Portland General Electric

Investor Presentation

December 2013

Cautionary Statement

Information Current as of November 1, 2013

Except as expressly noted, the information in this presentation is current as of November 1, 2013 — the date on which PGE filed its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 — 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 presentation 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 and related future capital expenditures, statements concerning future compliance with regulations limiting emissions from generation facilities and the costs to achieve such compliance; statements regarding the outcome of any legal or regulatory proceeding; 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 the reductions in demand for electricity and the sale of excess energy during periods of 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; 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; failure to complete projects on schedule and within budget, or the abandonment of capital projects, which could result in the Company's inability to recover project costs; 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 presentation 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.

PGE Value Drivers

- Clear focus, 100% regulated utility ☑
- Attractive service area ☑
- Strategic initiatives drive rate-base growth ☑
- Progressive environmental and renewable position ☑
- Strong financial position ☑

Strong Platform. Positioned for Growth.

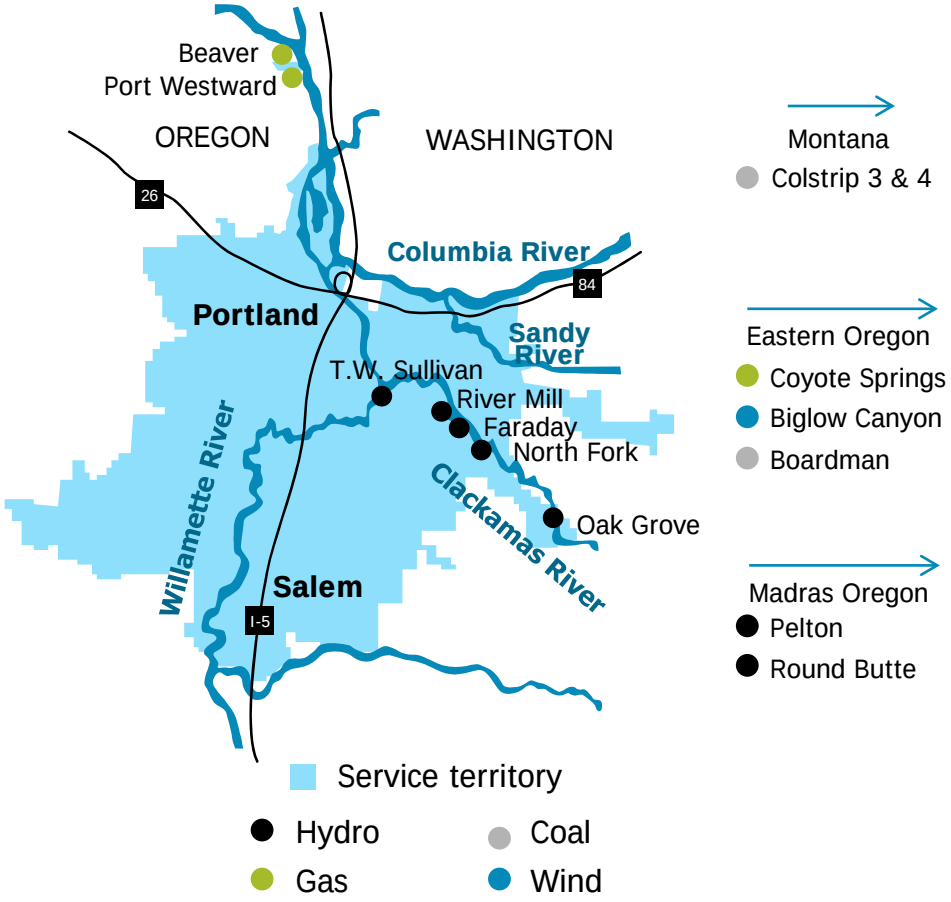
The Company

The Strengths

The Growth

PGE At A Glance

- Vertically integrated – generation, transmission and distribution
- Market cap $2.3B
- Service area in northwest Oregon
  - includes Portland and Salem
  - 836,000 customers[1]
  - 50% of Oregonians
  - 75% of Oregon's commercial and industrial activity



1) As of September 30, 2013

Attractive, Growing Service Area

Portland General Electric

2014 Load Growth

- Driven by industrial delivery growth
- In aggregate, residential and commercial deliveries approximately flat year-over-year

Industrial Growth

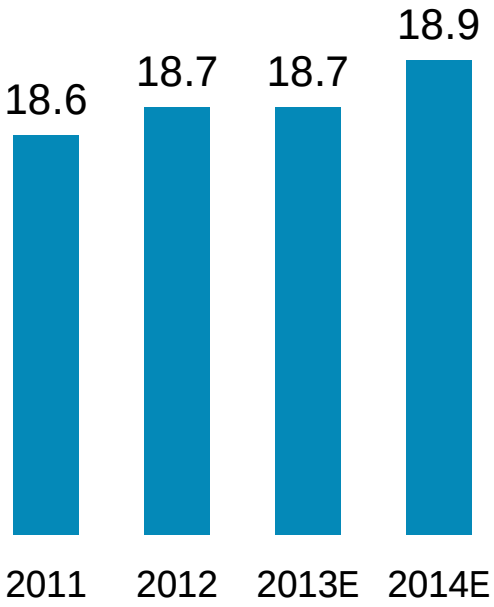
Strong industrial economy

- Growth in high-tech
  - Intel's expansion
  - Data centers
- Growth in other manufacturing:
  - Metals
  - Transportation equipment
  - Lumber/wood products

Energy Efficiency

- Incremental EE expected in 2014 is equivalent to approximately 1.0% in load growth

Retail Load Growth[1]
(Million MWhs)



Long-term forecast >1% annually through 2030

1) Adjusted for weather; 2013E assumes no load growth over 2012 levels; 2014E assumes 1% growth over 2013E levels; excludes one large paper customer

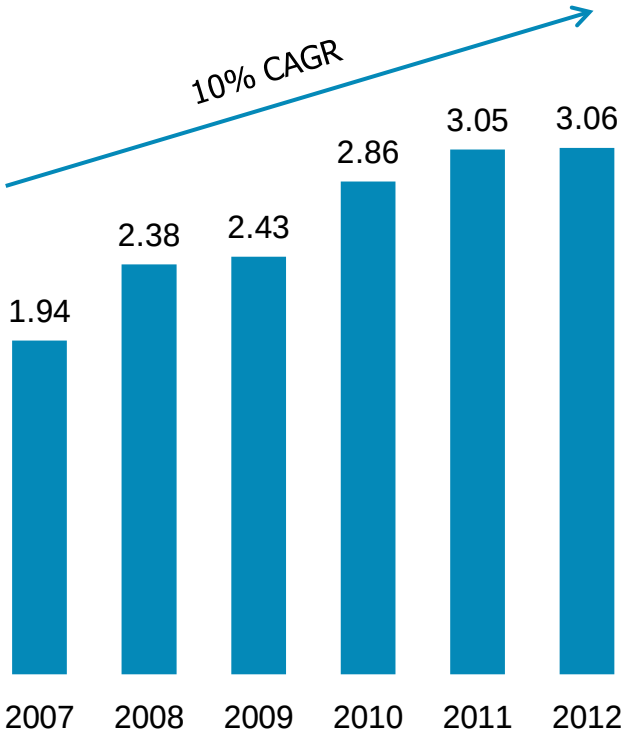
History of Successful Capital Projects

Recent Capital Projects

- Biglow Canyon Wind Farm (2007-2010)
  - Three phase build-out; $960 million
- Smart Meters (2008-2010)
  - 825,000 meters installed; $145 million
- Selective Water Withdrawal (2009)
  - Innovative fish migration facility; $85 million[1]
- Port Westward Gas Plant (2007)
  - 410 MW CCGT; $280 million

Average Rate Base

($B)



1) Represents PGE's 67% share of the facility

Constructive Regulatory Environment

Portland General Electric

Regulatory Construct

- Oregon Public Utility Commission
  - Governor-appointed three-member commission with staggered four-year terms
- 9.75% allowed return on equity[1]
- 50% debt and 50% equity capital structure
- Forward test year
- Integrated Resource Planning
- Renewable Portfolio Standard

Tracking Mechanisms

- Net variable power cost recovery
  - Annual Power Cost Update Tariff (AUT)
  - Power Cost Adjustment Mechanism (PCAM)
- Decoupling through 2016[1]
- Renewable Adjustment Clause

1) Effective 1/1/2014 per PGE's 2014 General Rate Case (UE 262). Current allowed ROE is 10.0%

