I agree that the Distribution Amount paid to me in accordance with this Section 3 shall be the full and complete amount due and payable to me under any of the Benefit Plans, and I agree that any Distribution Amount paid directly to me (rather than being transferred to a PGE Rollover Plan) will be minus any taxes required to be withheld by any federal or any state or local taxing authority.

4. **Releasees.** The following releasees (collectively, the “Releasees”) shall be beneficiaries of, and entitled to the protections afforded by, this Release:

- (a) the following entities (collectively, the “Released Entities”):

- (i) ENE and PGH, including any and all affiliated debtors or reorganized debtors with respect to the chapter 11 cases before the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”),
- (ii) PGE,
- (iii) Oregon Electric Utility Company, LLC and Texas Pacific Group, if applicable, and
- (iv) the Official Committee of Unsecured Creditors of Enron Corp., et al. (the “Creditors’ Committee”) and the individual creditors comprising the Creditors’ Committee,

including the Released Entities’ subsidiaries and affiliated companies, and including all of their offices, branches, parents, subsidiaries and affiliates, and their present and former directors, officers, members, agents, attorneys, representatives, employees, successors, investors, shareholders and assigns;

- (b) the following benefit plans, including the administrators and fiduciaries of each of the following benefit plans (collectively, the “Released Plans”):

- (i) the Benefit Plans (as that term is defined in the Settlement Agreement), and
- (ii) the Portland General Electric Company Management Deferred Compensation Plan, Portland General Electric Company Supplemental Executive Retirement Plan, Portland General Electric Company Senior Officers’ Life Insurance Benefit Plan, Portland General Electric Company Retirement Plan for Outside Directors, Portland General Electric Company Outside Directors’ Deferred Compensation Plan, and Portland General Electric Company Outside Directors’ Life Insurance Benefit Plan, each plan established as of March 12, 2003 (collectively, the “PGE Spun Off Plans”) to the extent that I might claim that the PGE Spun Off Plans are liable, directly or indirectly, for any amounts listed or referred to on Schedule C-2 or are otherwise liable for any benefits claimed from the Benefit Plans or any damages relating thereto or in connection therewith;

- (c) the following trusts, including any subtrusts created thereunder (collectively, the “Released Trusts”):
 - (i) the Trusts (as that term is defined in the Settlement Agreement), and
 - (ii) the Portland General Electric Company Umbrella Trust™ for Management and the Portland General Electric Company Umbrella Trust™ for Outside Directors, each trust established as of March 12, 2003 (together, the “PGE Spun Off Trusts”), and
- (d) Wachovia National Bank, N.A. (“Wachovia”), in its capacity as trustee of the Released Trusts, including its offices, branches, parents, subsidiaries and affiliates, and its present and former directors, officers, agents, attorneys, representatives, employees, successors, investors, shareholders and assigns;
- (e) Management Compensation Group, Northwest, LLC dba M Benefit Solutions (“M Benefit”), including its offices, branches, parents, subsidiaries and affiliates, and its present and former directors, officers, agents, attorneys, representatives, employees, successors, investors, shareholders and assigns, and
- (f) Alvin Alexanderson, Grieg Anderson, Leonard Girard and Don Kielblock, in their individual capacities and jointly and severally.

5. **General Release.** As of the date this Release becomes effective in accordance with Section 9, below (the “Release Date”), I hereby release and forever discharge each and every Releasee from any and all actions, causes of action, covenants, contracts, claims and demands whatsoever, which I ever had, now have or which I or my respective heirs, family members, executors, agents and assigns, or any of them hereafter can, shall or may have, as follows:

- (a) **Claims Released.** By signing this Release, I am providing a complete waiver of all rights and claims that may have arisen, whether known or unknown, through the Release Date, except as expressly excluded by Paragraph 5(b), as limited by Paragraph 5(c) or as specifically provided otherwise by law. This waiver includes, but is not limited to, the following:
 - (i) any and all claims under the terms of or with respect to the Released Plans (except as provided in Paragraph 5(b) below) and the Released Trusts;
 - (ii) any and all claims under the law of any jurisdiction relating to employment or the termination of employment, including, but not limited to, wrongful discharge of employment; constructive discharge from employment; termination in violation of public policy; breach of contract, both express and implied; and any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and
 - (iii) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Age

Discrimination in Employment Act of 1967 (including the Older Workers Benefit Protection Act), the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, the Oregon Fair Employment Act, the Texas Commission on Human Rights Act, and any other applicable state and local fair employment laws, as each may be amended from time to time.

(b) **Claims Not Released.** This Release shall be and remain in effect in all respects as a complete general release as to the matters released. However, this Release does not extend to any rights that I may have to assert claims:

- (i) against Portland Transition Company, Inc. (“PTR”), First Point Communications (“FPC”) and Enron Broadband Services (“EBS”) (as successor to Enron Communications, Inc. (“ECI”)), and to the extent that I have claims against any of these entities that become Allowed Claims, such Allowed Claims will receive the same treatment as other similarly classified Allowed Claims against the same entity,
- (ii) against Enron Corp. with respect to any rights I may have to benefits under: (A) the Enron Corp. Savings Plan, (B) the Enron Corp. Employee Stock Ownership Plan, (C) the Enron Corp. Cash Balance Plan, and (D) the Enron Corp. Deferred Compensation Plan; and
- (iii) any claims I may have in the action entitled Tittle, et al. v. Enron Corp., et al., No. H-01-3913 (S.D. Tex).

(c) **Claims Against Portland General Electric Company.** This Release does not extend to:

- (i) any “employee benefit plan” within the meaning of section 3(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”), sponsored or maintained by PGE, other than with respect to the Benefit Plans,
- (ii) the benefits payable to me by PGE under the terms of any of the PGE Spun Off Plans, to the extent that (A) PGE actually employed me and reported me as being on its payroll during the period in which I accrued the benefits under such PGE Spun Off Plan, or (B) I accrued the benefits as a result of my service as an Outside Director of PGE, and
- (iii) any rights I may have under the PGE Rollover Plans.

However, by signing this Release, I am agreeing that I cannot look to PGE for the payment of any benefits under any of the Released Plans for which PGE was not expressly the Participating Employer with respect to my employment or the Participating Company with respect to my service as an Outside Director, in accordance with clause (ii) above, or for any amounts listed on or referred to in Schedule C-2 or any damages relating thereto, under any joint employer or alter ego legal theories or any other legal theory. I expressly acknowledge that the benefits

alleged to have been payable to me under the Benefit Plans were neither earned nor accrued as a result of services performed for PGE.

