



**Portland General Electric Company**

Stephen M. Quennoz  
Trojan Site Executive

October 30, 1996

VPN-069-96

Trojan Nuclear Plant  
Docket 50-344  
License NPF-1  
Docket 72-0017

U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D.C. 20555

Dear Sirs:

Planned Merger of Parent Company,  
Portland General Corporation, with Enron Corp.

Enclosure (3) of our August 20, 1996 letter on this subject included a copy of the Agreement and Plan of Merger between Enron Corp. and Portland General Electric's parent company, Portland General Corporation ("PGC"). Enclosed for the record is a copy of five modified pages from the Amended and Restated Merger Agreement among Enron and PGC. The pages are marked to show the changes.

PGE believes the amendments have no impact on PGE's request that the Commission consent to the planned merger. Nevertheless, the amended pages are provided for completeness.

Sincerely,

Stephen M. Quennoz  
Trojan Site Executive

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Enclosure

c: L. J. Callan, NRC Region IV  
Dr. D. B. Spitzberg, NRC Region IV  
R. A. Scarano, NRC Region IV  
L. E. Kokajko, NRC NMSS  
M. T. Masnik, NRC NRR  
D. Stewart-Smith, ODOE

**AMENDED AND RESTATED**

**AGREEMENT AND PLAN OF**

**MERGER**

**by and ~~between~~ among**

**ENRON CORP.,**

**PORTLAND GENERAL CORPORATION**

**and**

**~~NEW-FALCON~~ ENRON OREGON CORP.**

**Dated as of July 20, 1996 and**

**Amended and Restated as of September 24, 1996**

**AMENDED AND RESTATED  
AGREEMENT AND PLAN  
OF MERGER**

**THIS AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER**, dated as of July 20, 1996 and amended and restated as of September 24, 1996 (this "Agreement"), is by and among Enron Corp., a Delaware corporation ("Enron"), Portland General Corporation, an Oregon corporation ("PGC"), and ~~New Falcon~~ Enron Oregon Corp. (formerly New Falcon Corp.), an Oregon corporation and wholly owned subsidiary of Enron (the "Company").

**WHEREAS**, the boards of directors of Enron and PGC have approved and deemed it advisable and in the best interests of their respective shareholders to consummate the transactions contemplated herein under which the businesses of Enron and PGC would be combined by means of (i) the reincorporation of Enron as an Oregon corporation through the merger of Enron with and into the Company, as a result of which shareholders of Enron will become shareholders of the Company, and (ii) the subsequent merger of PGC with and into the Company, as a result of which the shareholders of PGC will become shareholders of the Company, all on the terms and subject to the conditions set forth in this Agreement; and

**WHEREAS**, for federal income tax purposes, it is intended that the transactions contemplated hereby will qualify as reorganizations under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended, and rules and regulations promulgated thereunder (the "Code");

**NOW THEREFORE**, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:

**ARTICLE I  
THE MERGERS**

Section 1.1 The Reincorporation Merger. Upon the terms and subject to the conditions of this Agreement, at the First Effective Time (as defined in Section 1.3 (a)):

(a) Effect. Enron shall be merged with and into the Company (the "Reincorporation Merger") in accordance with the applicable provisions of the laws of the States of Delaware and Oregon, as a result of which the separate corporate existence of Enron shall cease, and the Company shall be the surviving corporation (sometimes referred to herein as the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Oregon. The effects and consequences of the Reincorporation Merger shall be as set forth in Section 252 of the Delaware General Corporation Law ("DGCL") and Section 60.497 of the Oregon Business Corporation Act (the "OBCA").

(b) Articles of Incorporation. At the First Effective Time, the articles of incorporation of the Company, which shall be substantially similar to the certificate of incorporation of Enron in effect on the date hereof, with such changes as are necessary to comply with the OBCA or as may be agreed upon by Enron and PGC prior to the PGC

Enron and PGC for their directors' and officers' liability insurance and other indemnity agreements.

(c) Successors. In the event the Company or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then and in either such case, proper provision shall be made so that the successors and assigns of the Company shall assume the obligations set forth in this Section 7.5.

(d) Survival of Indemnification. To the fullest extent not prohibited by law, from and after the Effective Time, all rights to indemnification now existing in favor of the employees, agents, directors or officers of Enron, PGC and their respective subsidiaries with respect to their activities as such prior to or at the Effective Time, as provided in their respective articles or certificate of incorporation or bylaws or indemnification agreements in effect on the date of such activities or otherwise in effect on the date hereof, shall survive the Mergers and shall continue in full force and effect for a period of not less than six years from the Effective Time, provided that, in the event any claim or claims are asserted or made within such six year period, all such rights to indemnification in respect of any claim or claims shall continue until final disposition of such claim or claims.

Section 7.6 Disclosure Schedules. On or before the date of this Agreement, (i) PGC has delivered to Enron a schedule (the "PGC Disclosure Schedule") accompanied by a certificate signed by the chief financial officer of PGC stating that the Disclosure Schedule is being delivered pursuant to this Section 7.6(i) and (ii) Enron has delivered to PGC a schedule (the "Enron Disclosure Schedule") accompanied by a certificate signed by an executive officer of Enron stating that the Enron Disclosure Schedule is being delivered pursuant to this Section 7.6(ii). The PGC Disclosure Schedule and the Enron Disclosure Schedule are collectively referred to herein as the "Disclosure Schedules". The Disclosure Schedules constitute an integral part of this Agreement and modify the respective representations, warranties, covenants or agreements of the parties hereto contained herein to the extent that such representations, warranties, covenants or agreements expressly refer specifically to the applicable section of the Disclosure Schedules. Any and all statements, representations, warranties or disclosures set forth in the Disclosure Schedules shall be deemed to have been made on and as of the date of this Agreement.