General Rate Case: 2014 Test Year

Portland General Electric

- All issues settled with OPUC Staff and interveners
- PGE and parties have stipulated to:
  - Return on Equity: 9.75%
  - Capital structure: 50% debt, 50% equity
  - Rate base: $3.1 billion
  - Pension expense recovery of $19.5 million in 2014
- New customer prices effective January 1, 2014

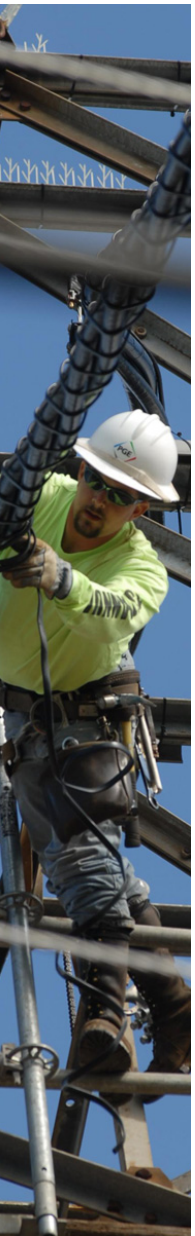
Original Filing Request (in millions)	**$105**
UE 262 Non-Power Cost Stipulation	$(42)
Load Forecast Update (Revenue)	$ 18
UE 266 Power Cost Update	$(18)
Revised revenue requirement increase(1)	**$63**

General Rate Case: 2015 Test Year

- Expected to be filed mid-February 2014
- Case expected to include:
  1. General base business costs
     - Prices effective January 1, 2015
  2. Port Westward Unit 2
     - 3-4% customer price increase
     - Prices effective when plant comes online; expected in Q1 2015
  3. Tucannon River Wind Farm[1]
     - 3-4% customer price increase
     - Prices effective when plant comes online; expected in first half of 2015
- Final Commission order expected December 2014

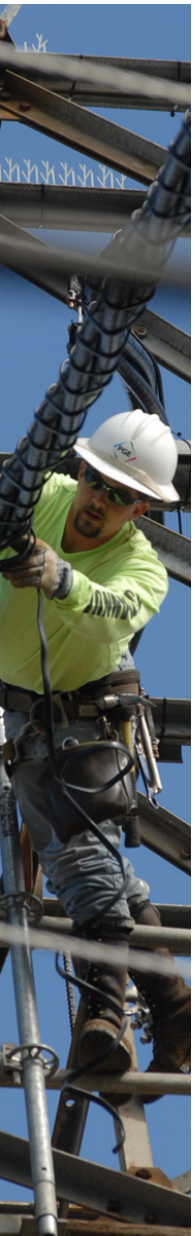
1) Renewable adjustment clause (RAC) tracker mechanism will defer the net revenue requirement as wind tower strings go online until the full project is complete. The deferred revenue requirement is expected to be included in customer prices on 1/1/2016, with an expected amortization period of one year. See slide 36 for details.

Beginning the Next Growth Phase



2006 – 2010	2011 – 2013	2014+
Grew business and built solid platform	Transition – preparing for next growth phase	Opportunities for strong, sustainable growth

Strong Platform. Positioned for Growth.

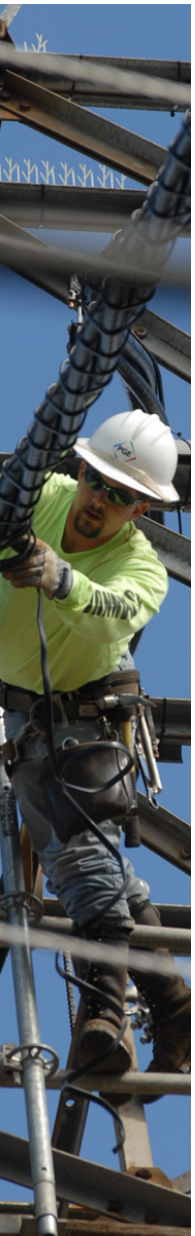


The Company

The Strengths

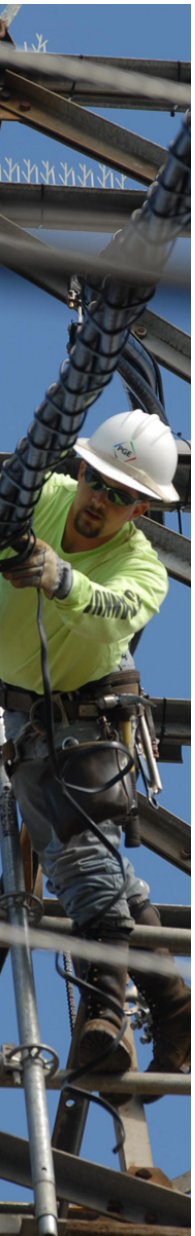
The Growth

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

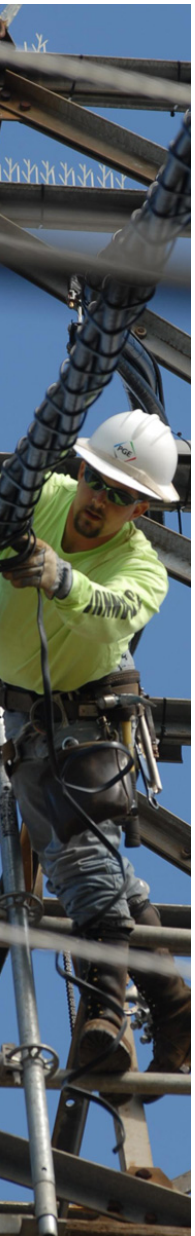
No. 4

large key customer satisfaction

TQS Research, Inc.

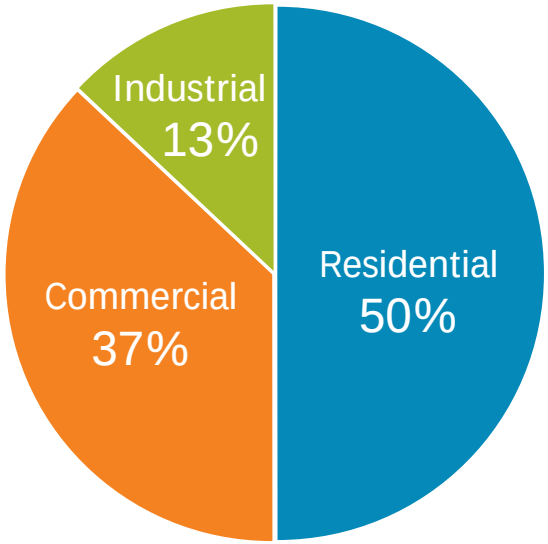
All customer satisfaction and reliability measures consistently top quartile

2. Diversified Customer Base and Generation Portfolio



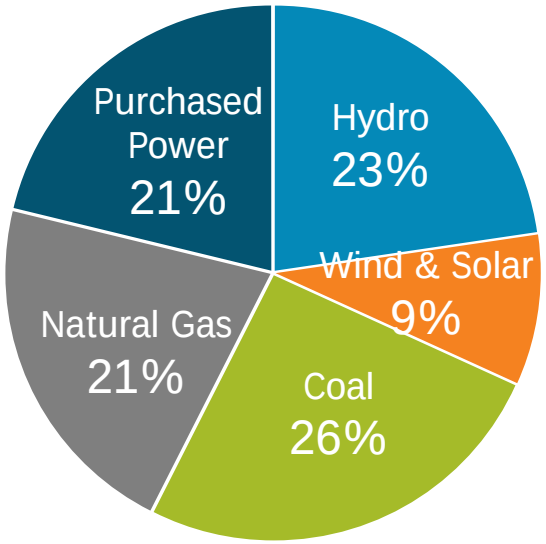
Retail Revenues by Customer Class
(2012)

Total = $1.7B



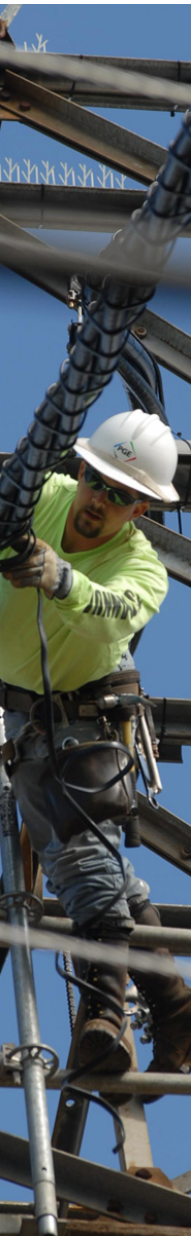
Power Sources as a Percent of Retail Load
(2013 AUT)[1]