- (d) **Finality of Calculations.** I agree that I have had ample time to review the individualized calculation sheet attached as Schedule C-2 to the Term Sheet that was provided to me on or about June 17, 2004 (and also provided to me with the Settlement Agreement), and I accept calculations and assumptions as set forth in Schedule C-2 as complete and accurate.

6. **Representations and Covenants Not to Sue.**

- (a) I represent that I have no lawsuits, claims or actions pending in my name, or on behalf of any other person or entity, against any of the Releasees. In the event that I already have filed any such lawsuit, claim or action, as a proof of claim in the Bankruptcy Court or otherwise, I understand and agree that this Release supersedes any and all such claims to the extent that they are covered herein, and that by signing this Release I am acknowledging my withdrawal of any such claims. Notwithstanding the foregoing, I understand that the case captioned Tittle et al. v. Enron Corp., et al., No. H-01-3913 (S.D. Tex) shall not be subject to this condition.
- (b) I agree that I will not bring any claims on my own behalf or on behalf of any other person or entity against any of the Releasees.
- (c) I understand that I will be permanently enjoined from commencing or continuing any judicial, administrative or other action or proceeding against the Releasees with respect to the rights and claims released in Paragraph 5, above, and I agree that I will not file any lawsuit or claim against any debtor or reorganized debtor related to the claims reserved in Paragraph 5(b), above, other than in the Bankruptcy Court.

7. **Cooperation; Non-Disparagement; Non-Admission of Liability.**

- (a) **Cooperation.** In addition to any other obligations I may have to PGE, if requested, I agree to make myself available to assist any of the Released Entities and their representatives with (i) the sale of PGE, or (ii) the prosecution and defense of any legal proceedings involving matters of which I may have relevant knowledge.
- (b) **Non-Disparagement.** I agree that I will not make any statement (or induce any third party to make any statement), written or oral, whether expressed as a fact, opinion or otherwise, to any person which disparages, impugns, maligns, defames, libels, slanders or otherwise casts in an unfavorable light any of the Releasees; provided, however, I will not be prohibited by the foregoing from making any truthful statements before any court of competent jurisdiction or other governmental tribunal or agency.
- (c) **No Admission of Liability.** Nothing in the Settlement Agreement shall constitute, or be deemed to constitute, an admission that any party thereto has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever.

8. **Disentitlement; Disgorgement; Repayment.**

- (a) Notwithstanding any other provision in this Release, I agree that no Distribution Amount shall be made to me, or on my behalf, in the following instances:
- (i) I am alleged by any person or entity with the authority to investigate or inquire into wrongdoing with respect to any of the Released Entities to have engaged in any acts of dishonesty or other willful misconduct materially detrimental to the interests of any Released Entity in any civil or criminal proceeding;
 - (ii) I was named as a defendant in the pending consolidated actions of Newby, et al. v. Enron Corp., et al., The Regents of the University of California, et al. v. Lay, et al. Civil Action No. H-01-3624 (S.D. Tex.) or Official Comm. of Unsecured Creditors of Enron Corp. v. Fastow, et al.;
 - (iii) I was identified as a wrongful actor in the "Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp." dated February 1, 2002;
 - (iv) I am identified in the Enron Corp. Examiner's written reports filed with the Bankruptcy Court as having engaged in acts of dishonesty or other willful misconduct detrimental to the interests of any of the debtors or reorganized debtors; or
 - (v) I am found to have sold the stock of Enron or any of its affiliates in violation of the insider trading rules provided under Section 10b-5 of the Securities Exchange Act of 1934;
- provided, however, that in the event that I am covered by one or more of the preceding clauses (i) – (v), but I am subsequently absolved of all wrongdoing by a final, non-appealable order of a court of competent jurisdiction or other governmental tribunal or agency with jurisdiction and/or authority over the matter, I may seek approval from the Bankruptcy Court to be paid the Distribution Amount.
- (b) I agree to repay, or surrender my right to, any Distribution Amount provided for in Paragraph 3 if:
- (i) Any of the provisions of Paragraph 8(a) apply to me following my receipt of any Distribution Amount;
 - (ii) I am later adjudged by a court of competent jurisdiction or other tribunal of competent jurisdiction and/or authority to have engaged in acts of dishonesty or other willful misconduct detrimental to the interests of any of the debtors or reorganized debtors or any other Released Entity or have pleaded guilty or no contest to the same; or
 - (iii) I breach this Release in any material way;

to the extent that repayment or surrender of rights is directed by order of the Bankruptcy Court upon application by any of the debtors and reorganized debtors.

9. Acknowledgement of Waiver of Claims.

- (a) I acknowledge, agree to and accept all the terms of this Release and the Settlement Agreement to which it is attached.
- (b) I further acknowledge that I have been advised by this writing:
 - (i) To consult with an attorney prior to executing this Release;
 - (ii) I have up to twenty-one (21) days to consider this Release; however, at the close of the 21 day period, my eligibility to receive the Distribution Amount automatically expires unless this Release has been executed and returned;
 - (iii) I have seven (7) days following my execution of this Release to revoke my acceptance of this Release; and
 - (iv) This Release shall not be effective, and I shall not become eligible to receive the Distribution Amount, until after the revocation period has expired without revocation. I also understand that in the event that, in the period between the expiration of the revocation period and the date I receive the first Distribution Amount payment in accordance with Section 3(a)(i), I become covered by the provisions of Section 8, I may revoke my acceptance of this Release.

Releasor's Name (Print)

Releasor's Signature

Date

EXHIBIT E

**PORTLAND GENERAL ELECTRIC COMPANY
SUPPLEMENTAL EXECUTIVE RETIREMENT
PLAN FOR TRANSFERRED LIABILITIES**

Effective as of _____, 2005

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PORTLAND GENERAL ELECTRIC COMPANY

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR TRANSFERRED LIABILITIES

ARTICLE I

PURPOSE

The purpose of this Plan (as defined below) is to provide for payment of certain liabilities transferred (the “Transferred Liabilities”) to the Company (as defined below) pursuant to the Settlement Agreement (as defined below). In accordance with the terms of the Settlement Agreement, the Transferred Liabilities had been liabilities under the Portland General Holdings, Inc. Supplemental Executive Retirement Plan (the “PGH SERP”).

This Plan is hereby established by the Company and shall become effective upon the approval of the Settlement Agreement by the Bankruptcy Court for the Southern District of New York. Except as expressly provided under this Plan, neither this Plan nor the Company assumes or has any liability for the payment of any benefits attributable to service with any employer that participated in the PGH SERP, whether by reason of this Plan’s establishment, its sponsorship by the Company, the transfer of the liabilities, or otherwise, and each Participant (as defined below) shall have acknowledged and agreed, as a condition of receiving benefits under this Plan, that no other benefits under the PGH SERP shall be payable by the Company except to the extent that the Company actually employed the Participant and reported the Participant as being on its payroll during the period in which the Participant accrued the benefits.

