

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME

(Dollars in millions, except per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenues, net	\$ 515	\$ 484	\$ 1,494	\$ 1,399
Operating expenses:				
Purchased power and fuel	184	180	443	455
Generation, transmission and distribution	73	69	235	199
Administrative and other	64	63	197	185
Depreciation and amortization	87	79	257	244
Taxes other than income taxes	30	29	94	89
Total operating expenses	438	420	1,226	1,172
Income from operations	77	64	268	227
Interest expense, net	30	28	90	82
Other income:				
Allowance for equity funds used during construction	4	4	9	19
Miscellaneous income, net	2	—	4	—
Other income, net	6	4	13	19
Income before income tax expense	53	40	191	164
Income tax expense	13	6	46	32
Net income and Comprehensive income	\$ 40	\$ 34	\$ 145	\$ 132
Weighted-average shares outstanding—basic and diluted (in thousands)	89,065	88,921	89,044	88,885
Earnings per share—basic and diluted	\$ 0.44	\$ 0.38	\$ 1.62	\$ 1.49
Dividends declared per common share	\$ 0.34	\$ 0.32	\$ 1.00	\$ 0.94

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)

(Unaudited)

	September 30, 2017	December 31, 2016
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 89	\$ 6
Accounts receivable, net	151	155
Unbilled revenues	71	107
Inventories	70	82
Regulatory assets—current	42	36
Other current assets	43	77
Total current assets	466	463
Electric utility plant, net	6,638	6,434
Regulatory assets—noncurrent	526	498
Nuclear decommissioning trust	41	41
Non-qualified benefit plan trust	37	34
Other noncurrent assets	51	57
Total assets	\$ 7,759	\$ 7,527

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS, continued
(Dollars in millions)
(Unaudited)

	September 30, 2017	December 31, 2016
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 100	\$ 129
Liabilities from price risk management activities—current	43	44
Current portion of long-term debt	100	150
Accrued expenses and other current liabilities	248	254
Total current liabilities	491	577
Long-term debt, net of current portion	2,277	2,200
Regulatory liabilities—noncurrent	1,002	958
Deferred income taxes	701	669
Unfunded status of pension and postretirement plans	288	281
Liabilities from price risk management activities—noncurrent	150	125
Asset retirement obligations	166	161
Non-qualified benefit plan liabilities	105	105
Other noncurrent liabilities	177	107
Total liabilities	5,357	5,183
Commitments and contingencies (see notes)		
Equity:		
Portland General Electric Company shareholders' equity:		
Preferred stock, no par value, 30,000,000 shares authorized; none issued and outstanding as of September 30, 2017 and December 31, 2016	—	—
Common stock, no par value, 160,000,000 shares authorized; 89,091,955 and 88,946,704 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	1,204	1,201
Accumulated other comprehensive loss	(7)	(7)
Retained earnings	1,205	1,150
Total equity	2,402	2,344
Total liabilities and equity	\$ 7,759	\$ 7,527

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

(Unaudited)

	Nine Months Ended September 30,	
	2017	2016
Cash flows from operating activities:		
Net income	\$ 145	\$ 132
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	257	244
Deferred income taxes	35	18
Pension and other postretirement benefits	19	21
Allowance for equity funds used during construction	(9)	(19)
Decoupling mechanism deferrals, net of amortization	(15)	(4)
Other non-cash income and expenses, net	18	12
Changes in working capital:		
Decrease in accounts receivable and unbilled revenues	40	53
Decrease in inventories	12	1
Decrease in margin deposits, net	4	25
Increase in accounts payable and accrued liabilities	14	31
Other working capital items, net	20	12
Other, net	(21)	(29)
Net cash provided by operating activities	519	497
Cash flows from investing activities:		
Capital expenditures	(369)	(454)
Sales of Nuclear decommissioning trust securities	14	17
Purchases of Nuclear decommissioning trust securities	(12)	(16)
Other, net	(2)	(1)
Net cash used in investing activities	(369)	(454)

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, continued

(In millions)

(Unaudited)

	Nine Months Ended September 30,	
	2017	2016
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	75	265
Payments on long-term debt	(50)	(133)
Change in short-term debt	—	(6)
Dividends paid	(87)	(82)
Other	(5)	(3)
Net cash (used in) provided by financing activities	(67)	41
Increase in cash and cash equivalents	83	84
Cash and cash equivalents, beginning of period	6	4
Cash and cash equivalents, end of period	\$ 89	\$ 88
Supplemental cash flow information is as follows:		
Cash paid for interest, net of amounts capitalized	\$ 68	\$ 61
Cash paid for income taxes	16	12
Non-cash investing and financing activities:		
Assets obtained under capital lease	73	57