Total = 2,166 MWa



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

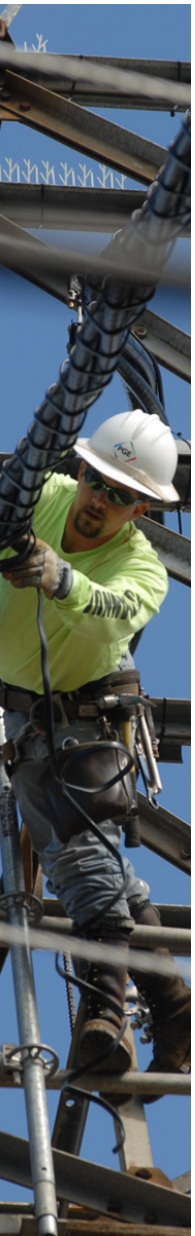
3. High Quality Utility Operations

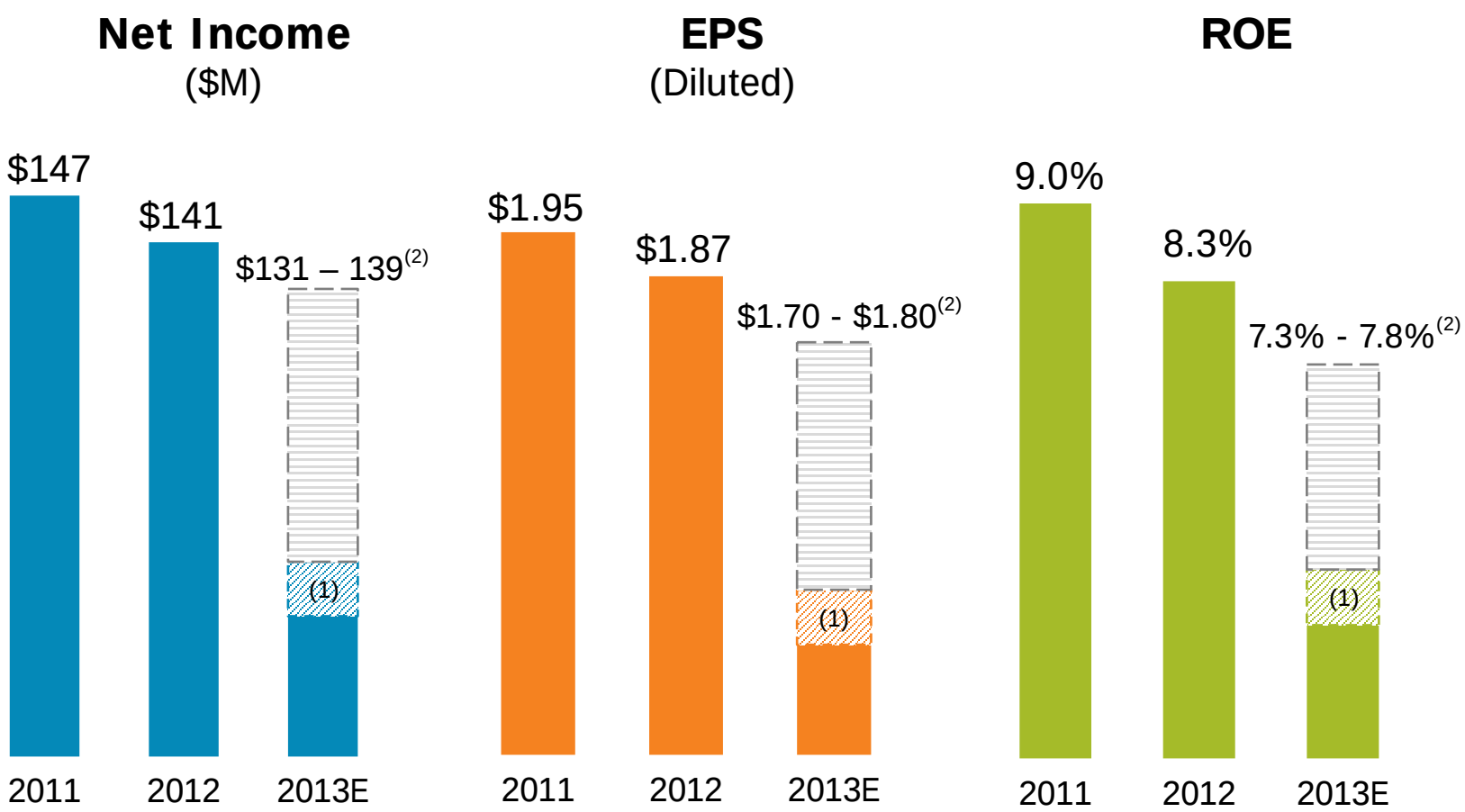


- Highly dependable generation portfolio with 90% availability through September 2013
- Strong power supply operations to stabilize and optimize power costs
- Progressive approach to reduce coal generation – Boardman 2020 Plan
- Ongoing T&D investment to ensure high reliability and customer satisfaction
- Continued investment in technology to improve service and reduce costs

Effective Utility Operations

4. Financial Performance

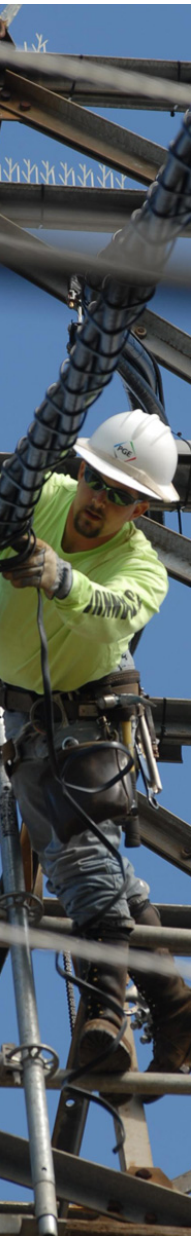


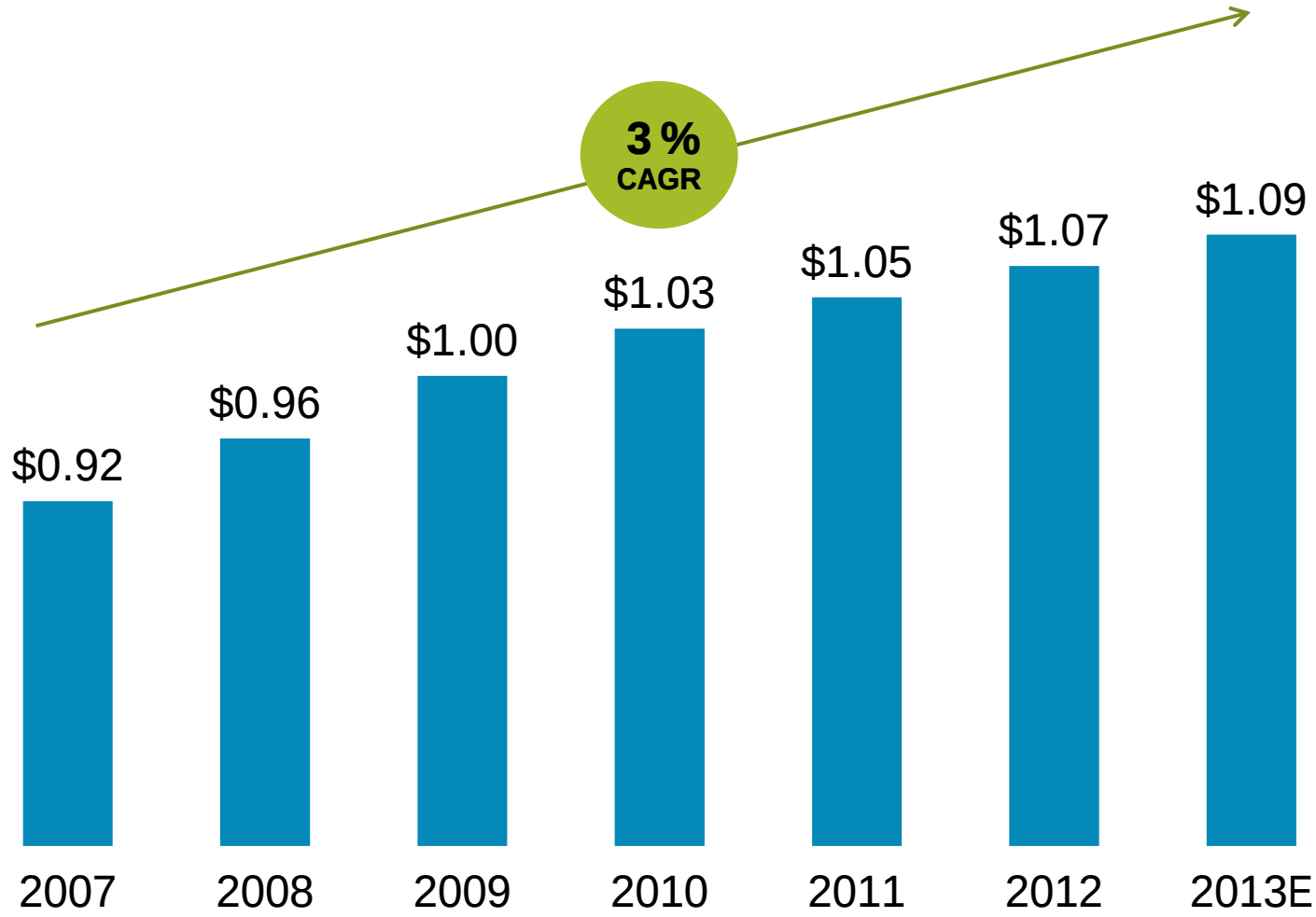


(1) On PGE's Q3 Earnings Call on November 1, PGE reduced full-year 2013 earnings guidance to $1.20 to $1.30 per share, equivalent to net income of $93 to $100 million and an ROE of 5.2% to 5.7%. This guidance includes a $0.49 reduction due to the Cascade Crossing expense and the customer billing matter, and a $0.15 reduction due to replacement power costs for the three plant outages.

(2) Excludes the negative impact of the Cascade Crossing expense and the customer billing matter.

4. Consistent Dividend Growth

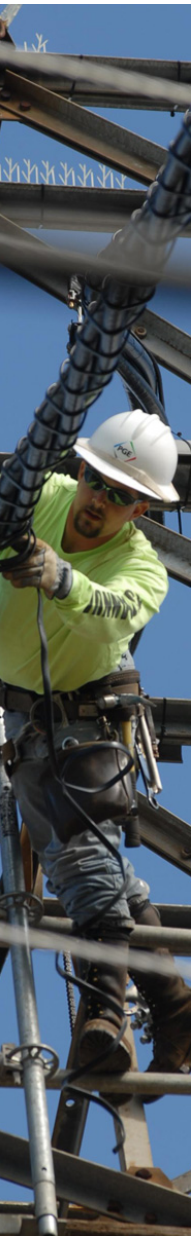




Target Payout Ratio of 50% to 70%

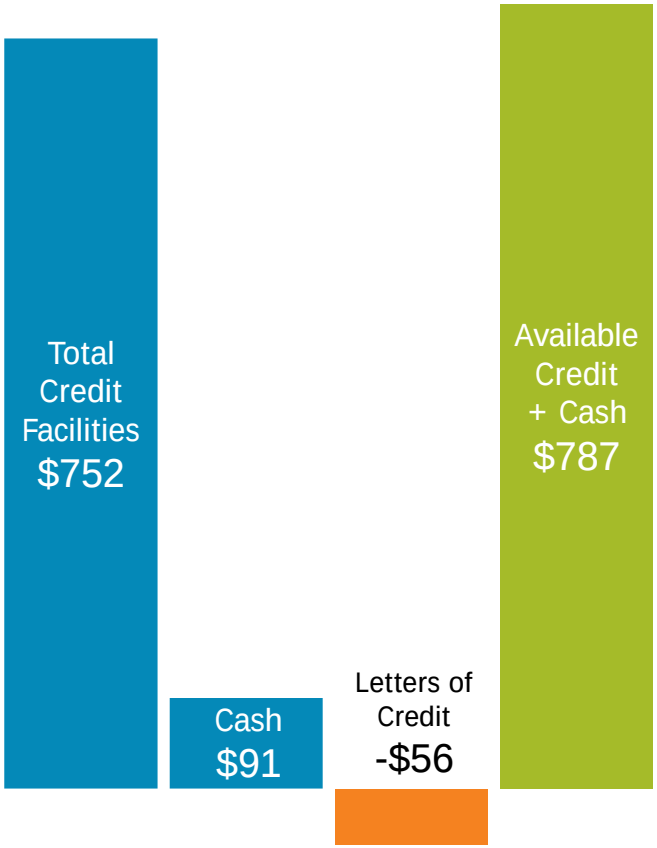
Note: Represents annual dividends paid

5. Strong Financial Position



Revolving Credit Facilities[1]

(in millions)



Financial Resources

- Investment grade ratings

	S&P	Moody's
Senior Secured	A-	A2
Senior Unsecured	BBB	Baa1
Outlook	Stable	Stable

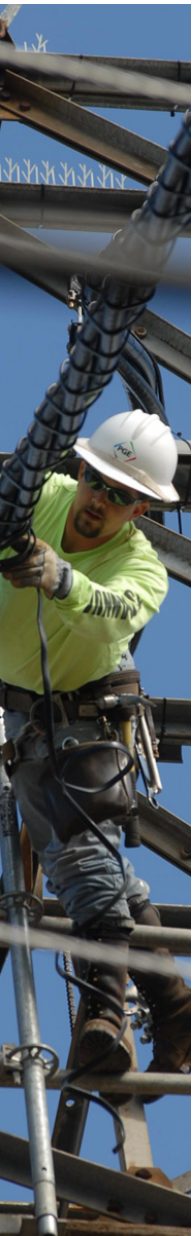
- Manageable debt maturities
- Target capital structure of 50% debt and 50% equity

1) All values as of September 30, 2013

5. Strong Financial Position

2013 Financing Activity

Portland General Electric



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**

Long-Term Debt Issuances ($ in millions)

Pricing Date	Amount	Issuance Date	Amount	Coupon	Maturity
June 2013	$225	June 2013	$150	4.47%	2044
		August 2013	$75		2043
October 2013	$155	November 2013	$105	4.74%	2042
		December 2013[1]	$50	4.84%	2048

1) Expected date of issuance

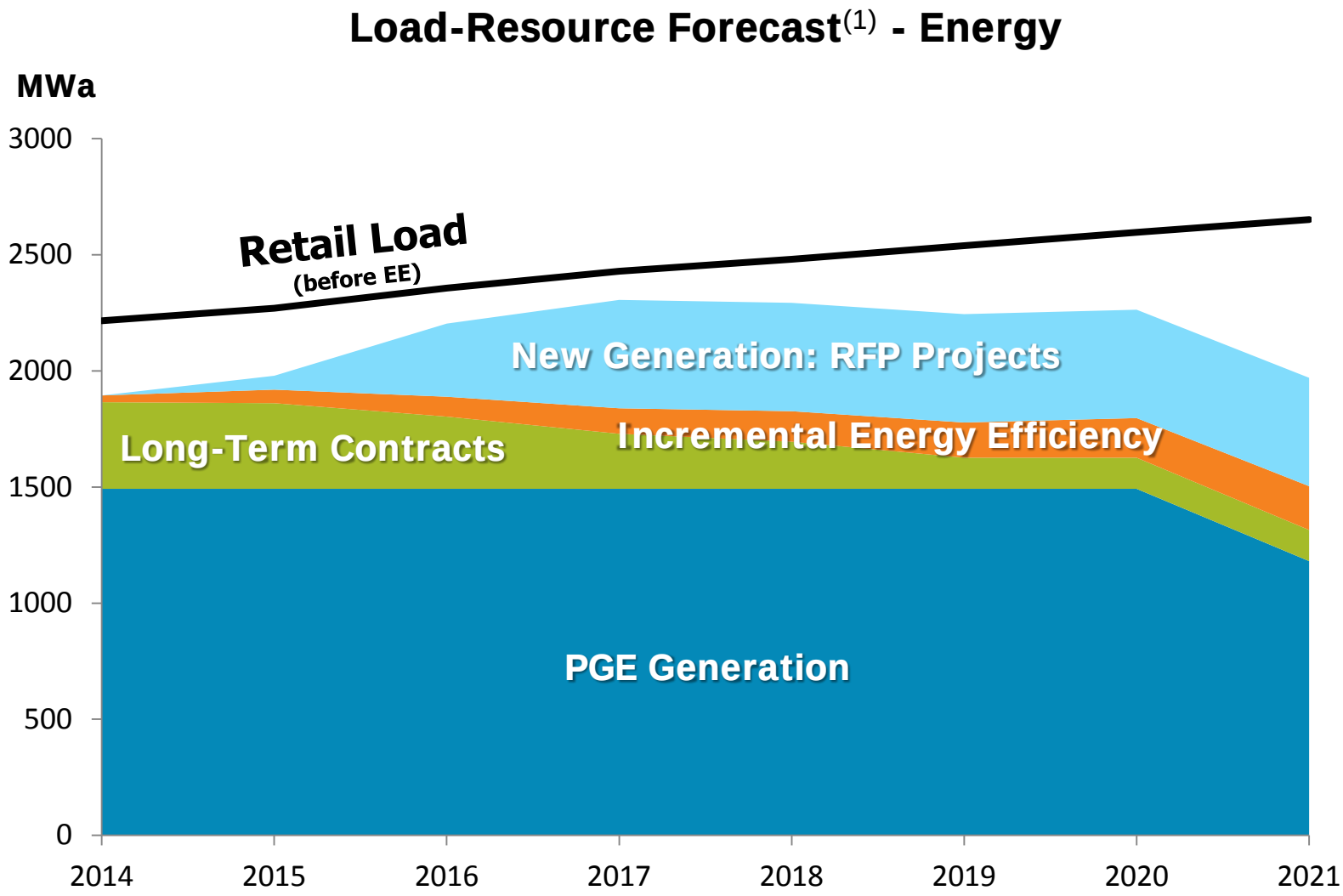
Strong Platform. Positioned for Growth.

The Company

The Strengths

The Growth

Load-Resource Forecast



1) Load-Resource Forecast Data as of June 2013

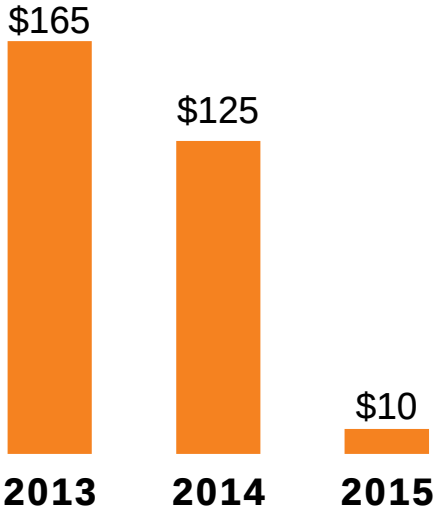
Strategic Initiatives: Capacity Resources

Portland General Electric

	Flexible Capacity
Project Name	Port Westward Unit 2
Project Location	Clatskanie, OR
Capacity/Fuel	220 MW/Natural Gas
Technology	Wärtsilä Reciprocating Engines 12 18-MW units
Estimated Capital Cost (excluding AFDC)	$300 million
Estimated In-Service Date	Q1 2015
EPC / Supplier Contractor(s)	Black & Veatch / Harder Mechanical & Wärtsilä
Regulatory Recovery Method	2015 Test Year General Rate Case
Potential Customer Price Impact	3-4%

Seasonal Capacity
Purchased Power Agreements with Iberdrola
100 MW of winter capacity 100 MW of summer capacity

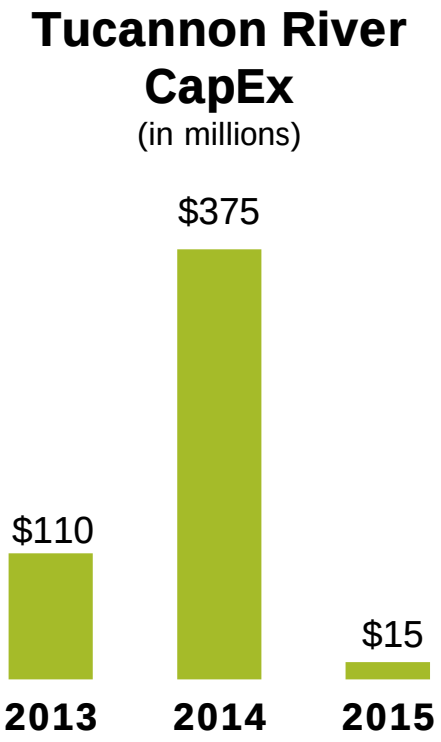
PW2 CapEx
(in millions)



Strategic Initiatives: Renewable Resources

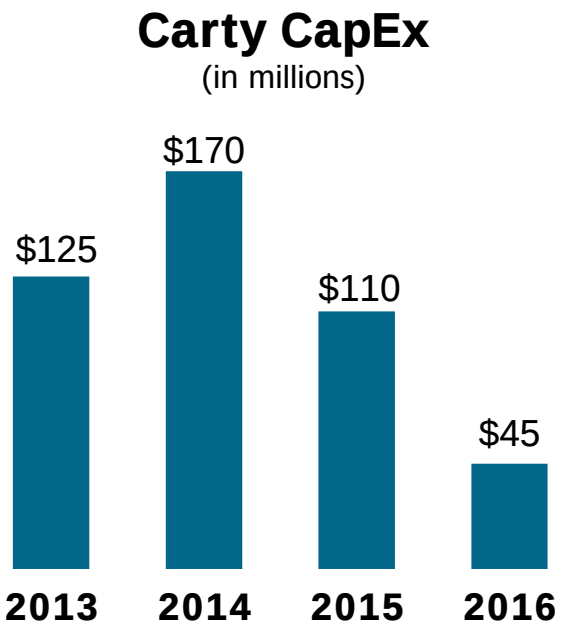
Portland General Electric

	Renewable Energy
Project Name	Tucannon River Wind Farm
Project Location	Columbia County, WA
Capacity/Fuel	267 MW Wind Project
Technology	116 2.3 MW Siemens Turbines
Estimated Capital Cost (excluding AFDC)	$500 million
Estimated In-Service Date	First half of 2015
EPC / Supplier Contractor(s)	Renewable Energy Service (RES) / Siemens
Regulatory Recovery Method	Renewable Adjustment Clause Filing/GRC
Potential Customer Price Impact	3-4%



Strategic Initiatives: Baseload Resources

	Baseload Energy
Project Name	Carty Generating Station
Project Location	Boardman, OR
Capacity/Fuel	440 MW/Natural Gas
Technology	Mitsubishi CCGT
Estimated Capital Cost (excluding AFDC)	$450 million
Estimated In-Service Date	Mid-2016
EPC / Supplier Contractor(s)	Abener Construction / Mitsubishi, Sargent & Lundy
Regulatory Recovery Method	2016/2017 Test Year General Rate Case
Potential Customer Price Impact	6-7%



Expected Rate Base and Capital Expenditures

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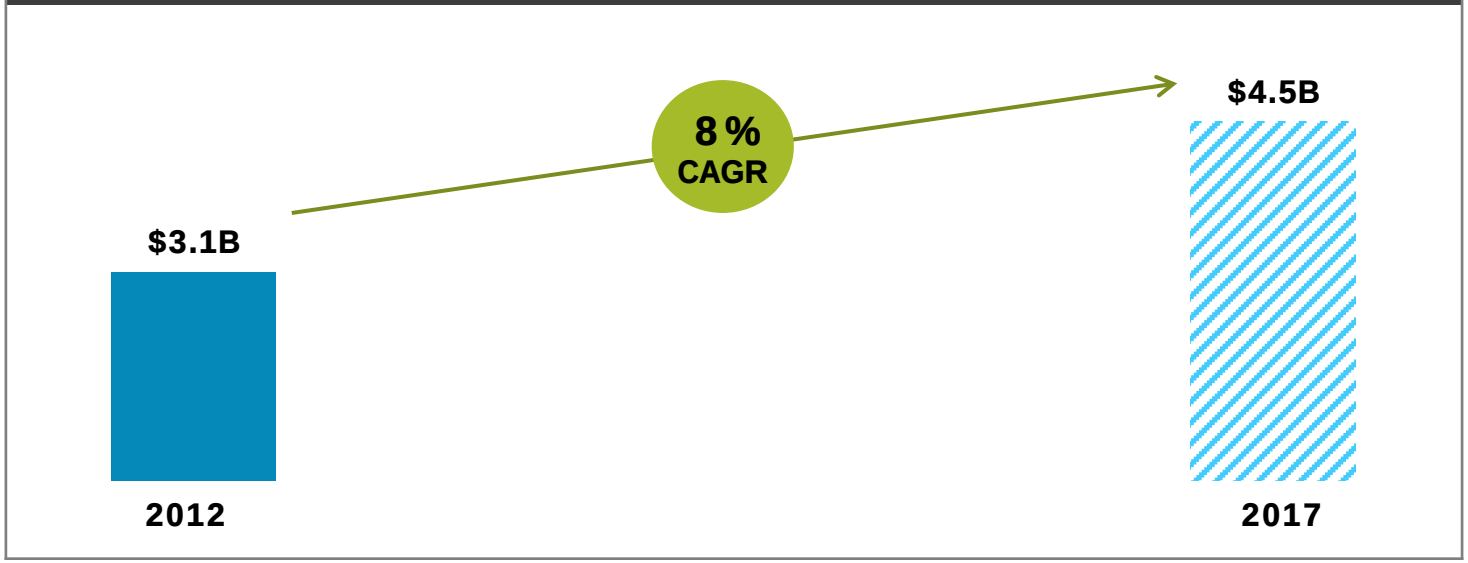
$1.4B of Expected Increase in Rate Base



