

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	
	March 31,	
	2018	2017
Revenues:		
Revenues, net	\$ 495	\$ 530
Alternative revenue programs, net of amortization	(2)	—
Total revenues	<u>493</u>	<u>530</u>
Operating expenses:		
Purchased power and fuel	130	141
Generation, transmission and distribution	69	81
Administrative and other	69	67
Depreciation and amortization	92	84
Taxes other than income taxes	33	33
Total operating expenses	<u>393</u>	<u>406</u>
Income from operations	100	124
Interest expense, net	31	30
Other income:		
Allowance for equity funds used during construction	4	2
Miscellaneous income (expense), net	(1)	—
Other income, net	<u>3</u>	<u>2</u>
Income before income tax expense	72	96
Income tax expense	8	23
Net income	\$ 64	\$ 73
Other comprehensive loss	—	(1)
Comprehensive income	\$ 64	\$ 72
Weighted-average shares outstanding—basic and diluted (in thousands)	<u>89,160</u>	<u>89,003</u>
Earnings per share—basic and diluted	<u>\$ 0.72</u>	<u>\$ 0.82</u>
Dividends declared per common share	<u>\$ 0.34</u>	<u>\$ 0.32</u>

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)
(Unaudited)

	March 31, 2018	December 31, 2017
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 70	\$ 39
Accounts receivable, net	152	168
Unbilled revenues	77	106
Inventories	80	78
Regulatory assets—current	72	62
Other current assets	81	73
Total current assets	<u>532</u>	<u>526</u>
Electric utility plant, net	6,781	6,741
Regulatory assets—noncurrent	448	438
Nuclear decommissioning trust	42	42
Non-qualified benefit plan trust	36	37
Other noncurrent assets	53	54
Total assets	<u>\$ 7,892</u>	<u>\$ 7,838</u>

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

	March 31, 2018	December 31, 2017
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 97	\$ 132
Liabilities from price risk management activities—current	67	59
Accrued expenses and other current liabilities	229	241
Total current liabilities	393	432
Long-term debt, net of current portion	2,426	2,426
Regulatory liabilities—noncurrent	1,323	1,288
Deferred income taxes	378	376
Unfunded status of pension and postretirement plans	282	284
Liabilities from price risk management activities—noncurrent	144	151
Asset retirement obligations	191	167
Non-qualified benefit plan liabilities	108	106
Other noncurrent liabilities	198	192
Total liabilities	5,443	5,422
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 March 31, 2018 and December 31, 2017	—	—
Common stock, no par value, 160,000,000 shares authorized; 89,214,119 and 89,114,265 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	1,206	1,207
Accumulated other comprehensive loss	(8)	(8)
Retained earnings	1,251	1,217
Total equity	2,449	2,416
Total liabilities and equity	\$ 7,892	\$ 7,838

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

(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 64	\$ 73
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92	84
Deferred income taxes	6	17
Pension and other postretirement benefits	6	6
Allowance for equity funds used during construction	(4)	(2)
Decoupling mechanism deferrals, net of amortization	3	(9)
Deferral of net benefits due to Tax Reform	15	—
Other non-cash income and expenses, net	4	7
Changes in working capital:		
Decrease in accounts receivable and unbilled revenues	45	29
Decrease in inventories	(2)	5
(Increase) in margin deposits, net	(6)	(12)
(Decrease) in accounts payable and accrued liabilities	(17)	(10)
Other working capital items, net	(5)	(13)
Other, net	(7)	(5)
Net cash provided by operating activities	194	170
Cash flows from investing activities:		
Capital expenditures	(131)	(114)
Sales of Nuclear decommissioning trust securities	3	7
Purchases of Nuclear decommissioning trust securities	(3)	(5)
Other, net	1	(1)
Net cash used in investing activities	(130)	(113)
Cash flows from financing activities:		
Dividends paid	(30)	(28)
Other	(3)	(4)
Net cash used in financing activities	(33)	(32)
Increase in cash and cash equivalents	31	25
Cash and cash equivalents, beginning of period	39	6
Cash and cash equivalents, end of period	\$ 70	\$ 31
Supplemental cash flow information is as follows:		
Cash paid for interest, net of amounts capitalized	\$ 13	\$ 13
Cash paid for income taxes	—	—