For purposes of the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code of 1986, as amended, and any other applicable law, this Plan is separate and independent from any other plan or arrangement sponsored or maintained by the Company. No provision, administrative action, or other aspect of this Plan shall affect or be taken into account with respect to any other plan or arrangement sponsored or maintained by the Company, and, similarly, no provision, administrative action, or other aspect of any other plan or arrangement sponsored or maintained by the Company shall affect or be taken into account with respect to this Plan.

ARTICLE II

DEFINITIONS

2.1 Administrative Committee

“Administrative Committee” shall mean the persons designated by the Compensation Committee to administer this Plan.

2.2 Bankruptcy Court

“Bankruptcy Court” shall mean the U.S. Bankruptcy Court for the Southern District of New York, having jurisdiction over the chapter 11 case of Portland General Holdings, Inc.

2.3 Board“Board” shall mean the Board of Directors of the Company.

2.4 Code

“Code” shall mean the Internal Revenue Code of 1986, as amended.

2.5 Company

“Company” shall mean Portland General Electric Company, an Oregon corporation.

2.6 Compensation Committee

“Compensation Committee” shall mean the Compensation Committee of the Board.

2.7 ERISA

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.8 Participant

“Participant” shall mean an individual meeting the requirements of Section 3.1.

2.9 Plan

“Plan” shall mean this Portland General Electric Company Supplemental Executive Retirement Plan for Transferred Liabilities, as may be amended from time to time.

2.10 Release Agreement

“Release Agreement” shall mean a General Release and Covenant Not To Sue Agreement substantially in the form attached as Exhibit D to the Settlement Agreement).

2.11 Settlement Agreement

“Settlement Agreement” shall mean the Settlement Agreement among Enron Corp., Portland General Holdings, Inc., Portland General Electric Company, the Official Committee of Unsecured Creditors of Enron Corp., et al, and Certain Individual Participants with respect to Certain Benefit Plan Claims, dated _____, 2005, including the exhibits thereto, as the same has been approved by the Bankruptcy Court.

2.12 Spouse

“Spouse” shall mean the person who was married to a Participant on the date the Participant first commenced receiving payments under the PGH SERP.

ARTICLE III

PARTICIPATION

3.1 Eligibility

Each individual set forth on Exhibit A to this Plan shall be eligible to participate in this Plan. Each such individual shall become a Participant only upon completing and delivering such enrollment and other forms required by the Administrative Committee, including a fully-executed, binding and irrevocable Release Agreement, consistent with the terms of the Settlement Agreement, that includes an acknowledgement that the amount and form of the Participant’s benefit under this Plan is limited solely to the amount and form of the benefit specified in the Settlement Agreement.

3.2 Forfeitures

Any Participant who is receiving benefits under this Plan shall forfeit any right to receive such benefits if the Participant performs services for any person or organization where there is a conflict of interest or other interest which is adverse to the Company’s interest, as may be reasonably determined by the Compensation Committee, subject to approval of such determination by the Board. A Participant shall additionally forfeit all rights hereunder and shall be required to immediately repay any benefits previously received hereunder if such Participant breaches the Release Agreement or seeks to have the Release Agreement voided or otherwise declared to be inapplicable to such Participant.

ARTICLE IV

AMOUNT, FORM AND PAYMENT OF SUPPLEMENTAL BENEFIT

4.1 Amount and Form

A Participant shall be entitled to a benefit under this Plan in the amount and form specified in Exhibit B to this Plan. If the annuity form is a joint and survivor annuity, the survivor annuitant shall be the Participant's spouse at the time payments hereunder commence. Payment of a Participant's benefit shall commence as of the date specified in Exhibit B to this Plan.

4.2 Monthly Payment

All payments shall be made on the first day of the month.

4.3 Withholding; Payroll Taxes

The Company shall withhold from payments made hereunder any taxes required to be withheld for the federal or any state or local government. Withholding shall also apply to payments to a beneficiary unless an election against withholding is made under Section 3405(a)(2) of the Code.

ARTICLE V

ADMINISTRATION

5.1 Administrative Committee; Duties

This Plan shall be administered by the Administrative Committee on a strictly separate and independent basis from any other plan or arrangements of the Company. The Administrative Committee shall have the full authority and discretion to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan; provided that no such action may increase the cost of this Plan to the Company without the written consent of the Compensation Committee. The Administrative Committee shall report to the Compensation Committee regarding Plan activity on an annual basis and at such other times as may be requested by the Compensation Committee.

5.2 Agents

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

5.3 Binding Effect of Decisions

The decision or action of the Administrative Committee with respect to any question arising out of or in connection with the administration, interpretation and application of this Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in this Plan; provided that no such decision or action may increase the cost of this Plan to the Company without the written consent of the Compensation Committee.

5.4 Indemnity of Administrative Committee; Compensation Committee

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

5.5 Availability of Plan Documents

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

5.6 Cost of Plan Administration

Subject to such financial arrangements that may be agreed to between the Company and any non-Participant in connection with the Settlement Agreement, the Company shall bear all expenses of administration of this Plan.

ARTICLE VI

CLAIMS PROCEDURE

6.1 Claim

Except with respect to initial eligibility, any person claiming a benefit, requesting an interpretation or ruling under this Plan or requesting information under this Plan shall present the request in writing to the Administrative Committee or its delegate, who shall respond in writing or electronically as soon as practicable, but in no event more than ninety (90) days after receipt of such claim or request; provided that the Administrative Committee may extend the period in which a determination is to be made by up to ninety (90) additional days if the Administrative

Committee determines that special circumstances require additional time for processing a claim or request, in which case written or electronic notice of such extension will be provided to the claimant prior to the expiration of the initial ninety (90) day period, and such notice shall indicate the special circumstances requiring an extension of time and the date by which a determination is expected to be rendered.

6.2 Denial of Claim

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

6.2-1 The reasons for denial, with specific reference to this Plan provisions on which the denial is based.

6.2-2 A description of any additional material or information required to perfect a claim for benefits or to respond to a request and an explanation of why such material or information is necessary.

6.2-3 An explanation of this Plan's claim review procedure, including any right the person has to bring a civil action under ERISA section 502(a) following an adverse determination on review.