Expected Capital Expenditures

(in millions)	2013	2014	2015	2016	2017	TOTAL
Base Capital Spending[1]	$320	$365	$315	$270	$245	**$1,515**
Port Westward Unit 2	$165	$125	$10			**$300**
Tucannon River Wind Farm	$110	$375	$15			**$500**
Carty Generating Station	$125	$170	$110	$45		**$450**
TOTAL	**$720**	**$1,035**	**$450**	**$315**	**$245**	**$2,765**

(1) Includes ongoing capex and hydro relicensing as disclosed in the Q3 2013 Form 10-Q filed on November 1, 2013
Note: Amounts exclude AFDC debt and equity

PGE Value Proposition

- Strong financial position
- High quality utility operations
- Attractive service area
- Strategic initiatives drive rate-base growth

Strong Platform
positioned for
Sustained Growth

PGE Investor Relations Team

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Appendices

Q3 2013 Financial Results

Portland General Electric

(in millions)	Net Income (Loss) 2012	Net Income (Loss) 2013	Earnings (Loss) per Share 2012	Earnings (Loss) per Share 2013
Q1	$49	$49	$0.65	$0.65
Q2	$26	$(22)	$0.34	$(0.29)
Q3	$38	$31	$0.50	$0.40
YTD	**$113**	**$58**	**$1.49**	**$0.76**

Quarter over Quarter Drivers of Results

in millions, pre-tax	Q3 over Q3
Increased purchased power and fuel	$(8)
Delivery system expense	$(5)
2011 PCAM refund reduction in Q3 2012	$(7)
Increased AFDC + TOLI gains	$ 6

Q3 2013 Plant Outages

in millions, PGE Share	Boardman	Colstrip Unit 4	Coyote Springs
Date of Outage	July 1	July 1	August 24
Actual / Expected Online Date	July 31	Q1 2014	Nov. 30
2013 Replacement Power Costs	$4	$5-$6	$7-8

- Boardman, of which PGE owns 65 percent, tripped offline on July 1st due to a temperature shock in a 36-inch diameter cold reheat pipe. This "thermal hammer event" caused damage to the pipe and its structural brackets.
- Colstrip Unit 4, of which PGE owns 20 percent but does not operate, also tripped offline on July 1st due to damage that occurred to the stator and rotor.
- Coyote Springs, which PGE owns and operates, tripped offline due to vibrations above tolerance levels. These vibrations were found to be caused by cracks in the steam turbine rotor.
- PGE's share of repairs at Boardman and Colstrip Unit 4 total approximately $13 million, but are expected to be mostly covered by insurance. PGE likely will only incur about $2 million, our share of the insurance deductible at each plant. PGE expects to capitalize this amount.
- Repairs at Coyote Springs are expected to cost approximately $2 million, which will be recorded as an O&M expense. PGE is also investigating its options for insurance recovery.

Generation Plant Operations

Portland General Electric

- **Track record of high availability**

	2008	2009	2010	2011	2012
PGE Thermal Plants	89%	84%	94%	90%	92%
PGE Hydro Plants	99%	99%	99%	100%	99%
PGE Wind Farm	92%	97%	96%	97%	98%
PGE Average	**93%**	**93%**	**96%**	**96%**	**96%**
Colstrip Unit 3 & 4	97%	68%	95%	84%	93%

- **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

Diversified Resource Mix

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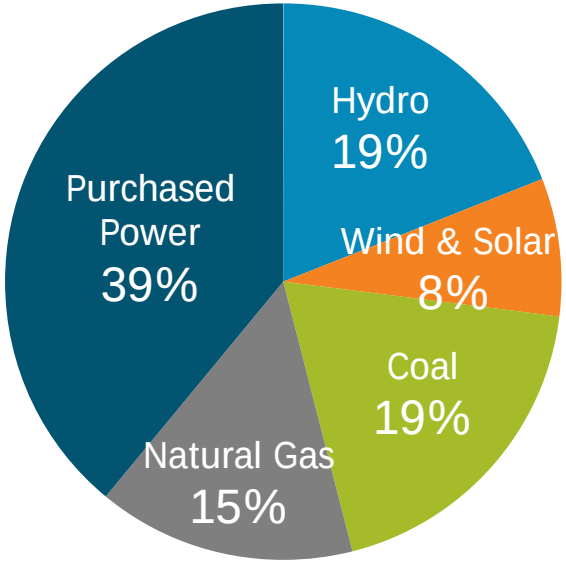
Resource Capacity (at 12/31/12)[1]

	Capacity in MW	% of Total Capacity
Hydro[1]		
Deschutes River Projects	298	7%
Clackamas/Willamette River Projects	191	5
Hydro Contracts	588	14
	1,077	**26**
Natural Gas/Oil[1]		
Beaver Units 1-8	516	12%
Coyote Springs	246	6
Port Westward	410	10
	1,172	**28**
Coal[1]		
Boardman	374	9%
Colstrip	296	7
	670	**16**
Wind[2]		
Wind Contracts	39	1%
Biglow Canyon	450	11
	489	**12**
Purchased Power	**765**	**18%**
Total	**4,173**	**100%**

Power Sources as a Percent of Retail Load

(2012 Actuals)

Total = 2,166 MWa

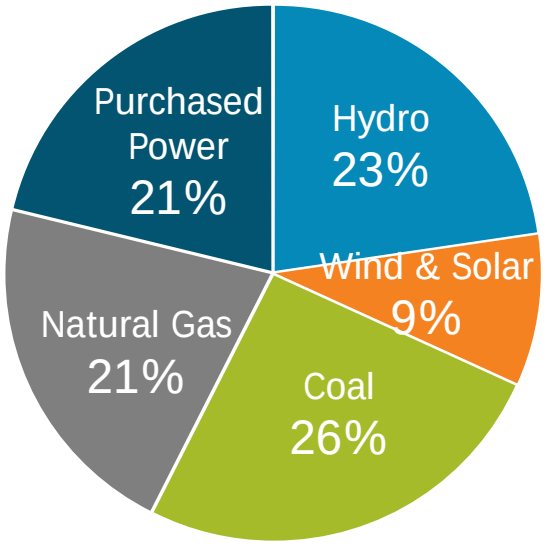


1) Capacity of a given plant represents the megawatts the plant is capable of generating under normal operating conditions, net of electricity used in the operation of the plant
2) With respect to Biglow Canyon, capacity represents nameplate and differs from expected energy to be generated, which ranges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