Section 7.7 Public Announcements. Enron and PGC shall cooperate with each other in the development and distribution of all news releases and other public information disclosures with respect to this Agreement or any of the transactions contemplated hereby and, subject to each party's disclosure obligations imposed by law or any applicable national securities exchange, (a) shall consult with each other with respect to any public announcements or statements and (b) shall not issue any public announcement or statement with respect to the transactions contemplated by this Agreement that is inconsistent with any public announcement or statement previously made by either party ~~with~~ without the consent of the other party.

Section 7.8 Rule 145 Affiliates. PGC shall identify in a letter to Enron all persons who are, on the date hereof, "affiliates" of PGC, as such term is used in Rule 145 under the Securities

of Vice Chairman of the Board of the Company and Chairman of the Board and Chief Executive Officer of PGE and Joseph M. Hirko shall hold the position of Senior Vice President of the Company.

Section 7.15 Employment Contracts. Concurrently with the execution and delivery of this Agreement, the Company has entered into employment contracts ~~in the forms set forth in Exhibits B and C~~, with Messrs. Harrison and Hirko, respectively. Such employment agreements shall become effective immediately at the Effective Time in accordance with their terms.

Section 7.16 Post-Merger Operations. Following the Effective Time, the Company shall conduct its operations in accordance with the following:

(a) Principal Corporate Offices. PGE shall maintain its principal corporate offices in the city of Portland in the State of Oregon.

(b) Corporate Officers of PGE. The corporate officers of PGE shall be entitled to maintain their current titles and responsibilities as officers of PGE, except to the extent modified by the forms of employment contracts set forth pursuant to Section 7.15, and unless and until otherwise determined by the Board of Directors of the Company. Following the Effective Time, Enron shall designate a number of directors of PGE consisting of directors of Enron and/or employees of Enron or any subsidiary thereof, including Ken L. Harrison and Joseph M. Hirko. Furthermore, PGC shall have the right to designate no more than seven non-voting advisory directors for PGE.

(c) Charities. Immediately prior to the Effective Time, each of Enron and PGC shall cause contributions of \$10 million to be made to the assets of the PGE Foundation (the "Foundation"), and the assets of the Foundation shall be used for charitable purposes in accordance with the constituent documents of the Foundation in the service area of PGE. The current directors of the Foundation, or persons nominated by a majority of such directors or nominated by their successors in accordance with this provision, shall be the directors of the Foundation.

Section 7.17 NYSE Listing. The parties shall take such action as may be reasonably required to cause the shares of Company Common Stock to be issued in the Mergers and any Company Preferred Stock issued in exchange for shares of Enron Convertible Preferred Stock to be approved for listing on the NYSE and the exchanges on which the Enron Common Stock or Enron Convertible Preferred Stock was listed, each subject to official notice of issuance.

Section 7.18 Expenses. Subject to Section 7.1 and Section 9.3, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby and thereby shall be paid by the party incurring such expenses, except that those expenses incurred in connection with printing the Joint Proxy/Registration Statement, as well as the filing fee relating thereto, shall be shared equally by Enron, on the one hand, and PGC, on the other hand.



#### Section 7.19 Further Assurances

(a) Each of PGC and Enron shall, and shall cause their respective subsidiaries to, execute such further documents and instruments and take such further actions as may reasonably be requested by the other in order to consummate the Mergers and the transactions contemplated hereby, and to use its reasonable efforts to take or cause to be taken all actions, and to do or cause to be done all things, necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Mergers and the other transactions contemplated hereby, including fully cooperating with the other in obtaining the PGC Required Statutory Approvals, the Enron Required Statutory Approvals and all other approvals and authorizations of any Governmental Authorities necessary or advisable to consummate the transactions contemplated hereby.

(b) Enron and PGC acknowledge that ~~in the absence of applicable regulatory constraints under the 1935 Act it may be preferable for Enron to remain organized as a Delaware corporation and not to effect the Reincorporation Merger, consistent with the preservation of the economic benefits of the Mergers. Accordingly, if, at the time at which all of the conditions to the parties' respective obligations to consummate the Mergers have been satisfied or waived, no such constraints under is intended solely to enable the Company to qualify after the PGC Merger as an intrastate holding company that is exempt from the registration requirements of the 1935 Act shall require. If, prior to the Effective Time, the 1935 Act is repealed or amended in a manner that would make it possible for PGC to merge directly with and into Enron in the manner set forth on Exhibit B hereto without having Enron, directly or indirectly, become subject to the registration requirements of the 1935 Act as a result thereof, then the form of the transactions contemplated by this Agreement will be revised to eliminate the Reincorporation Merger to occur, the parties shall use all reasonable efforts to effect a business combination among themselves by means of a mutually agreed structure other than the Reincorporation Merger that so preserves such economic benefits and in which Enron remains organized as a Delaware corporation, and this Agreement shall be appropriately modified to reflect the fact that the Reincorporation Merger will not occur in the manner set forth in Exhibit B; provided that it shall be a condition to such restructuring that it revised transaction structure that (i) the economic benefits to Enron and PGC contemplated by this Agreement shall be preserved, and (ii) such revised transaction structure shall not have an adverse effect on any material third party or Governmental Authority declarations, filings, registrations, notices, authorizations, consents or approvals previously obtained.~~

### ARTICLE VIII CONDITIONS

Section 8.1 Conditions to Each Party's Obligation to Effect the Mergers. The respective obligations of each party to effect the Mergers shall be subject to the satisfaction prior to the Closing Date of the following conditions, except to the extent such condition is waived by the parties in writing pursuant to Section 9.5: