



Investor Presentation

December 2014








Information Current as of October 28, 2014

Except as expressly noted, the information in this presentation is current as of October 28, 2014 — the date on which PGE filed its Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 — and should not be relied upon as being current as of any subsequent date. PGE undertakes no duty to update the presentation, except as may be required by law.

Forward-Looking Statements

Statements in this news release that relate to future plans, objectives, expectations, performance, events and the like may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding earnings guidance; statements regarding future load, hydro conditions and operating and maintenance costs; statements concerning implementation of the company’s integrated resource plan; statements concerning future compliance with regulations limiting emissions from generation facilities and the costs to achieve such compliance; as well as other statements containing words such as “anticipates,” “believes,” “intends,” “estimates,” “promises,” “expects,” “should,” “conditioned upon,” and similar expressions. Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties, including reductions in demand for electricity; the sale of excess energy during periods of low demand or low wholesale market prices; operational risks relating to the company’s generation facilities, including hydro conditions, wind conditions, disruption of fuel supply, and unscheduled plant outages, which may result in unanticipated operating, maintenance and repair costs, as well as replacement power costs; failure to complete capital projects on schedule or within budget, or the abandonment of capital projects, which could result in the company’s inability to recover project costs; the costs of compliance with environmental laws and regulations, including those that govern emissions from thermal power plants; changes in weather, hydroelectric and energy markets conditions, which could affect the availability and cost of purchased power and fuel; changes in capital market conditions, which could affect the availability and cost of capital and result in delay or cancellation of capital projects; the outcome of various legal and regulatory proceedings; and general economic and financial market conditions. As a result, actual results may differ materially from those projected in the forward-looking statements. All forward-looking statements included in this news release are based on information available to the company on the date hereof and such statements speak only as of the date hereof. The company assumes no obligation to update any such forward-looking statement. Prospective investors should also review the risks and uncertainties listed in the company’s most recent annual report on form 10-K and the company’s reports on forms 8-K and 10-Q filed with the United States Securities and Exchange Commission, including management’s discussion and analysis of financial condition and results of operations and the risks described therein from time to time.



- Clear focus, 100% regulated utility 
- Attractive service area 
- Progressive environmental and renewable position 
- Strong financial position 
- New generation projects drive rate-base growth 

Strong Platform. Executing our Growth.



The Company

The Strengths

The Execution



- Vertically integrated – generation, transmission and distribution
- Market cap ~ \$2.8B
- Service area in northwest Oregon
 - includes Portland and Salem
 - 843,000 customers⁽¹⁾
 - 44% of Oregonians
 - 75% of Oregon's commercial and industrial activity



1) As of 9/30/2014

Mission: To be a company our customers and communities can depend upon to provide electric service in a safe, sustainable and reliable manner, with excellent customer service, at a reasonable price.



The path forward is guided by:

- Strengthening our relationship with customers and the communities we serve
- Empowering our employees to do their best
- Earning the opportunity to grow the business
- Delivering value to all stakeholders

2014 Load Growth

- Driven by industrial delivery growth
- In aggregate, residential and commercial deliveries approximately flat year-over-year
- Growth is weather adjusted and assumes exclusion of one large paper customer

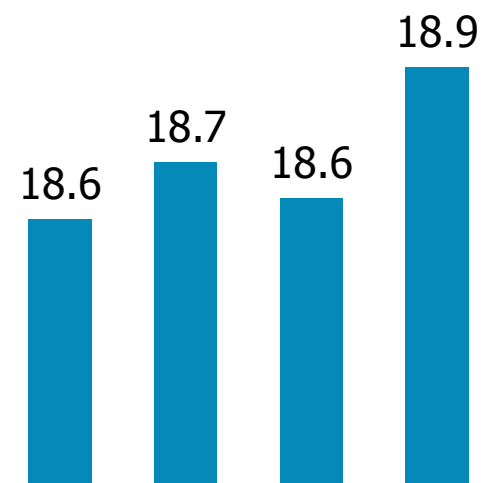
Industrial Growth Strong industrial economy

- Growth in high-tech
 - Intel's expansion
 - Data centers
- Growth in other:
 - Metals manufacturing
 - Transportation equipment manufacturing
 - Port of Portland expansion

Energy Efficiency

- Incremental EE expected in 2014 is equivalent to approximately 1.5% in load growth

Retail Load Growth⁽¹⁾ (Million MWhs Rounded)



2011 2012 2013 2014E

Long-term forecast >1%
annually through 2030

1) Adjusted for weather, one large paper company, and net of energy efficiency

Regulatory Construct

- Oregon Public Utility Commission
 - Governor-appointed three-member commission
 - Chair: Susan Ackerman [D] March 2016
 - John Savage [D] March 2017
 - Stephen Bloom [R] November 2015
- 9.68% allowed return on equity⁽¹⁾
- 50% debt and 50% equity capital structure
- Forward test year
- Integrated Resource Planning
- Renewable Portfolio Standard

Regulatory Mechanisms

- Net variable power cost recovery
 - Annual Power Cost Update Tariff (AUT)
 - Power Cost Adjustment Mechanism (PCAM)
- Decoupling through 2016
- Renewable Adjustment Clause

1) Expected as of 1/1/2015, current allowed ROE is 9.75%



2015 Test Year

Agreement reached by PGE , OPUC Staff and interveners:

- Return on Equity (ROE): 9.68%
- Cost of Capital: 7.56%
- Capital Structure: 50% debt, 50% equity
- Rate base: \$3.8 billion
- Port Westward 2 and Tucannon River Wind Farm in rate base
- Annual revenue requirement increase: \$17 million⁽¹⁾
- Final OPUC order expected in mid-December 2014

New Customer Prices:

Base Business	January 1, 2015
Port Westward 2	Q1 2015
Tucannon River	Q1 2015
Current average estimated customer price impact is approximately 1% ⁽²⁾	

2016 Test Year

PGE expects to file in February 2015 for a 2016 forward test year which will include the Carty Generating Station. With a ten month statutory process an OPUC decision is expected in December of 2015.

- 1) Refer to slide “34” for detail
- 2) The final revenue requirement for the 2015 test year reflects final updates for the Company’s load forecast and will include updates for the Company’s net variable power costs