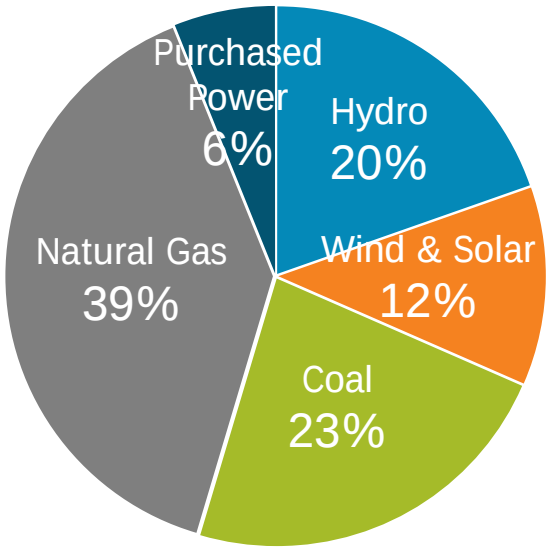
Changing Generation Portfolio

Portland General Electric

2013 Power Sources as a Percent of Retail Load[1]



2017 Power Sources as a Percent of Retail Load[2]

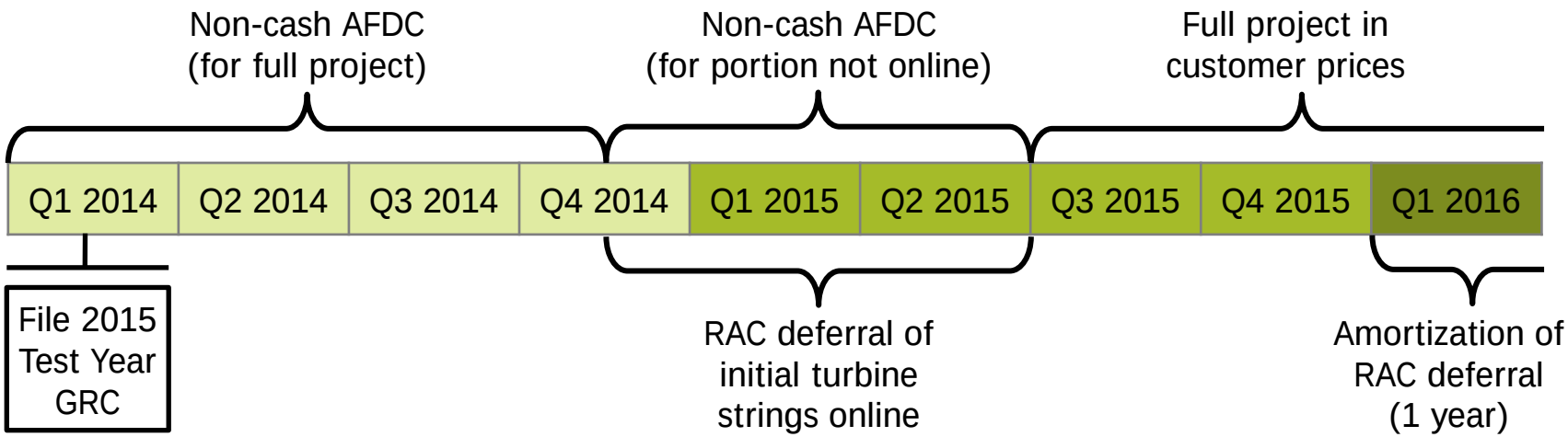


New Resources Driving Change

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

1) Based on 2013 AUT filed in November 2012
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

Regulatory Strategy for Tucannon Wind Farm



- While the project is under construction, PGE records non-cash AFDC on the CWIP balance for Tucannon River Wind Farm.
- PGE expects to file a general rate case in February 2014 with a 2015 forward test year, which will include full project cost recovery for Tucannon River Wind Farm.
- PGE plans to file a renewable adjustment clause (RAC) in 2014 to defer the net revenue requirement for strings of turbines that come online before the full project is operational.
- Tucannon River Wind Farm is expected to be fully incorporated into customer prices when the full project comes online (targeted in the first six months of 2015).
- The net revenue requirement deferred through the RAC from late 2014 to early 2015 is expected to be amortized (recovered in customer prices) over one year starting 1/1/2016.

All price changes subject to OPUC and intervener review and approval; PGE will implement a regulatory strategy that reduces regulatory lag and minimizes the frequency and magnitude of customer price changes.

Integrated Resource Plan

Integrated Resource Planning Process

- Under OPUC guidelines, PGE is required to file an Integrated Resource Plan (IRP) within two years of acknowledgment of the previous plan
- The IRP requires that the primary goal must be the selection of a portfolio of resources with the best combination of expected costs and associated risks and uncertainties for the utility and its customers
- OPUC acknowledgement of the IRP is standard (this is not approval for ratemaking purposes) but the Commission has stated that it will give “considerable weight” to utility actions that are consistent with the acknowledged IRP
- Action plan includes new resources for which the utility intends to undertake acquisition activities within the next two-to-four years

2013 IRP

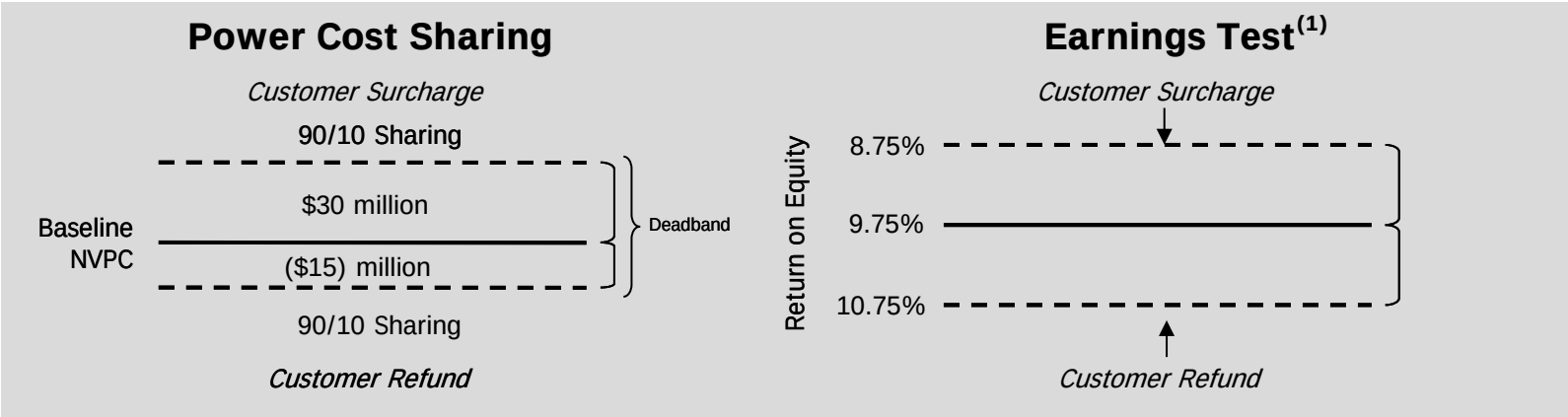
- PGE plans to file a draft IRP in November 2013 and a final IRP in March 2014
- Timeframe: 2014 – 2017
- Key areas of focus:
  - Incorporate completion of the 2009 IRP Action Plan items
    - Energy efficiency, Port Westward Unit 2, Tucannon River Wind Farm, Carty Generating Station
  - Renewable resource requirements (RPS)
  - Supply-side resource options (life-cycle costs)
  - Greenhouse gas emissions regulation
  - Natural gas price forecasts
  - Energy efficiency forecasts

Recovery of Power Costs

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 prudency 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
- Customer surcharge occurs to the extent it results in PGE's actual regulated ROE being no greater than 8.75%; customer refund occurs to the extent it results in PGE's actual regulated ROE being no less than 10.75%

1) Effective January 1, 2014, PGE's allowed ROE will be 9.75%.

Renewable Portfolio Standard

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 MWa (or 300 MW wind nameplate capacity)

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

- Renewable Portfolio Standard qualifying resources supplied approximately 10% of PGE's retail load in 2011 and 2012 – 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.

Decoupling Mechanism

The decoupling mechanism is intended to allow recovery of margin lost due to a reduction in sales of electricity resulting from customers' energy efficiency and conservation efforts.

This includes a Sales Normalization Adjustment (SNA) mechanism for residential and small nonresidential customers (≤ 30 kW) and a Lost Revenue Recovery Adjustment (LRRA), for large nonresidential customers (between 31 kW and 1 MWa).

- The SNA is based on the difference between actual, weather-adjusted usage per customer and that projected in PGE's 2011 general rate case. The SNA mechanism applies to approximately 58% of 2011 base revenues.
- The LRRA is based on the difference between actual energy-efficiency savings (as reported by the ETO) and those incorporated in the applicable load forecast. The LRRA mechanism applies to approximately 29% of 2011 base revenues.

In PGE's 2014 General Rate Case, PGE and parties stipulated to the extension of the decoupling mechanism for three years, through the end of 2016. In addition, the use-per-customer baseline will be adjusted for new connects with lower energy usage.