6.3 Review of Claim

Any person whose claim or request is denied or who has not received a response within sixty (60) days may request review by notice given in writing to the Administrative Committee. The claim or request shall be reviewed by the Administrative Committee, which may, but shall not be required to, grant the claimant a hearing. In connection with such review, the claimant shall be entitled to submit written comments, documents, records and other information relating to the claim or request and to be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim or request. The review by the Administrative Committee shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim or request, without regard to whether such information was submitted or considered in the initial determination.

6.4 Final Decision

The decision by the Administrative Committee on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified, provided that such extension of time shall not exceed one hundred twenty (120) days. The decision on review shall be communicated in writing or electronically and shall state:

6.4-1 The reasons for any denial, with specific reference to this Plan provisions on which the denial is based.

6.4-2 A statement that the person is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the person's claim for benefits.

6.4-3 A statement describing any voluntary appeal procedures offered by this Plan and the person's right to obtain the information about such procedures, as well as a statement of any right the person has to bring a civil action under ERISA section 502(a).

All decisions on review shall be final and bind all parties concerned.

ARTICLE VII

TERMINATION OR AMENDMENT

7.1 Amendment

To the extent consistent with the terms of the Settlement Agreement, the Administrative Committee may amend this Plan from time to time as may be necessary for administrative purposes and legal compliance of this Plan, provided, however, that no such amendment shall adversely affect the benefit rights of Participants or their spouses in this Plan or increase the cost of this Plan to the Company without the Company's express written consent. To the extent consistent with the terms of the Settlement Agreement, the Compensation Committee may amend this Plan at any time, provided, however, that no amendment shall be effective to decrease or restrict the rights of Participants and beneficiaries to the benefits accrued at the time of the amendment. Except as provided by the next sentence, neither the Company, the Administrative Committee nor the Compensation Committee shall be required to amend this Plan in any particular respect and, in particular, shall not be required to amend this Plan to mirror or replicate changes made in other employee benefit plans of the Company. Notwithstanding anything to the contrary contained herein, the Compensation Committee shall amend this Plan to the extent necessary to meet the requirements of Code section 409A.

7.2 Termination

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

ARTICLE VIII

MISCELLANEOUS

8.1 Legal Determinations

8.1-1 Compliance with Code. This Plan is intended to comply with section 409A of the Code and official guidance issued thereunder so that no amounts to be paid to a Participant will be subject to tax until such amount is actually paid to such Participant. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered and amended to achieve this intent.

8.1-2 Unfunded Plan. As a condition of participating in this Plan, the Participants shall acknowledge that they did not accrue the benefits to be paid under this Plan based on, or during any period of, employment with the Company, so that this Plan may be exempt from ERISA. Notwithstanding the foregoing, to the extent this Plan is subject to ERISA, it is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of individuals who were “management or highly compensated employees” within the meaning of Sections 201, 301, and 401 of ERISA and therefore to be exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, if the United States Department of Labor or a court of competent jurisdiction determines that this Plan, or some portion of this Plan, constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA which is not so exempt, the Administrative Committee may remove all or certain individuals as Participants and pay them the present value of their Plan benefits in an immediate lump sum payment, to the extent permitted under Code section 409A.

8.1-3 Tax Determinations. If the Internal Revenue Service or a court of competent jurisdiction determines that Plan benefits are includible for federal income tax purposes in the gross income of a Participant or his or her beneficiary prior to actual receipt of the benefits by the Participant or the beneficiary, the Administrative Committee may immediately distribute the benefits found to be so includible to the Participant or the beneficiary, to the extent permitted under Code section 409A.

8.2 Liability

8.2-1 Liability for Benefits. Except as otherwise provided in this Section 8.2, liability for the payment of a Participant’s benefit pursuant to this Plan shall be borne solely by the Company. Nothing in this Section 8.2 shall be interpreted as prohibiting any other person from expressly agreeing to assumption of the liability for payment of a Participant’s benefit under this Plan.

8.2-2 Unsecured General Creditor. Participants and their spouses, heirs, successors, and assigns shall have no secured legal or equitable rights, interest or claims in any property or assets of the Company, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company. Except as provided in Section 8.3, such policies, annuity contracts or other assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company's assets and policies shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under this Plan shall be that of an unfunded and unsecured promise to pay money in the future.

8.3 Trust Fund

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

8.4 Nonassignability

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

8.5 Payment to Guardian

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

8.6 Not a Contract of Employment

The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between the Company and a Participant, and a Participant (or the Participant's spouse) shall have no rights against the Company except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right to be hired or retained in the service of the Company or to interfere with the right of the Company at any time to discipline or discharge a Participant who is an employee.

8.7 Protective Provision

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

8.8 Terms

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

8.9 Governing Law

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

8.10 Validity

If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, nor of any other plan or arrangement sponsored or maintained by the Company, and this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

8.11 Notice

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

8.12 Successors

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

IN WITNESS WHEREOF, and pursuant to the resolution of the board, the Company has caused this instrument to be executed by its officers thereunto duly authorized this _____ day of _____, 2005.

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

EXHIBIT A

PARTICIPANTS

1. Alvin Alexanderson
2. Grieg Anderson
3. Leonard Girard
4. Don Kielblock
5. Richard Reiten

NY2:#4606245

**PORTLAND GENERAL ELECTRIC COMPANY
RETIREMENT PLAN FOR OUTSIDE DIRECTORS
FOR TRANSFERRED LIABILITIES**

Effective as of _____, 2005

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PORTLAND GENERAL ELECTRIC COMPANY
RETIREMENT PLAN FOR OUTSIDE DIRECTORS
FOR TRANSFERRED LIABILITIES

ARTICLE I

PURPOSE

The purpose of this Plan (as defined below) is to provide for payment by the Company (as defined below) of certain Transferred Liabilities (as defined below) pursuant to the Settlement Agreement (as defined below). In accordance with the terms of the Settlement Agreement, the Transferred Liabilities had been liabilities under the Portland General Holdings, Inc. Retirement Plan for Outside Directors (the “PGH Directors Plan”).

This Plan is hereby established by the Company and shall become effective upon the approval of the Settlement Agreement by the Bankruptcy Court for the Southern District of New York. Except as expressly provided under this Plan, neither this Plan nor the Company assumes or has any liability for the payment of any benefits attributable to service as a member of the board of directors of any company that participated in the PGH Directors Plan, whether by reason of this Plan’s establishment, its sponsorship by the Company, the transfer of the liabilities, or otherwise, and each Participant (as defined below) shall have acknowledged and agreed, as a condition of receiving benefits under this Plan, that no other benefits under the PGH Directors Plan shall be payable by the Company except to the extent that the Participant served as a member of the Board (as defined below) during the period in which the Participant accrued the benefits.