Executing our Strategic Plan

2014 – 2016



New generation resources drive rate base growth

2016 – 2017

Focus on operational excellence to further customer satisfaction



Integrated planning for next set of resources

2018 – 2021



Address replacement of Boardman, RPS requirements and evaluate capacity needs



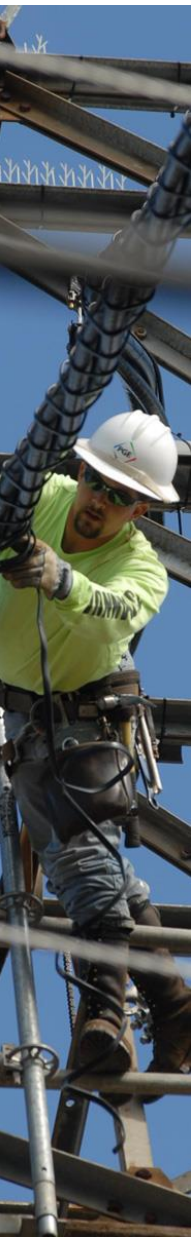
The Company

The Strengths

The Execution



Key Strengths



1 High customer satisfaction

2 Diversified customer base and generation portfolio

3 High quality utility operations

4 Solid financial performance

5 Strong financial position



1. High Customer Satisfaction

Top Quartile

residential
customer
satisfaction



**Market Strategies
International**

Top Decile

general business
customer
satisfaction



**Market Strategies
International**

Top Decile

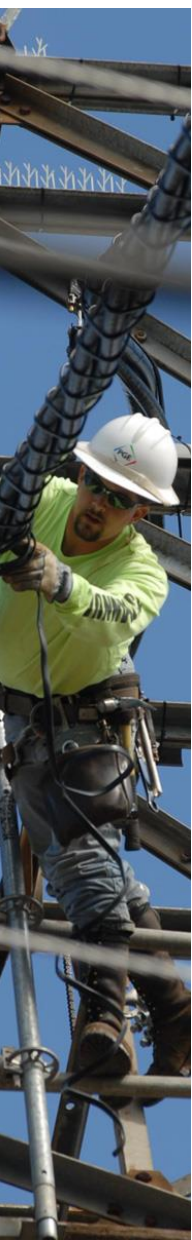
large
key customer
satisfaction



**TQS Research,
Inc.**

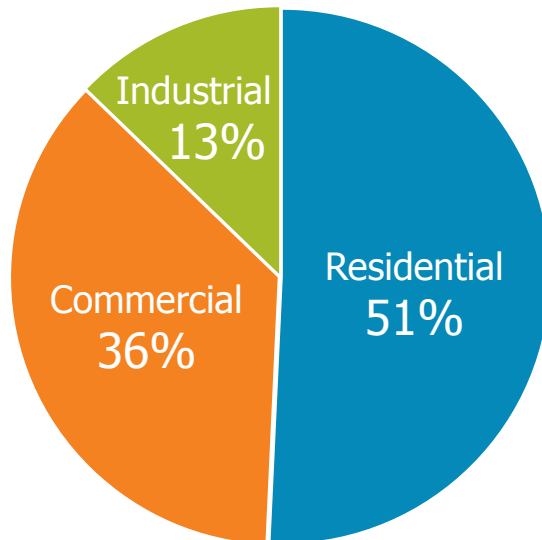
All customer satisfaction and reliability measures consistently top quartile

2. Diversified Customer Base and Generation Portfolio



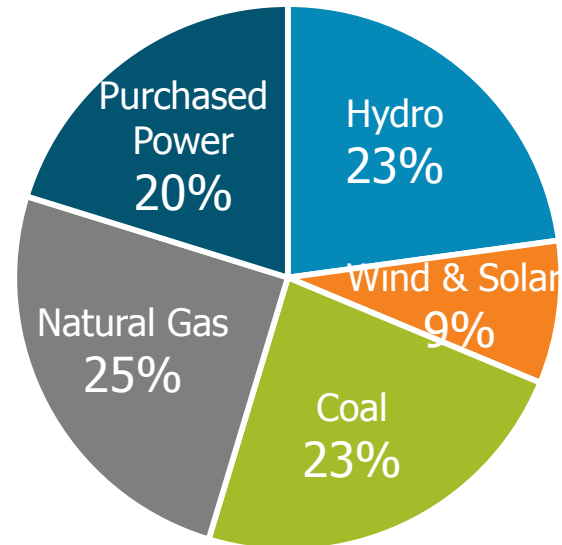
**Retail Revenues
by Customer Class**
(2013)

Total = \$1.7B



**Power Sources as a
Percent of Retail Load**
(2014 AUT)⁽¹⁾

Total = 2,153 MWa



1) Hydro and wind/solar include PGE owned and contracted resources; purchased power includes long-term contracts

3. High Quality Utility Operations

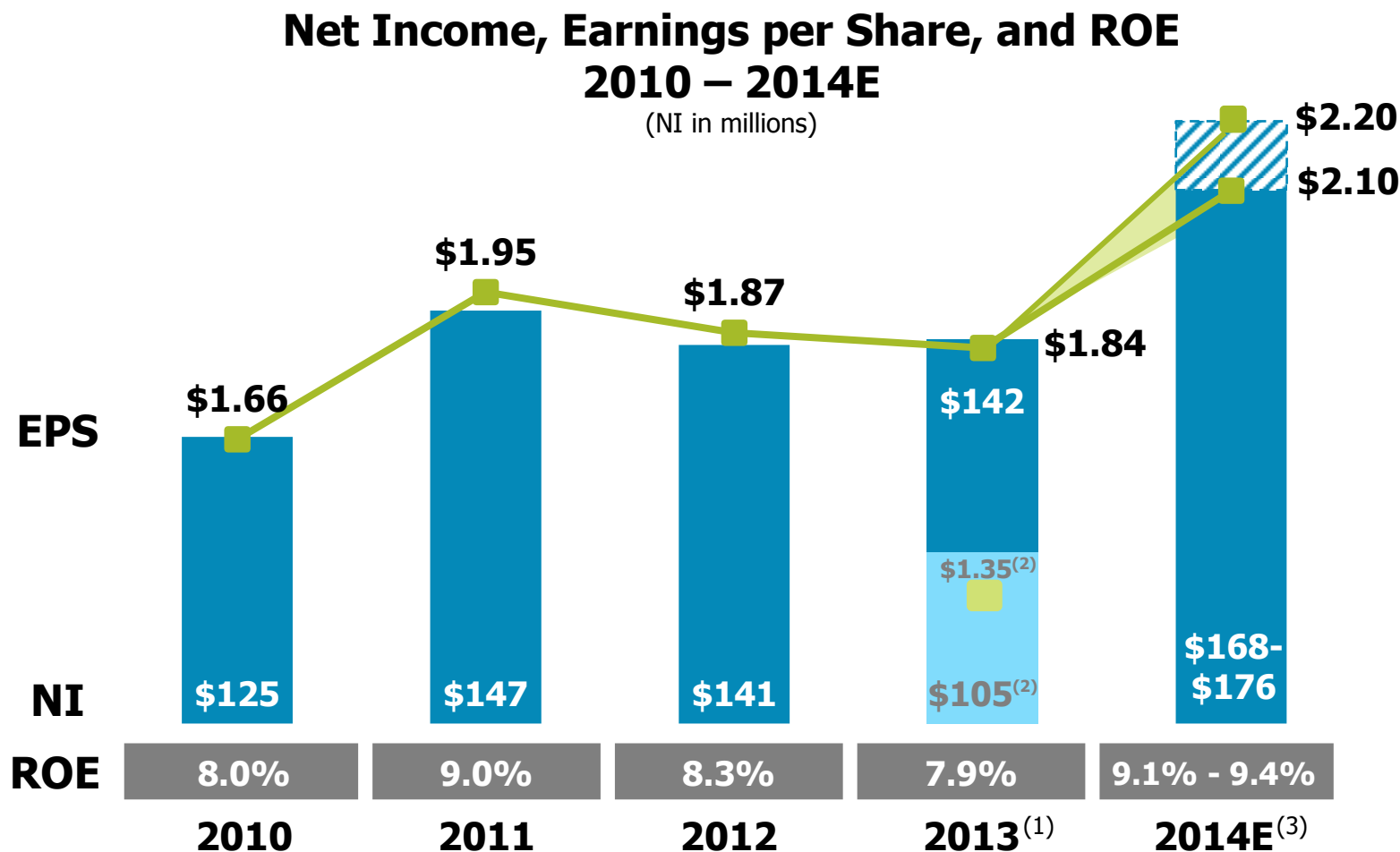
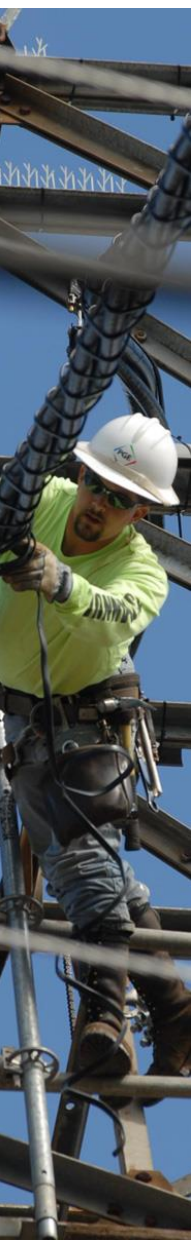


- Highly dependable PGE generation portfolio with five-year average availability of 94%⁽¹⁾
- Strong power supply operations to stabilize and optimize power costs
- Progressive approach to reduce coal generation – Boardman 2020 Plan
- Ongoing T&D investment to ensure high reliability and customer satisfaction
- Ongoing investment in technology to improve service and capture efficiencies



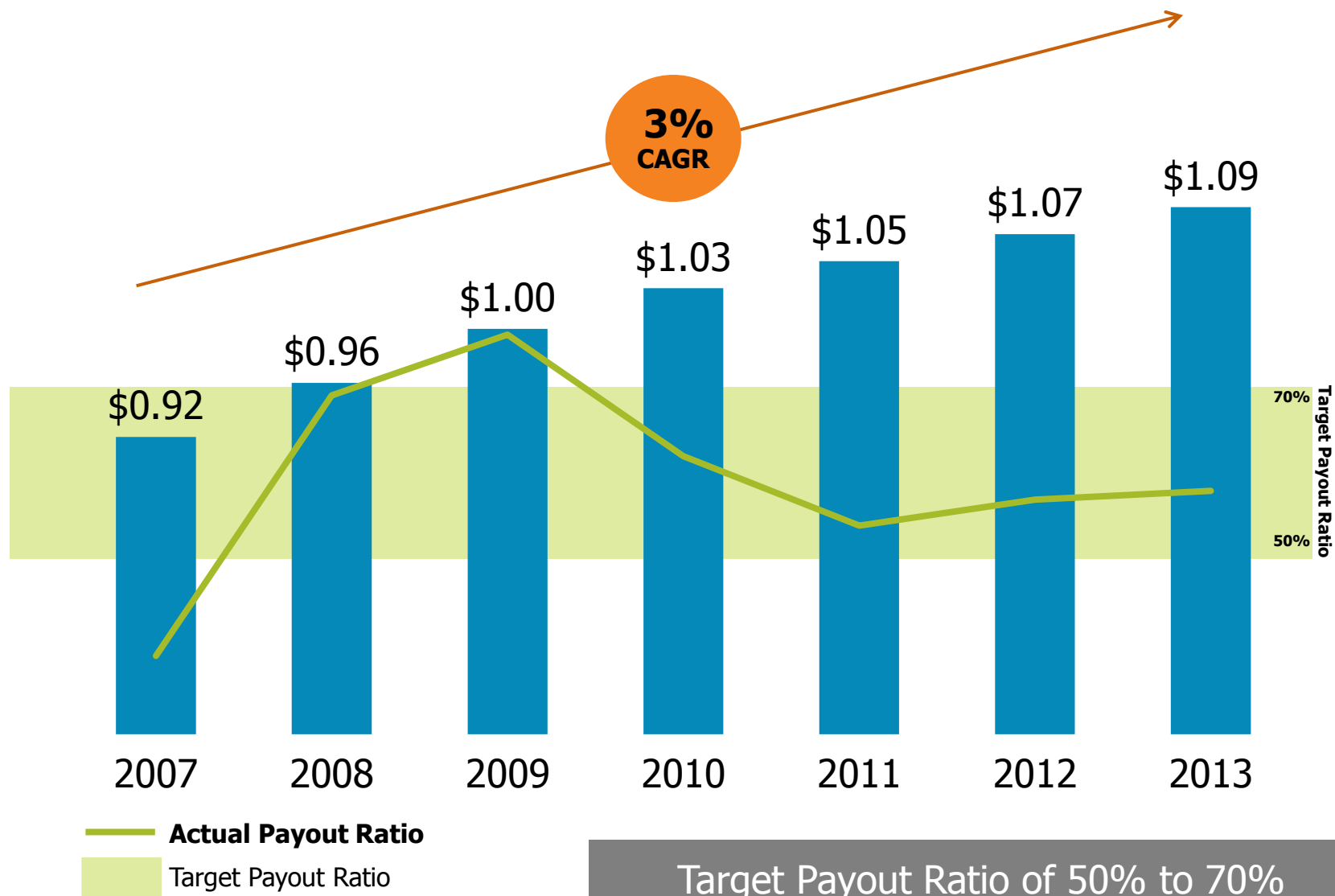
1) Represents 2009 through 2013

4. Financial Performance



- 1) 2013 displays full-year non-GAAP adjusted operating earnings, which excludes the negative impact of the Cascade Crossing expense (\$0.42 EPS) and the customer billing refund (\$0.07 EPS).
- 2) GAAP earnings for year-end 2013 were \$105 million or \$1.35 per diluted share.
- 3) 2014E represents NI and ROE based on PGE's earnings guidance of \$2.10 to \$2.20 per diluted share, as disclosed on 10/28/14

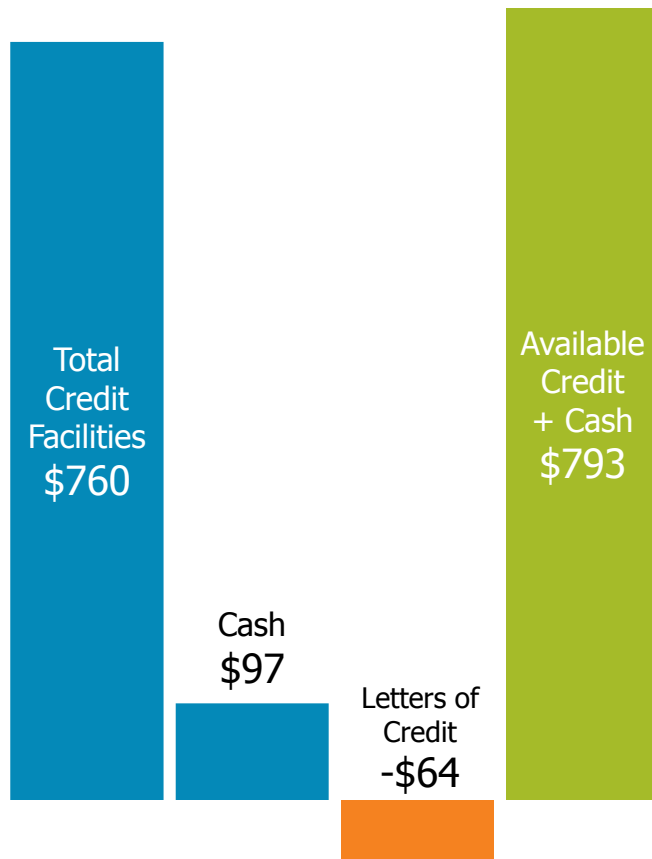
4. Consistent Dividend Growth



Note: Represents annual dividends paid

5. Strong Financial Position

Revolving Credit Facilities⁽¹⁾ (in millions)



Financial Resources

- Investment grade credit ratings

	S&P	Moody's
Senior Secured	A-	A1
Senior Unsecured	BBB	A3
Outlook	Stable	Stable

- Manageable debt maturities
- Target capital structure of 50% debt and 50% equity

1) All values as of September 30, 2014

Strong Platform. Executing our Growth.

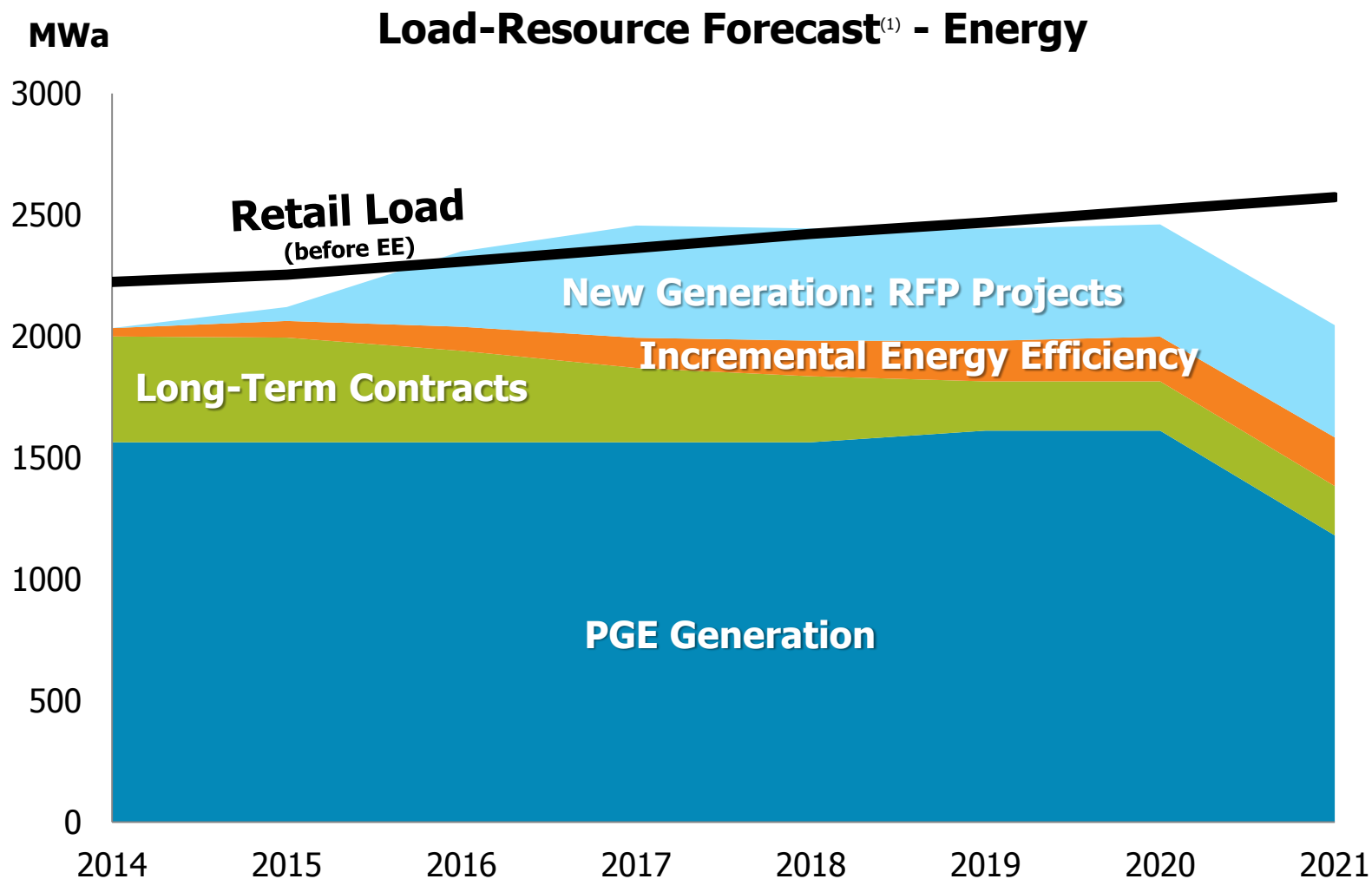


The Company

The Strengths

The Execution



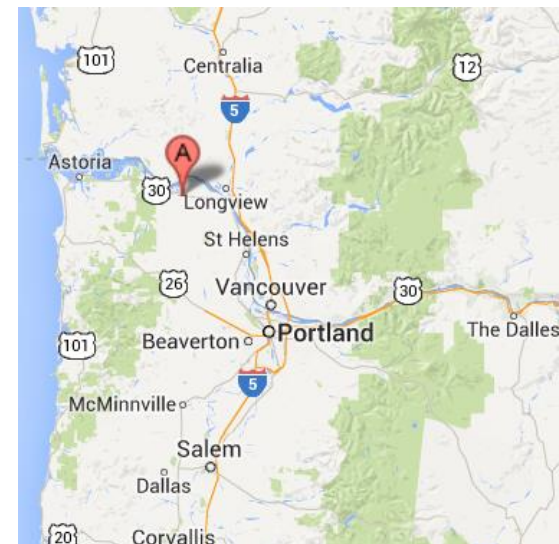


1) Load-resource forecast as included in the 2013 IRP in March 2014; assumes normal hydro conditions

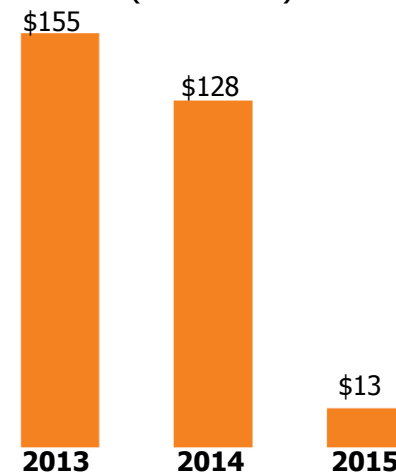
New Generation: Capacity Resource

Port Westward Unit 2

Project Location	Clatskanie, OR
Capacity / Fuel	220 MW / Natural Gas
Technology	12 Natural Gas Wärtsilä Reciprocating Engines
EPC Contractor	Black & Veatch, Harder Mechanical
Estimated In-Service Date	Q1 2015
Customer Price Impact	~2.8%
Next Steps	<ul style="list-style-type: none">Final constructionComplete unit testing



PW2 CapEx: \$296M (in millions)



New Generation: Renewable Resource

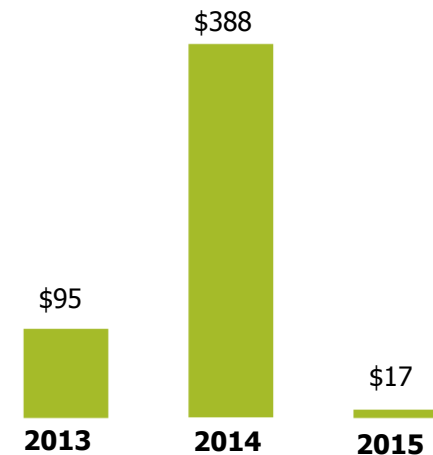
Tucannon River Wind Farm

Project Location	Columbia County, WA
Capacity / Fuel	267 MW / Wind
Technology	116 2.3 MW Siemens Turbines
EPC Contractor	RES Americas
Estimated In-Service Date	December 2014 - Early Q1 2015
Customer Price Impact	~2.4%
Next Steps	<ul style="list-style-type: none">▪ Turbine testing▪ Commissioning



Tucannon River CapEx: \$500M

(in millions)



New Generation: Baseload Resource

Carty Generating Station

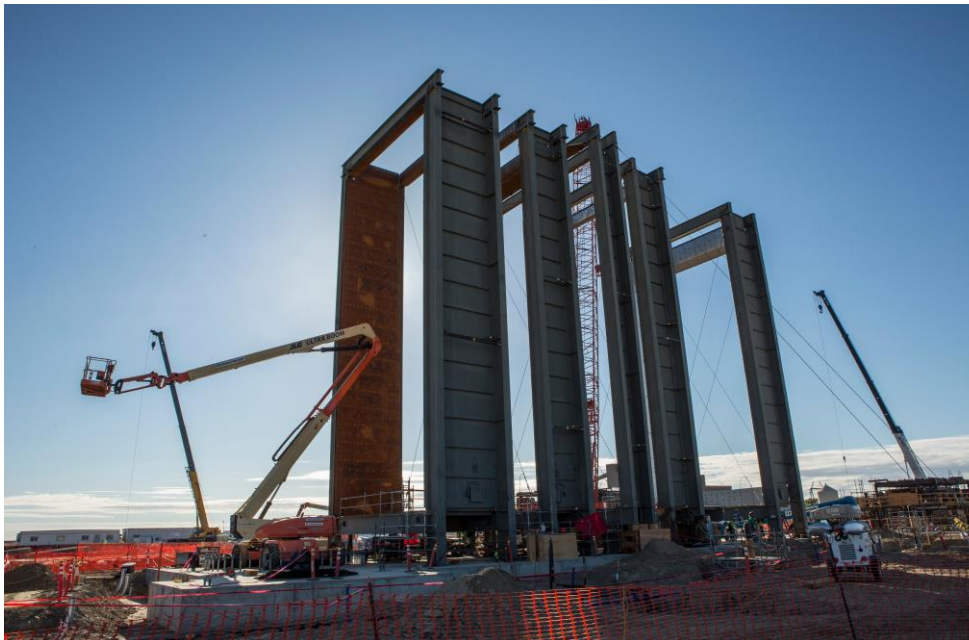
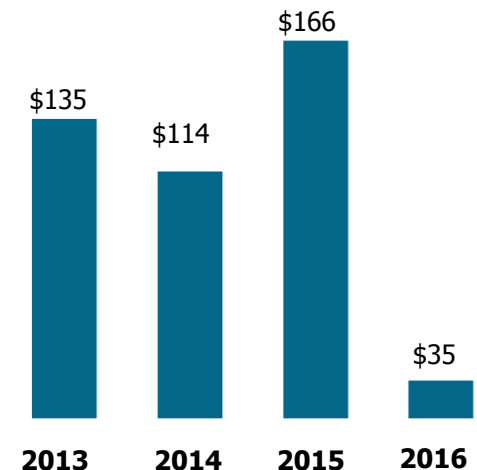
Project Location	Boardman, OR
Capacity / Fuel	440 MW / Natural Gas
Technology	Mitsubishi Turbine
EPC Contractor	Abener/Abengoa
Estimated In-Service Date	Mid 2016
Customer Price Impact	~4-6%
Next Steps	<ul style="list-style-type: none">Continued foundation workEquipment deliveryInstallation of HRSG and cooling tower



Carty CapEx:

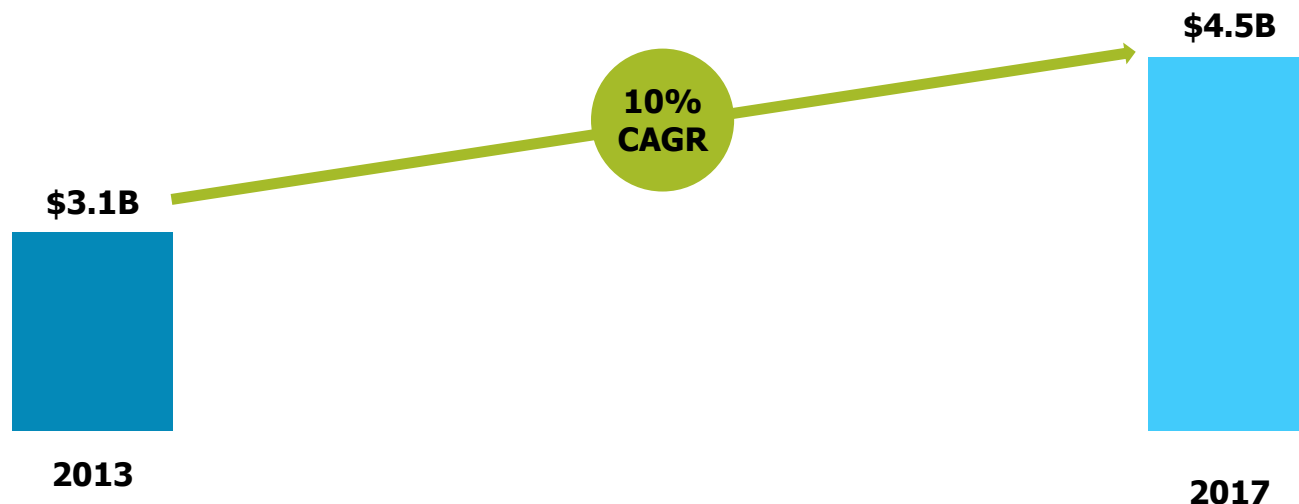
\$450M

(in millions)



Expected Rate Base and Capital Expenditures

\$1.4B of Expected Increase in Rate Base



Expected Capital Expenditures

(in millions)	2013	2014E	2015E	2016E	2017E	2018E	TOTAL
Base Capital Spending ⁽¹⁾	\$335	\$350	\$389	\$346	\$324	\$281	\$2,025
Port Westward Unit 2	\$155	\$128	\$13				\$296
Tucannon River Wind Farm	\$95	\$388	\$17				\$500
Carty Generating Station	\$135	\$114	\$166	\$35			\$450
TOTAL (Rounded)	\$720	\$980	\$585	\$381	\$324	\$281	\$3,271

1) Consists of board-approved ongoing capex and hydro relicensing per the Quarterly 2014 Form 10-Q filed on October 28, 2014
Note: Amounts exclude AFDC debt and equity



- Strong financial position

- High quality utility operations

- Attractive service area

- New resources drive rate-base growth

**Strong
Platform**
executing
**Sustained
Growth**

A tall, white, cylindrical smokestack with a metal walkway and railings, situated next to a body of water under a clear blue sky.

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Appendices

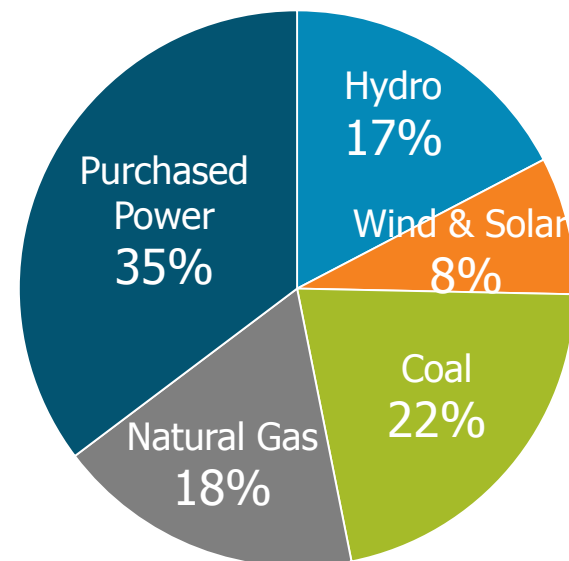


Resource Capacity (at 12/31/13)⁽¹⁾

	Capacity in MW	% of Total Capacity
Hydro⁽¹⁾		
Deschutes River Projects	310	7%
Clackamas/Willamette River Projects	191	4
Hydro Contracts	<u>603</u>	<u>14</u>
	1,104	25
Natural Gas/Oil⁽¹⁾		
Beaver Units 1-8	516	12%
Coyote Springs	245	6
Port Westward	<u>402</u>	<u>9</u>
	1,163	27
Coal⁽¹⁾		
Boardman	460	10%
Colstrip	<u>296</u>	<u>7</u>
	756	17
Wind⁽²⁾		
Biglow Canyon	450	1%
Wind Contracts	<u>39</u>	<u>10</u>
	489	11
Purchased Power	886	20%
Total	<u>4,398</u>	100%