Recent Decoupling Results

(in millions)	Q1	Q2	Q3	Q4	YTD 2013
Sales Normalization Adjustment	$4.0	$(2.1)	$(0.7)		$1.2
Lost Revenue Recovery Adjustment	$0.0	$1.8	$0.6		$2.4
Total adjustment	**$4.0**	**$(0.3)**	**$(0.1)**		**$3.6**

(in millions)	Q1	Q2	Q3	Q4	2012
Sales Normalization Adjustment	($1.3)	($0.4)	$2.2	($1.1)	($0.6)
Lost Revenue Recovery Adjustment	$0.0	$0.0	$0.0	$0.0	$0.0
Total adjustment	**($1.3)**	**($0.4)**	**$2.2**	**($1.1)**	**($0.6)**

Note: refund = (negative) / surcharge = positive

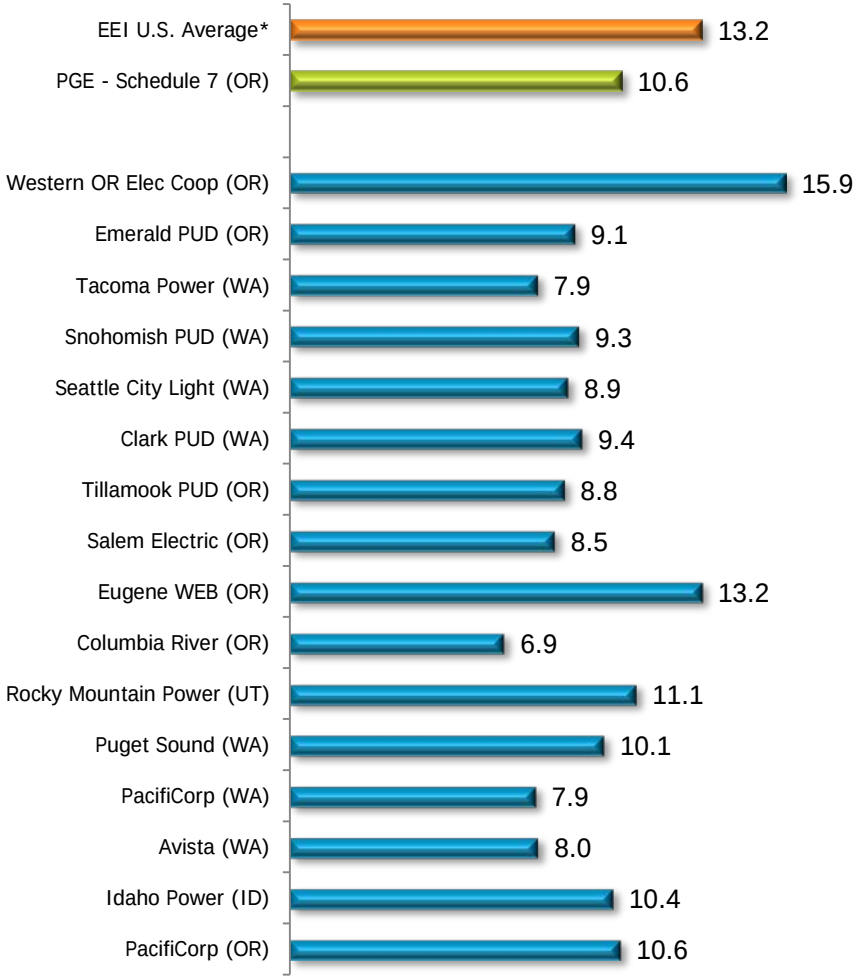
Cost Efficiency Initiatives

- Companywide benchmarking to identify best practices
- Investments to leverage technology
  - Financial system and supply chain replacement project
  - Timekeeping system
  - Enterprise asset and work management systems
- Process improvements and work redesign
- Working to manage costs and identify ways to reduce potential customer price increases related to generation projects

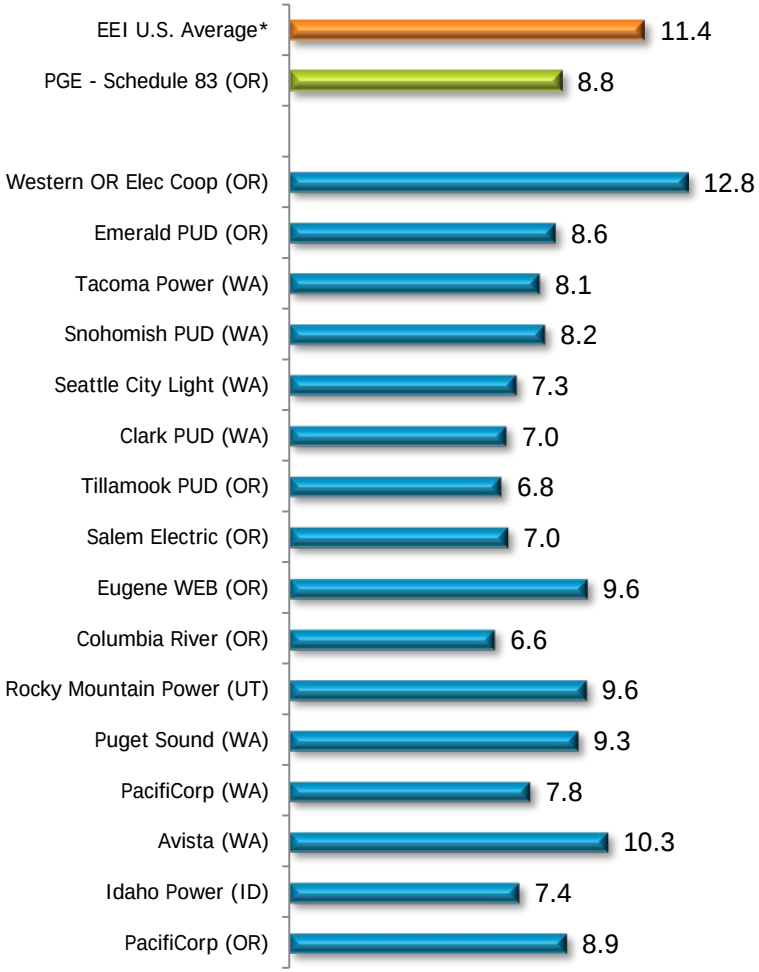
Average Retail Price Comparison

Residential and Commercial – Summer 2013

Residential Electric Service Costs
Northwest 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)

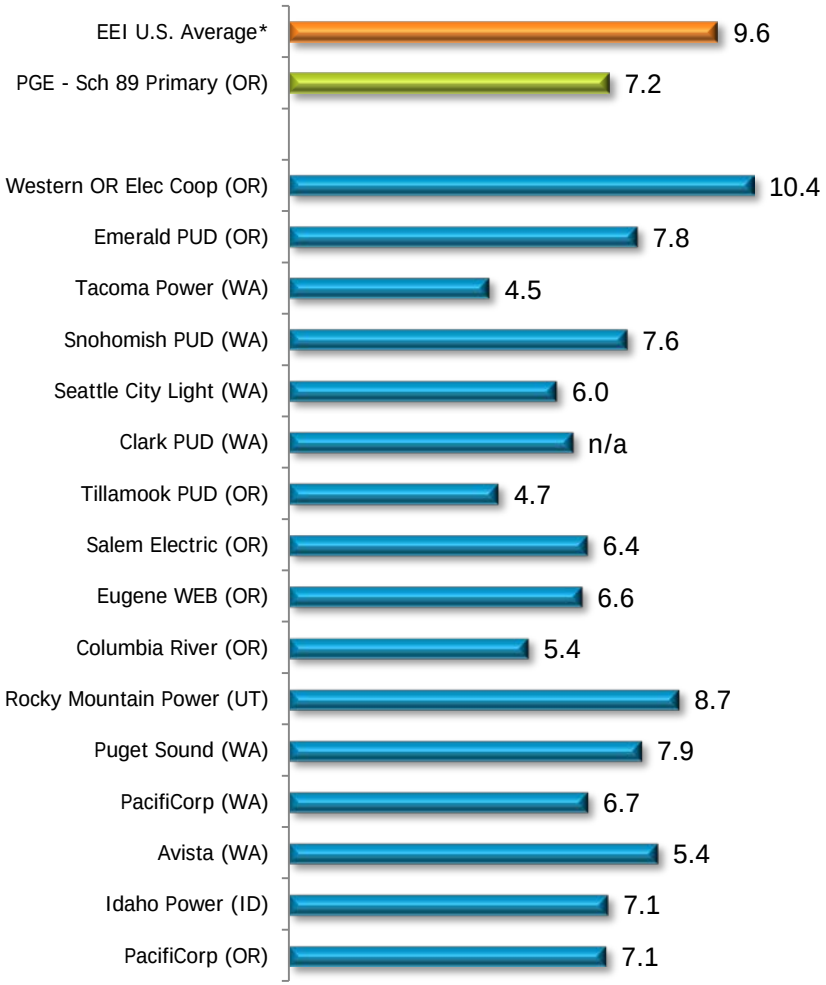


Average Retail Price Comparison

Small and Large Industrial – Summer 2013

Portland General Electric

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)