For purposes of the Internal Revenue Code of 1986, as amended, and any other applicable law, this Plan is separate and independent from any other plan or arrangement sponsored or maintained by the Company. No provision, administrative action, or other aspect of this Plan shall affect or be taken into account with respect to any other plan or arrangement sponsored or maintained by the Company, and, similarly, no provision, administrative action, or other aspect of any other plan or arrangement sponsored or maintained by the Company shall affect or be taken into account with respect to this Plan.

ARTICLE II

DEFINITIONS

2.1 Administrative Committee

“Administrative Committee” shall mean the persons designated by the Compensation Committee to administer this Plan.

2.2 Bankruptcy Court

“Bankruptcy Court” shall mean the U.S. Bankruptcy Court for the Southern District of New York, having jurisdiction over the chapter 11 case of Portland General Holdings, Inc.

2.3 Board

“Board” shall mean the Board of Directors of the Company.

2.4 Code

“Code” shall mean the Internal Revenue Code of 1986, as amended.

2.5 Company

“Company” shall mean Portland General Electric Company, an Oregon corporation.

2.6 Compensation Committee

“Compensation Committee” shall mean the Compensation Committee of the Board.]

2.7 Participant

“Participant” shall mean an individual meeting the requirements of Section 3.1, as set forth on Exhibit A hereto.

2.8 Plan

“Plan” shall mean this Portland General Electric Company Retirement Plan for Outside Directors for Transferred Liabilities, as may be amended from time to time.

2.9 Release Agreement

“Release Agreement” shall mean a General Release and Covenant Not To Sue Agreement substantially in the form attached as Exhibit D to the Settlement Agreement.

2.10 Settlement Agreement

“Settlement Agreement” shall mean the Settlement Agreement among Enron Corp., Portland General Holdings, Inc., Portland General Electric Company, the Official Committee of Unsecured Creditors of Enron Corp., et al, and Certain Individual Participants with respect to Certain Benefit Plan Claims, dated _____, 2005, including the exhibits thereto, as the same has been approved by the Bankruptcy Court.

2.11 Transferred Liability

“Transferred Liability” shall mean the amount of liability to be transferred to the Company for each Participant pursuant to Exhibit B of this Plan.

ARTICLE III

PARTICIPATION

3.1 Eligibility

Each individual set forth on Exhibit A to this Plan shall be eligible to participate in this Plan. Each such individual shall become a Participant only upon completing and delivering such enrollment and other forms required by the Administrative Committee, including a fully-executed, binding and irrevocable Release Agreement, consistent with the terms of the Settlement Agreement, that includes an acknowledgement that the amount and form of the Participant’s benefit under this Plan is limited solely to the amount and form of the benefit specified in the Settlement Agreement.

3.2 Forfeitures

A Participant shall forfeit all rights hereunder and shall be required to immediately repay any benefits previously received hereunder if such Participant breaches the Release Agreement or seeks to have the Release Agreement voided or otherwise declared to be inapplicable to such Participant.

ARTICLE IV

AMOUNT, FORM AND PAYMENT OF SUPPLEMENTAL BENEFIT

4.1 Amount and Form

A Participant shall be entitled to a benefit under this Plan in the amount and form specified in Exhibit B to this Plan. If the annuity form is a joint and survivor annuity, the survivor annuitant shall be the Participant’s spouse at the time he or she first commenced receiving payments under the PGH Directors Plan. Payment of a Participant’s benefit shall commence as of the date specified in Exhibit B to this Plan.

4.2 Monthly Payment

All payments shall be made as of the first day of the month.

ARTICLE V

ADMINISTRATION

5.1 Administrative Committee; Duties

This Plan shall be administered by the Administrative Committee on a strictly separate and independent basis from any other plan or arrangements of the Company. The Administrative Committee shall have the full authority and discretion to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan; provided that no such action may increase the cost of this Plan to the Company without the written consent of the Compensation Committee. The Administrative Committee shall report to the Compensation Committee regarding Plan activity on an annual basis and at such other times as may be requested by the Compensation Committee.

5.2 Agents

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

5.3 Binding Effect of Decisions

The decision or action of the Administrative Committee with respect to any question arising out of or in connection with the administration, interpretation and application of this Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in this Plan; provided that no such decision or action may increase the cost of this Plan to the Company without the written consent of the Compensation Committee.

5.4 Indemnity of Administrative Committee; Compensation Committee

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

5.5 Availability of Plan Documents

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

5.6 Cost of Plan Administration

Subject to such financial arrangements that may be agreed to between the Company and any non-Participant in connection with the Settlement Agreement, the Company shall bear all expenses of administration of this Plan.

ARTICLE VI

CLAIMS PROCEDURE

6.1 Claim

Except with respect to initial eligibility, any person claiming a benefit, requesting an interpretation or ruling under this Plan or requesting information under this Plan shall present the request in writing to the Administrative Committee or its delegate, who shall respond in writing or electronically as soon as practicable, but in no event more than ninety (90) days after receipt of such claim or request; provided that the Administrative Committee may extend the period in which a determination is to be made by up to ninety (90) additional days if the Administrative Committee determines that special circumstances require additional time for processing a claim or request, in which case written or electronic notice of such extension will be provided to the claimant prior to the expiration of the initial ninety (90) day period, and such notice shall indicate the special circumstances requiring an extension of time and the date by which a determination is expected to be rendered.

6.2 Denial of Claim

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

6.2-1 The reasons for denial, with specific reference to the Plan provisions on which the denial is based.

6.2-2 A description of any additional material or information required to perfect a claim for benefits or to respond to a request and an explanation of why such material or information is necessary.

6.2-3 An explanation of this Plan's claim review procedure following an adverse determination on review.

6.3 Review of Claim

Any person whose claim or request is denied or who has not received a response within sixty (60) days may request review by notice given in writing to the Administrative Committee. The claim or request shall be reviewed by the Administrative Committee, which may, but shall not be required to, grant the claimant a hearing. In connection with such review, the claimant shall be entitled to submit written comments, documents, records and other information relating

to the claim or request and to be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim or request. The review by the Administrative Committee shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim or request, without regard to whether such information was submitted or considered in the initial determination.

6.4 Final Decision

The decision by the Administrative Committee on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified, provided that such extension of time shall not exceed one hundred twenty (120) days. The decision on review shall be communicated in writing or electronically and shall state:

6.4-1 The reasons for any denial, with specific reference to the Plan provisions on which the denial is based.

6.4-2 A statement that the person is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the person's claim for benefits.

6.4-3 A statement describing any voluntary appeal procedures offered by this Plan and the person's right to obtain the information about such procedures.