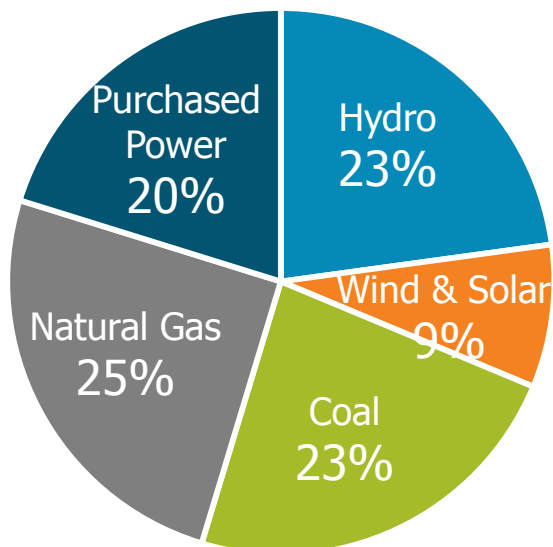
Power Sources as a Percent of Retail Load (2013 Actuals)

Total = 18,900 MWh

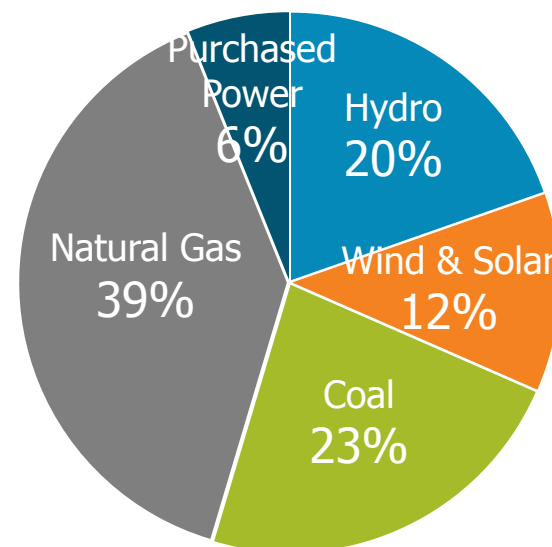


1) Capacity of a given plant represents the megawatts the plant is capable of generating under normal operating conditions, net of electricity used in the operation of the plant
 2) With respect to Biglow Canyon, capacity represents nameplate and differs from expected energy to be generated, which ranges from 135 MWa to 180 MWa

2014 Power Sources as a Percent of Retail Load⁽¹⁾



2017 Power Sources as a Percent of Retail Load⁽²⁾



New Resources Driving Change

- New generation: Port Westward Unit 2 (natural gas, Q1 2015), Tucannon River (wind, Dec. 2014 – Early Q1 2015), and Carty Generating Station (natural gas, mid 2016)
- Next requirements under Oregon's RPS (requiring a portion of PGE's retail load to be serviced by renewable resources): 15% by 2015, 20% by 2020 and 25% by 2025
- Boardman to discontinue coal-fired operations at the end of 2020

1) Based on 2014 AUT filed November 2013

2) Based on estimated forecast, includes new generation from RFP projects: Port Westward Unit 2, Tucannon River Wind Farm, and Carty

Note: For both charts, hydro and wind/solar include PGE owned and contracted resources

Equity Issuances

Description	Date	Shares	Net Proceeds
Equity Forward Issuance	June 2013	11.1 million	--
Draw pursuant to forward	August 2013	0.7 million	\$20 million
Net remaining shares available for issuance:		10.4 million	
Equity Over-Allotment	June 2013	1.7 million	\$46 million

Unsecured Credit Agreement (\$ in millions)

Date	Amount	Floating Coupon	Maturity
2Q14	\$225	LIBOR + 70bps	10/30/2015
3Q14	\$80		

Long-term Debt Issuance (\$ in millions)

Amount	Issuance Date	Coupon	Maturity
\$100	8/15/14	4.39%	2045
\$100	10/15/14	4.44%	2046
\$80	11/17/14	3.51%	2024

- **Track record of high availability**

	2008	2009	2010	2011	2012	2013
PGE Thermal Plants	89%	84%	94%	90%	92%	84%
PGE Hydro Plants	99%	99%	99%	100%	99%	100%
PGE Wind Farm	92%	97%	96%	97%	98%	98%
PGE Average	93%	93%	96%	96%	96%	89%

Colstrip Unit 3 & 4	97%	68%	95%	84%	93%	66%
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- **Generation Reliability, and Maintenance Excellence Program**

- Corporate strategy started in 2007 to increase availability of PGE's generation plants and increase predictability of plant dispatch costs for power operations
- Key Elements
 - Reliability Centered Maintenance (RCM) modeling for PGE's generating plants and incorporation of models into PGE's maintenance management system (Maximo)
 - Root Cause Analysis (RCA) for unplanned generation outages, which expedites communication across PGE's fleet on both resolution and prevention actions
 - Internal training on technical skills, including inspection, welding and metallurgy – supporting both RCM and RCA efforts

2013 IRP was verbally acknowledged by the OPUC on 11/12/14 and PGE is awaiting written confirmation on stipulations to incorporate into the 2016 IRP development

Proposed Action Plan Resource Additions 2014 through 2017

- No new long-term supply side resources proposed in this IRP
- Hydro contract renewals
- Proceed with demand side resource procurement
- Energy Efficiency: 114 -124 MWa
- Dispatchable Standby Generation (DSG): additional 23 MW (total of 116 MW)
- Demand Response (DR): additional 25 MW (total of 45 MW)
- Short and mid-term market purchases & sales to balance portfolio

Proposed Action Plan Studies and Initiatives to Inform 2016 IRP

- Operational flexibility assessment
- Load forecast methodology assessment/study
- Assessment of emerging EE, in conjunction with Energy Trust of Oregon (ETO)
- Dynamic dispatch requirement / capabilities assessment, and review of new analytical tools for optimizing portfolio commitment and dispatch
- Distributed generation evaluation
- Boardman biomass technical & economic assessments (continuation of current plan)
- Assessment of longer-term gas supply alternatives to address price volatility

2016 IRP

- PGE will start preparing the 2016 IRP in late 2014 and in 2015
- Action plan timeframe: 2 – 4 years after plan acknowledgement
- Areas of focus:
 - Boardman replacement
 - 2020 Renewable Portfolio Standard requirement of 20%
 - Evaluate need for additional capacity
 - Studies and initiatives ⁽¹⁾
- PGE expects to file the plan in 2016
- OPUC decision expected in 2017

(1) See slide 32 for action plan studies and initiatives for the 2016 IRP

Annual Revenue Increase (\$mm)

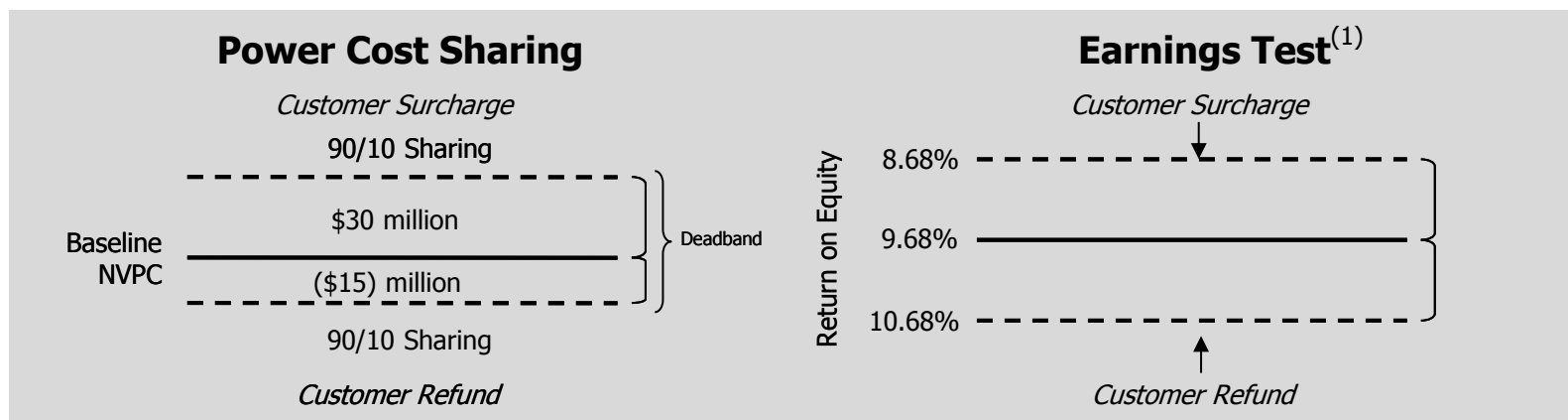
Date	As Filed 2/13/2014	Depreciation Stipulation ⁽¹⁾	Other Updates and Stipulations ⁽²⁾	As Revised 7/16/2014	Additional Stipulations ⁽³⁾	As Revised 9/2/2014 ⁽⁴⁾
New Generation Plants:						
Port Westward 2	\$51	(\$5)	\$3	\$49	(\$1)	\$48
Tucannon River	\$47	(\$3)	(\$4)	\$40	(\$1)	\$39
Base Business Cost Change	\$12	(\$11)	(\$30)	(\$29)	(\$12)	(\$41)
(Less): Customer Credits ⁽⁵⁾	(\$29)	-	-	(\$29)	-	(\$29)
Annual Revenue Increase	\$81	(\$19)	(\$31)	\$31	(\$14)	\$17

