

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 June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Revenues, net	\$ 449	\$ 449	\$ 944	\$ 979
Alternative revenue programs, net of amortization	—	—	(2)	—
Total revenues	449	449	942	979
Operating expenses:				
Purchased power and fuel	104	118	234	259
Generation, transmission and distribution	71	81	140	162
Administrative and other	70	64	139	131
Depreciation and amortization	93	86	185	170
Taxes other than income taxes	31	31	64	64
Total operating expenses	369	380	762	786
Income from operations	80	69	180	193
Interest expense, net	31	30	62	60
Other income:				
Allowance for equity funds used during construction	2	3	6	5
Miscellaneous income (expense), net	1	—	—	—
Other income, net	3	3	6	5
Income before income tax expense	52	42	124	138
Income tax expense	6	10	14	33
Net income	46	32	110	105
Other comprehensive income	—	1	—	—
Comprehensive income	\$ 46	\$ 33	\$ 110	\$ 105
Weighted-average shares outstanding—basic and diluted (in thousands)	89,215	89,063	89,188	89,033
Earnings per share—basic and diluted	\$ 0.51	\$ 0.36	\$ 1.23	\$ 1.18
Dividends declared per common share	\$ 0.3625	\$ 0.3400	\$ 0.7025	\$ 0.6600

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)
(Unaudited)

	June 30, 2018	December 31, 2017
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 48	\$ 39
Accounts receivable, net	162	168
Unbilled revenues	86	106
Inventories	85	78
Regulatory assets—current	56	62
Other current assets	56	73
Total current assets	493	526
Electric utility plant, net	6,840	6,741
Regulatory assets—noncurrent	441	438
Nuclear decommissioning trust	42	42
Non-qualified benefit plan trust	38	37
Other noncurrent assets	55	54
Total assets	\$ 7,909	\$ 7,838

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

	June 30, 2018	December 31, 2017
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 103	132
Liabilities from price risk management activities—current	51	59
Current Portion of long-term debt	300	—
Accrued expenses and other current liabilities	225	241
Total current liabilities	679	432
Long-term debt, net of current portion	2,126	2,426
Regulatory liabilities—noncurrent	1,348	1,288
Deferred income taxes	378	376
Unfunded status of pension and postretirement plans	280	284
Liabilities from price risk management activities—noncurrent	136	151
Asset retirement obligations	192	167
Non-qualified benefit plan liabilities	107	106
Other noncurrent liabilities	198	192
Total liabilities	5,444	5,422
Equity:		
Portland General Electric Company shareholders' equity:		
Preferred stock, no par value, 30,000,000 shares authorized; none issued and outstanding as of June 30, 2018 and December 31, 2017	—	—
Common stock, no par value, 160,000,000 shares authorized; 89,238,206 and 89,114,265 shares issued and outstanding as of June 30, 2018 and December 31, 2017, respectively	1,208	1,207
Accumulated other comprehensive loss	(8)	(8)
Retained earnings	1,265	1,217
Total equity	2,465	2,416
Total liabilities and equity	\$ 7,909	\$ 7,838

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

(In millions)
(Unaudited)

	Six Months Ended June 30,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 110	\$ 105
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	185	170
Deferred income taxes	6	20
Pension and other postretirement benefits	13	13
Allowance for equity funds used during construction	(6)	(5)
Decoupling mechanism deferrals, net of amortization	2	(15)
Deferral of net benefits due to Tax Reform	25	—
Other non-cash income and expenses, net	4	16
Changes in working capital:		
Decrease in accounts receivable and unbilled revenues	26	55
(Increase) in inventories	(7)	—
Decrease in margin deposits, net	4	7
(Decrease) in accounts payable and accrued liabilities	(20)	(29)
Other working capital items, net	13	11
Other, net	(17)	(15)
Net cash provided by operating activities	338	333
Cash flows from investing activities:		
Capital expenditures	(266)	(245)
Sales of Nuclear decommissioning trust securities	6	11
Purchases of Nuclear decommissioning trust securities	(5)	(9)
Other, net	—	(2)
Net cash used in investing activities	(265)	(245)
Cash flows from financing activities:		
Dividends paid	(61)	(57)
Other	(3)	(4)
Net cash used in financing activities	(64)	(61)
Increase in cash and cash equivalents	9	27
Cash and cash equivalents, beginning of period	39	6
Cash and cash equivalents, end of period	\$ 48	\$ 33
Supplemental cash flow information is as follows:		
Cash paid for interest, net of amounts capitalized	\$ 58	\$ 55
Cash paid for income taxes	10	13
Non-cash investing and financing activities		
Assets obtained under leasing arrangements	12	55