All decisions on review shall be final and bind all parties concerned.

ARTICLE VII

TERMINATION OR AMENDMENT

7.1 Amendment

To the extent consistent with the terms of the Settlement Agreement, the Administrative Committee may amend this Plan from time to time as may be necessary for administrative purposes and legal compliance of this Plan, provided, however, that no such amendment shall adversely affect the benefit rights of Participants or their spouses in this Plan or increase the cost of this Plan to the Company without the Company's express written consent. To the extent consistent with the terms of the Settlement Agreement, the Compensation Committee may amend this Plan at any time, provided, however, that no amendment shall be effective to decrease or restrict the rights of Participants or their spouses to the benefits accrued at the time of the amendment. Except as provided by the next sentence, neither the Company, the Administrative Committee nor the Compensation Committee shall be required to amend this Plan in any particular respect and, in particular, shall not be required to amend this Plan to mirror or replicate changes made in other benefit plans of the Company. Notwithstanding anything to

the contrary contained herein, the Compensation Committee shall amend this Plan to the extent necessary to meet the requirements of Code section 409A.

7.2 Termination

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

ARTICLE VIII

MISCELLANEOUS

8.1 Legal Determinations

8.1-1 Compliance with Code. This Plan is intended to comply with section 409A of the Code and official guidance issued thereunder so that no amounts to be paid to a Participant will be subject to tax until such amount is actually paid to such Participant. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered and amended to achieve this intent.

8.1-2 Unfunded Plan. As a condition of participating in this Plan, the Participants shall acknowledge that they did not accrue benefits to be paid under this Plan based on, or during any period of, service as a member of the Board. This Plan is intended to be an unfunded plan maintained primarily to provide benefits to a select group of individuals. If the Internal Revenue Service or a court of competent jurisdiction determines that Plan benefits are includible for federal income tax purposes in the gross income of a Participant or his or her spouse prior to actual receipt of the benefits by the Participant or his or her spouse, the Administrative Committee may immediately distribute the benefits found to be so includible to the Participant or the spouse, to the extent permitted under Code section 409A.

8.1-3 Tax Determinations. If the Internal Revenue Service or a court of competent jurisdiction determines that Plan benefits are includible for federal income tax purposes in the gross income of a Participant or his or her beneficiary prior to actual receipt of the benefits by the Participant or the beneficiary, the Administrative Committee may immediately distribute the benefits found to be so includible to the Participant or the beneficiary, to the extent permitted under Code section 409A.

8.2 Liability

8.2-1 Liability for Benefits. Except as otherwise provided in this Section 8.2, liability for the payment of a Participant's benefit pursuant to this Plan shall be borne solely by the Company. Nothing in this Section 8.2 shall be interpreted as prohibiting any other person from

expressly agreeing to assumption of the liability for payment of a Participant's benefit under this Plan.

8.2-2 Unsecured General Creditor. Participants and their beneficiaries, heirs, successors, and assigns shall have no secured legal or equitable rights, interest or claims in any property or assets of the Company, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company. Except as provided in Section 8.3, such policies, annuity contracts or other assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company's assets and policies shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under this Plan shall be that of an unfunded and unsecured promise to pay money in the future.

8.3 Trust Fund

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

8.4 Nonassignability

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

8.5 Payment to Guardian

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

8.6 Not a Contract of Service

The terms and conditions of this Plan shall not be deemed to constitute a contract of service between the Company and a Participant, and a Participant (or the Participant's spouse) shall have no rights against the Company except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right to be hired or retained in the service of the Company or to interfere with the right of the Company at any time to discipline or discharge a Participant who is an employee.

8.7 Protective Provisions

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

8.8 Terms

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

8.9 Governing Law

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

8.10 Validity

If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, nor of any other plan or arrangement sponsored or maintained by the Company, and this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

8.11 Notice

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

8.12 Successors

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

IN WITNESS WHEREOF, and pursuant to the resolution of the Board, the Company has caused this instrument to be executed by its officers thereunto duly authorized this ____ day of _____, 2005.

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

EXHIBIT A

PARTICIPANTS

1. Peter J. Brix
2. Jerry E. Hudson

NY2:#4606244

PORTLAND GENERAL ELECTRIC COMPANY
MANAGEMENT AND DIRECTORS DEFERRED COMPENSATION PLAN
FOR TRANSFERRED LIABILITIES

Effective as of _____, 2005

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PORTLAND GENERAL ELECTRIC COMPANY
MANAGEMENT AND DIRECTORS DEFERRED COMPENSATION PLAN
FOR TRANSFERRED LIABILITIES

ARTICLE I

PURPOSE

1.1 Purpose

The purpose of this Plan (as defined below) is to provide for payment by the Company (as defined below) of certain Transferred Liabilities (as defined below) pursuant to the Settlement Agreement (as defined below). In accordance with the terms of the Settlement Agreement, the Transferred Liabilities had been liabilities under the Portland General Holdings, Inc. Management Deferred Compensation Plan and the Portland General Holdings, Inc. Outside Directors Deferred Compensation Plan (collectively the “PGH Plans”).

This Plan is hereby established by the Company and shall become effective upon the approval of the Settlement Agreement by the Bankruptcy Court for the Southern District of New York. Except as expressly provided under this Plan, neither this Plan nor the Company assumes or has any liability for the payment of any benefits attributable to service with any employer that participated in the PGH Plans, whether by reason of this Plan’s establishment, its sponsorship by the Company, the transfer of the liabilities, or otherwise, and each Participant (as defined below) shall have acknowledged and agreed, as a condition of receiving benefits under this Plan, that no other benefits under the PGH Plans shall be payable by the Company except to the extent that during the period in which the Participant accrued the benefits the Participant served as a member of the Board (as defined below), or the Company actually employed the Participant and reported the Participant as being on its payroll.

For purposes of the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code of 1986, as amended, and any other applicable law, this Plan is separate and independent from any other plan or arrangement sponsored or maintained by the Company. No provision, administrative action, or other aspect of this Plan shall affect or be taken into account with respect to any other plan or arrangement sponsored or maintained by the Company, and, similarly, no provision, administrative action, or other aspect of any other plan or arrangement sponsored or maintained by the Company shall affect or be taken into account with respect to this Plan.

ARTICLE II - DEFINITIONS

2.1 Account

“Account” means the bookkeeping account maintained for a Participant by the Company in accordance with Article IV.

2.2 Administrative Committee

“Administrative Committee” means the persons designated by the Compensation Committee to administer this Plan.