- 1) On December 5, 2013, PGE filed with the OPUC a depreciation study (Docket UM 1679) with estimated parameters for service life and salvage assumptions for all of the Company's assets, for which assumptions in the 2015 GRC filing were based. As a result of a stipulation filed on June 30, 2014 in the depreciation study proceeding, PGE's requested revenue increase in the 2015 GRC was reduced by a total of approximately \$19 million
- 2) Includes various cost updates (\$9 million), changes in the timing of certain projects (\$6 million), corrections to the Company's original filing (\$4 million), other agreements (\$7 million), and postponement of the recognition of a prepaid pension asset to another proceeding (Docket UM 1633) (\$5 million)
- 3) On 9/2/2014 PGE filed further supporting testimony that reflects the impact of additional stipulations. The \$14 million reduction in the annual revenue requirement is driven primarily by the parties agreeing to a return on equity of 9.68%
- 4) A final order is expected to be issued by the OPUC in mid-December 2014. The final revenue requirement for the 2015 test year reflects final updates for the Company's load forecast and will include updates for the Company's net variable power costs
- 5) Includes approximately \$17 million for the return of \$50 million over three years, 2015 through 2017, for the settlement of a legal matter concerning costs associated with the operation of the Independent Spent Fuel Storage Installation (ISFSI) at Trojan. Also includes credits related to the return of ISFSI tax credits to customers and additional Bonneville Power Administration (BPA) Regional Power Act refund to residential customers

Annual Power Cost Update Tariff

- Annual reset of prices based on forecast of net variable power costs (NVPC) for the coming year
- Subject to OPUC prudence review and approval, new prices go into effect on or around January 1 of the following year

Power Cost Adjustment Mechanism (PCAM)



- PGE absorbs 100% of the costs/benefits within the deadband, and amounts outside the deadband are shared 90% with customers and 10% with PGE
- An annual earnings test is applied, using the regulated ROE as a threshold
- For the 2015 forward test year, customer surcharge occurs to the extent it results in PGE's actual regulated ROE being no greater than 8.68%; customer refund occurs to the extent it results in PGE's actual regulated ROE being no less than 10.68%

1) Expected ROE as of 1/1/2015. The current 2014 allowed ROE is 9.75%

Additional Renewable Resources

- Integrated Resource Plan addresses procurement of wind or other renewable resources to meet requirements of Oregon's Renewable Portfolio Standard by 2015 – need is approximately 100 MWh (or 300 MW wind nameplate capacity)

Year	Target
2011	5%
2015	15%
2020	20%
2025	25%

- Renewable Portfolio Standard qualifying resources supplied approximately 10% of PGE's retail load in 2011, 2012, & 2013. In addition, PGE has several solar projects in place or in progress, for a total of approximately 13 MW.

Renewable Adjustment Clause (RAC)

- Renewable resources can be tracked into prices, through an automatic adjustment clause, without a general rate case. A filing must be made to the OPUC by the sooner of the online date or April 1 in order to be included in prices the following January 1. Costs are deferred from the online date until inclusion in prices and are then recovered through an amortization methodology.

