

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,	
	2018	2017	2018	2017
Revenues:				
Revenues, net	\$ 525	\$ 515	\$ 1,469	\$ 1,494
Alternative revenue programs, net of amortization	—	—	(2)	—
Total revenues	<u>525</u>	<u>515</u>	<u>1,467</u>	<u>1,494</u>
Operating expenses:				
Purchased power and fuel	186	184	420	443
Generation, transmission and distribution	72	73	212	235
Administrative and other	49	63	188	194
Depreciation and amortization	96	87	281	257
Taxes other than income taxes	31	30	95	94
Total operating expenses	<u>434</u>	<u>437</u>	<u>1,196</u>	<u>1,223</u>
Income from operations	91	78	271	271
Interest expense, net	31	30	93	90
Other income:				
Allowance for equity funds used during construction	2	4	8	9
Miscellaneous income (expense), net	—	1	—	1
Other income, net	<u>2</u>	<u>5</u>	<u>8</u>	<u>10</u>
Income before income tax expense	62	53	186	191
Income tax expense	9	13	23	46
Net income and Comprehensive income	<u>\$ 53</u>	<u>\$ 40</u>	<u>\$ 163</u>	<u>\$ 145</u>
Weighted-average common shares outstanding—basic and diluted (in thousands)				
	<u>89,239</u>	<u>89,065</u>	<u>89,205</u>	<u>89,044</u>
Earnings per share—basic and diluted	<u>\$ 0.59</u>	<u>\$ 0.44</u>	<u>\$ 1.82</u>	<u>\$ 1.62</u>
Dividends declared per common share	<u>\$ 0.3625</u>	<u>\$ 0.3400</u>	<u>\$ 1.0650</u>	<u>\$ 1.0000</u>

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)
(Unaudited)

	September 30, 2018	December 31, 2017
Current assets:		
Cash and cash equivalents	\$ 200	\$ 39
Accounts receivable, net	189	168
Unbilled revenues	73	106
Inventories	76	78
Regulatory assets—current	42	62
Other current assets	51	73
Total current assets	631	526
Electric utility plant, net	6,782	6,741
Regulatory assets—noncurrent	426	438
Nuclear decommissioning trust	42	42
Non-qualified benefit plan trust	39	37
Other noncurrent assets	55	54
Total assets	\$ 7,975	\$ 7,838
Current liabilities:		
Accounts payable	\$ 110	132
Liabilities from price risk management activities—current	42	59
Current Portion of long-term debt	300	—
Accrued expenses and other current liabilities	251	241
Total current liabilities	703	432
Long-term debt, net of current portion	2,127	2,426
Regulatory liabilities—noncurrent	1,379	1,288
Deferred income taxes	372	376
Unfunded status of pension and postretirement plans	283	284
Liabilities from price risk management activities—noncurrent	124	151
Asset retirement obligations	196	167
Non-qualified benefit plan liabilities	106	106
Other noncurrent liabilities	199	192
Total liabilities	5,489	5,422
Equity:		
Preferred stock, no par value, 30,000,000 shares authorized; none issued and outstanding as of September 30, 2018 and December 31, 2017	—	—
Common stock, no par value, 160,000,000 shares authorized; 89,244,659 and 89,114,265 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	1,209	1,207
Accumulated other comprehensive loss	(8)	(8)
Retained earnings	1,285	1,217
Total equity	2,486	2,416
Total liabilities and equity	\$ 7,975	\$ 7,838

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

(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 163	\$ 145
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	281	257
Deferred income taxes	2	35
Pension and other postretirement benefits	19	19
Allowance for equity funds used during construction	(8)	(9)
Decoupling mechanism deferrals, net of amortization	2	(15)
Deferral of net benefits due to Tax Reform	37	—
Other non-cash income and expenses, net	8	18
Changes in working capital:		
Decrease in accounts receivable and unbilled revenues	12	40
Decrease in inventories	2	12
Decrease in margin deposits, net	6	4
Increase in accounts payable and accrued liabilities	17	14
Other working capital items, net	19	20
Other, net	(24)	(21)
Net cash provided by operating activities	536	519
Cash flows from investing activities:		
Capital expenditures	(401)	(369)
Sales of Nuclear decommissioning trust securities	11	14
Proceeds received from Carty Settlement	120	—
Purchases of Nuclear decommissioning trust securities	(9)	(12)
Other, net	1	(2)
Net cash used in investing activities	(278)	(369)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	75
Payments on long-term debt	—	(50)
Dividends paid	(93)	(87)
Other	(4)	(5)
Net cash used in financing activities	(97)	(67)
Increase in cash and cash equivalents	161	83
Cash and cash equivalents, beginning of period	39	6
Cash and cash equivalents, end of period	\$ 200	\$ 89
Supplemental cash flow information is as follows:		
Cash paid for interest, net of amounts capitalized	\$ 72	\$ 68
Cash paid for income taxes	20	16
Non-cash investing and financing activities		
Assets obtained under leasing arrangements	18	73