2.3 Bankruptcy Court

“Bankruptcy Court” means the U.S. Bankruptcy Court for the Southern District of New York, having jurisdiction over the Chapter 11 case of Portland General Holdings, Inc.

2.4 Beneficiary

“Beneficiary” means the person, persons or entity entitled under Article VI to receive any Plan benefits payable after a Participant’s death.

2.5 Board

“Board” means the Board of Directors of the Company.

2.6 Code

“Code” means the Internal Revenue Code of 1986, as amended.

2.7 Company

“Company” means Portland General Electric Company, an Oregon corporation.

2.8 Compensation Committee

“Compensation Committee” means the Compensation Committee of the Board.

2.9 Determination Date

“Determination Date” means the last day of each calendar month.

2.10 Effective Date

“Effective Date” means the last day of the month preceding the first payments to be made under this Plan.

2.11 ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.12 Interest

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

2.13 Participant

“Participant” means an individual meeting the requirements of Section 3.1 as set forth on Exhibit A hereto. Former participants in the Portland General Holdings, Inc. Management Deferred Compensation Plan who become Participants in this Plan shall be referred to as “Management Participants,” and former participants in the Portland General Holdings, Inc. Outside Directors Deferred Compensation Plan who become Participants in this Plan shall be referred to as “Director Participants.”

2.14 Plan

“Plan” means this Portland General Electric Company Management and Directors Deferred Compensation Plan for Transferred Liabilities, as it may be amended from time to time.

2.15 Release Agreement

“Release Agreement” means a General Release and Covenant Not To Sue Agreement substantially in the form attached as Exhibit D to the Settlement Agreement.

2.16 Settlement Agreement

“Settlement Agreement” means the Settlement Agreement among Enron Corp., Portland General Holdings, Inc., Portland General Electric Company, the Official Committee of Unsecured Creditors of Enron Corp., et al, and Certain Individual Participants with respect to Certain Benefit Plan Claims, dated _____, 2005, including the exhibits thereto, as the same has been approved by the Bankruptcy Court.

2.17 Transferred Liability

“Transferred Liability” means the amount of the liability to be transferred to the Company for a Participant pursuant to Exhibit B of this Plan.

2.18 Unforeseeable Emergency

“Unforeseeable Emergency” means a severe financial hardship to a Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Code section 152(a)) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

ARTICLE III -

PARTICIPATION

3.1 Eligibility

Each individual set forth on Exhibit A to this Plan shall be eligible to participate in this Plan. Each such individual shall become a Participant only upon completing and delivering such enrollment and other forms required by the Administrative Committee, including a fully-executed, binding and irrevocable Release Agreement, consistent with the terms of the Settlement Agreement, that includes an acknowledgement that the Participant’s benefit under this Plan is limited solely to the amount and form of the benefit specified in the Settlement Agreement.

3.2 Forfeitures

A Participant shall forfeit all rights hereunder and shall be required to immediately repay any benefits previously received hereunder if such Participant breaches the Release Agreement or seeks to have the Release Agreement voided or otherwise declared to be inapplicable to such Participant.

ARTICLE IV -

DEFERRED COMPENSATION ACCOUNT

4.1 Crediting to Account

On the Effective Date, the amount of the Transferred Liability for each Participant shall be credited to his or her Account.

4.2 Determination of Accounts

Each Participant’s Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, plus the Interest credited under this Plan, minus the amount of any distributions made from this Plan since the immediately preceding Determination Date. Interest credited shall be calculated as of each Determination Date based upon the average daily balance of the Account since the preceding Determination Date.

4.3 Vesting of Accounts

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

4.4 Statement of Accounts

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

ARTICLE V -

PLAN BENEFITS

5.1 Benefits

5.1-1 Entitlement to Benefits. A Participant's Account balance shall be distributed to the Participant at the time and in the form of payment specified in Exhibit B to this Plan.

5.1-2 Entitlement to Benefits at Death. Upon the death of a Participant for whom an Account is held under this Plan, benefit payments shall be made, or continue to be made, to the Participant's Beneficiary in accordance with Section 5.1-1 and Exhibit B.

5.2 Withdrawals for Unforeseeable Emergency

A Participant may withdraw part or all of the Participant's Account balance for an Unforeseeable Emergency. The amounts distributed with respect to an Unforeseeable Emergency may not exceed the amounts necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

5.3 Withholding; Payroll Taxes

The Company shall withhold from payments made hereunder any taxes required to be withheld for the federal or any state or local government. Withholding shall also apply to payments to a Beneficiary unless an election against withholding is made under Section 3405(a)(2) of the Code.

5.4 Monthly Payments

All payments shall be made as of the first day of the month.

5.5 Full Payment of Benefits

Notwithstanding any other provision of this Plan, all benefits shall be paid no later than one hundred eighty (180) months following the date payment to a Participant commences.

5.6 Payment to Guardian

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

ARTICLE VI -

BENEFICIARY DESIGNATION

6.1 Beneficiary Designation

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

As of the Effective Date, a Participant's Beneficiary shall be as specified in Exhibit B to this Plan.

6.2 Amendments

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

6.3 No Beneficiary Designation

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

6.4 Effect of Payment

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

ARTICLE VII - ADMINISTRATION

7.1 Administrative Committee; Duties

This Plan shall be administered by the Administrative Committee on a strictly separate and independent basis from any other plan or arrangements of the Company. Members of the Administrative Committee may be Participants under this Plan who are actively employed by the Company. The Administrative Committee shall have the full authority and discretion to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan; provided that no such action may increase the cost of this Plan to the Company without the written consent of the Compensation Committee. The Administrative Committee shall report to the Compensation Committee regarding Plan activity on an annual basis and at such other times as may be requested by the Compensation Committee.

7.2 Agents

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

7.3 Binding Effect of Decisions

The decision or action of the Administrative Committee in respect of any question arising out of or in connection with the administration, interpretation and application of this Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in this Plan; provided that no such decision or action may increase the cost of this Plan to the Company without the written consent of the Compensation Committee.

7.4 Indemnity of Administrative Committee; Compensation Committee

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

7.5 Availability of Plan Documents

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

7.6 Cost of Plan Administration

Subject to such financial arrangements that may be agreed to between the Company and any non-Participant in connection with the Settlement Agreement, the Company shall bear all expenses of administration of this Plan.