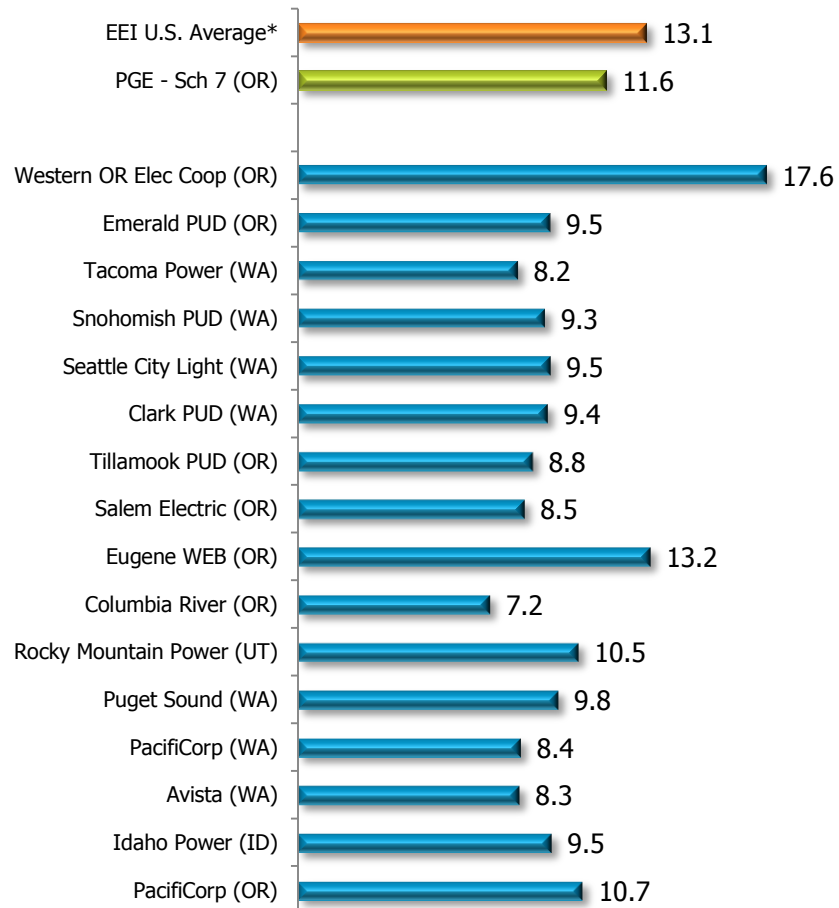
Average Retail Price Comparison

Residential and Commercial – Winter 2014



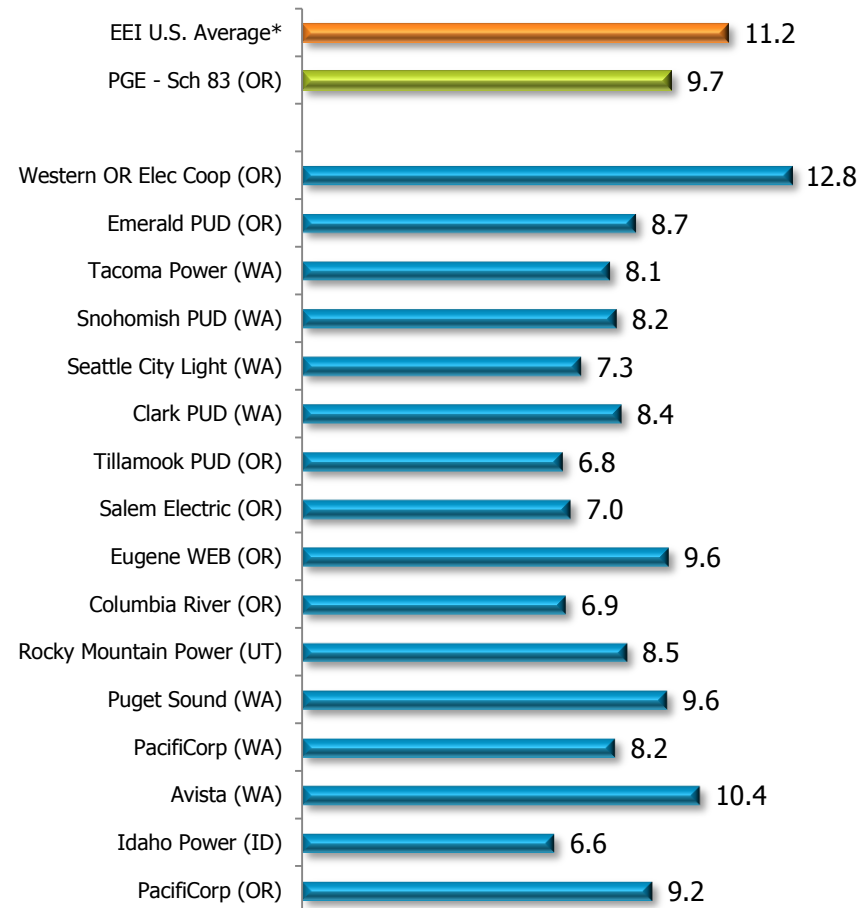
Residential Electric Service Prices Northwestern Investor-Owned and Public Utilities

1000 kWh per Month
(cents per kWh)



Commercial Electric Service Prices Northwestern Investor-Owned and Public Utilities

40 kW Demand - 14,000 kWh per Month
(cents per kWh)



* This average is based on Investor-owned utilities only.

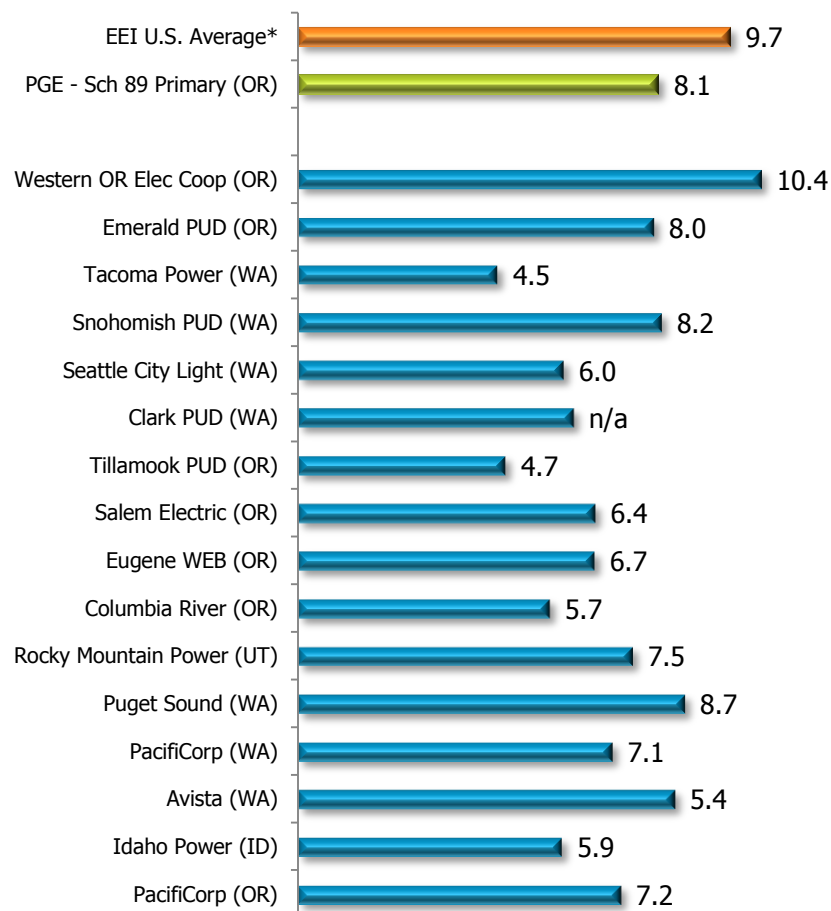
Average Retail Price Comparison

Small and Large Industrial – Winter 2014



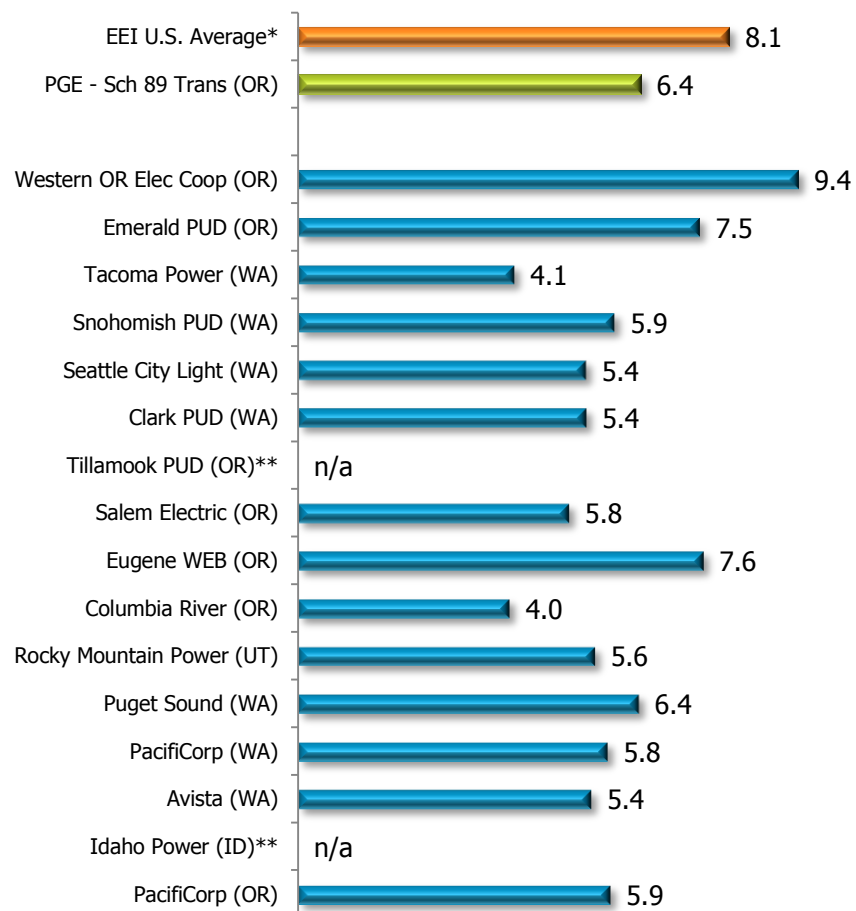
Small Industrial Electric Service Prices Northwestern Investor-Owned and Public Utilities

1,000 kW Demand - 400,000 kWh per Month, Primary Voltage
(cents per kWh)



Large Industrial Electric Service Prices Northwestern Investor-Owned and Public Utilities

50,000 kW Demand - 32,500,000 kWh per Month,
Subtransmission Voltage (cents per kWh)



* This average is based on Investor-owned utilities only.

** Idaho Power does not report a price to EEI for large industrial customers at this usage and demand level. Tillamook PUD does not offer a large general service tariff on their web site.