ARTICLE VIII -

CLAIMS PROCEDURE

8.1 Claim

Except with respect to initial eligibility and account balance amounts, any person claiming a benefit, requesting an interpretation or ruling under this Plan or requesting information under this Plan shall present the request in writing to the Administrative Committee or its delegate, who shall respond in writing or electronically as soon as practicable, but in no event more than ninety (90) days after receipt of such claim or request; provided that the Administrative Committee may extend the period in which a determination is to be made by up to ninety (90) additional days if the Administrative Committee determines that special circumstances require additional time for processing a claim or request, in which case written or electronic notice of such extension will be provided to the claimant prior to the expiration of the initial ninety (90) day period, and such notice shall indicate the special circumstances requiring an extension of time and the date by which a determination is expected to be rendered.

8.2 Denial of Claim

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

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

8.2-2 A description of any additional material or information required to perfect a claim for benefits or to respond to a request and an explanation of why such material or information is necessary.

8.2-3 An explanation of this Plan's claim review procedure, including any right the person has to bring a civil action under ERISA section 502(a) following an adverse determination on review.

8.3 Review of Claim

Any person whose claim or request is denied or who has not received a response within sixty (60) days may request review by notice given in writing to the Administrative Committee. The claim or request shall be reviewed by the Administrative Committee, which may, but shall not be required to, grant the claimant a hearing. In connection with such review, the claimant shall be entitled to submit written comments, documents, records and other information relating to the claim or request and to be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim or request. The review by the Administrative Committee shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim or request, without regard to whether such information was submitted or considered in the initial determination.

8.4 Final Decision

The decision by the Administrative Committee on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified, provided that such extension of time shall not exceed one hundred twenty (120) days. The decision on review shall be communicated in writing or electronically and shall state:

8.4-1 The reasons for any denial, with specific reference to the Plan provisions on which the denial is based.

8.4-2 A statement that the person is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the person's claim for benefits.

8.4-3 A statement describing any voluntary appeal procedures offered by this Plan and the person's right to obtain the information about such procedures, as well as a statement of any right the person has to bring a civil action under ERISA section 502(a).

All decisions on review shall be final and bind all parties concerned.

ARTICLE IX -

AMENDMENT AND TERMINATION OF PLAN

9.1 Amendment

9.1-1 To the extent consistent with the terms of the Settlement Agreement, the Administrative Committee may amend this Plan from time to time as may be necessary for administrative purposes and legal compliance of this Plan, provided, however, that no such amendment shall adversely affect the benefit rights of Participants or Beneficiaries in this Plan or

increase the cost of this Plan to the Company without the Company's express written consent. To the extent consistent with the terms of the Settlement Agreement, the Compensation Committee may amend this Plan at any time, provided, however, that no amendment shall be effective to decrease or restrict the rights of Participants and beneficiaries to the benefits accrued at the time of the amendment. Any such amendments shall be subject to the following:

(a) Preservation of Account Balance. No amendment shall reduce the amount accrued in any Account as of the date such notice of the amendment is given.

(b) Changes in Interest Rate. No amendment shall reduce the rate of Interest to be credited, after the date of the amendment, on the amount already accrued in any Account.

9.1-2 Except as provided by the next sentence, neither the Company, the Administrative Committee nor the Compensation Committee shall be required to amend this Plan in any particular respect and, in particular, shall not be required to amend this Plan to mirror or replicate changes made in other employee benefit plans of the Company. Notwithstanding anything to the contrary contained herein, the Compensation Committee shall amend this Plan to the extent necessary to meet the requirements of Code section 409A.

9.2 Termination

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

9.3 Payment at Termination

If this Plan is terminated, payment of each Account to a Participant or a Beneficiary for whom it is held shall commence and shall be paid in the form provided for under Section 5.1, to the extent permitted under Code section 409A.

ARTICLE X

MISCELLANEOUS

10.1 Legal Determinations

10.1-1 Compliance with Code. This Plan is intended to comply with section 409A of the Code and official guidance issued thereunder so that no amounts to be paid to a Participant will be subject to tax until such amount is actually paid to such Participant. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered and amended to achieve this intent.

10.1-2 Unfunded Plan. As a condition of participating in this Plan, the Participants shall acknowledge that they did not accrue the benefits to be paid under this Plan based on, or during any period of, employment with the Company, so that this Plan may be exempt from ERISA. Notwithstanding the foregoing, to the extent this Plan is subject to ERISA, it is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of individuals who were “management or highly compensated employees” within the meaning of Sections 201, 301, and 401 of ERISA and therefore to be exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, if the United States Department of Labor or a court of competent jurisdiction determines that this Plan, or some portion of this Plan, constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA which is not so exempt, the Administrative Committee may terminate this Plan and commence termination payout under Section 9.3 above for all or certain Participants, or remove certain individuals as Participants and pay them their remaining Account balances in an immediate lump sum payment, to the extent permitted under Code section 409A.

10.1-3 Tax Determinations. If the Internal Revenue Service or a court of competent jurisdiction determines that Plan benefits are includible for federal income tax purposes in the gross income of a Participant or a Beneficiary prior to actual receipt of the benefits by the Participant or the Beneficiary, the Administrative Committee may immediately distribute the benefits found to be so includible to the Participant or Beneficiary, to the extent permitted under Code section 409A.

10.2 Liability

10.2-1 Liability for Benefits. Except as otherwise provided in this Section 10.2, liability for the payment of a Participant’s benefit pursuant to this Plan shall be borne solely by the Company. Nothing in this Section 10.2 shall be interpreted as prohibiting any other person from expressly agreeing to the assumption of the liability for payment of a Participant’s benefit under this Plan.

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

10.3 Trust Fund

The Company shall establish one or more trusts, with such trustee as the Board may approve, for the purpose of providing for the payment of Plan benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company’s creditors. To the extent any benefits provided under this Plan are actually paid from any such trust, the

Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by the Company.

10.4 Nonassignability

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

10.5 No Expansion of Rights

The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between the Company and a Participant, and neither a Participant nor a Participant's Beneficiary shall have any rights against the Company except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right to be hired or retained in the service of the Company or to interfere with the right of the Company at any time to discipline or discharge a Participant who is an employee.

10.6 Protective Provisions

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

10.7 Governing Law

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

10.8 Terms

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

10.9 Validity

In case any provision of this Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts hereof, nor of any other plan or arrangement sponsored or maintained by the Company, and this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.10 Notice

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

10.11 Successors

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

IN WITNESS WHEREOF, and pursuant to the resolution of the Board, the Company has caused this instrument to be executed by its officers thereunto duly authorized this day of _____, 2005.

PORTLAND GENERAL ELECTRIC COMPANY

By:

Its: _____

PARTICIPANTS

1. Alvin Alexanderson
2. Grieg Anderson
3. Leonard Girard
4. Don Kielblock
5. Richard Reiten
6. Peter O'Neill
7. Peter Brix
8. Jerry Hudson

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