Portland General Electric

Investor Presentation

March 2015

Cautionary Statement

Portland General Electric

Information Current as of February 13, 2015

Except as expressly noted, the information in this presentation is current as of February 13, 2015 — the date on which PGE filed its Annual Report on Form 10-K for the year ended December 31, 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.

PGE Value Drivers

Portland General Electric

- Clear focus, 100% regulated utility ☑
- Attractive service area ☑
- Progressive environmental and renewable position ☑
- Focus on operational efficiency ☑
- Strong financial position ☑
- Investment opportunities in generation and T&D assets drive rate-base growth ☑

Strong Platform. Executing our Growth.

Portland General Electric

The Company

The Strengths

The Execution

PGE At A Glance

- Vertically integrated – generation, transmission and distribution
- Market cap ~ $2.8B
- Service area in northwest Oregon
  - Includes Portland and Salem
  - 842,000 customers[1]
  - 46% of Oregonians
  - Contains a majority of Oregon's commercial and industrial activity

1) As of 12/31/2014

Strategic Direction

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

Attractive, Growing Service Area

Portland General Electric

2015 Load Growth

- 2015 load growth of approximately 1%
- Driven by industrial delivery growth and strong economic conditions
- Growth is weather adjusted and assumes exclusion of one large paper customer

Industrial Growth

Strong industrial customer activity

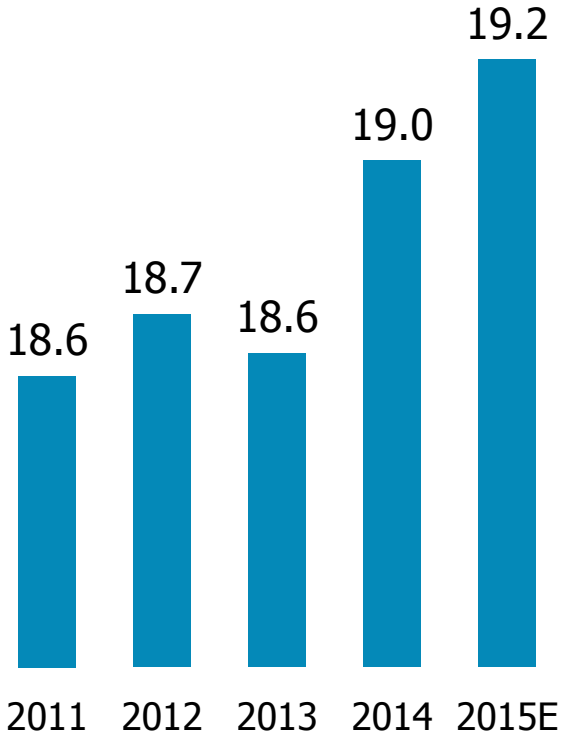
- Growth in high-tech
  - Intel's expansion
  - Data centers

Energy Efficiency

- Incremental EE expected in 2015E is equivalent to approximately 1.5% in load growth

Retail Load Growth[1]

(Million MWhs Rounded)



Long-term forecast >1% annually through 2030

1) On a cycle basis and adjusted for weather, one large paper company, and net of energy efficiency

Constructive Regulatory Environment

Portland General Electric

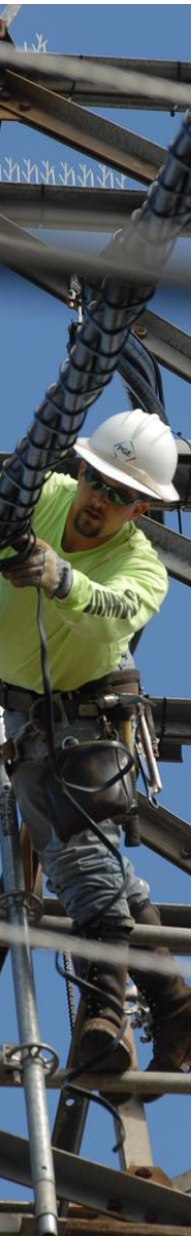
Regulatory Construct

- 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
- 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

Strong Platform. Executing our Growth.



The Company

The Strengths

The Execution

Key Strengths

Portland General Electric

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

Portland General Electric

Top Quartile

residential customer satisfaction

Market Strategies International

Top Decile

general business customer satisfaction

Market Strategies International

Top Decile

large key customer satisfaction

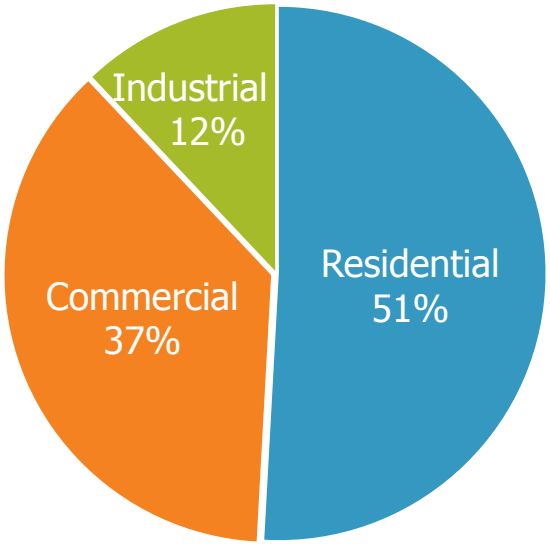
TQS Research, Inc.

All customer satisfaction and reliability measures consistently top quartile

2. Diversified Customer Base and Generation Portfolio

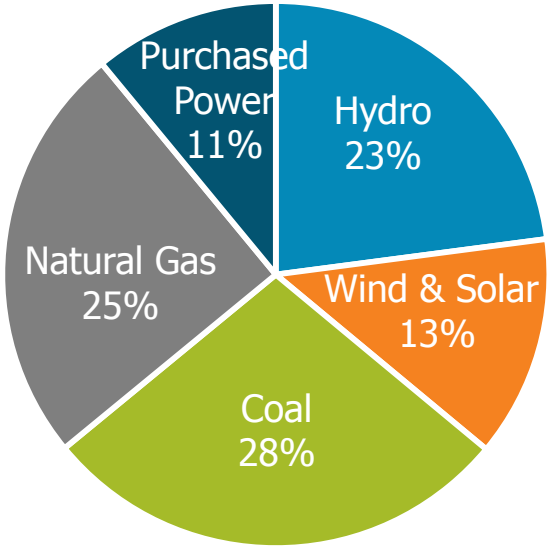
Retail Revenues by Customer Class
(2014)

Total = $1.76B



Power Sources as a Percent of Retail Load
(2015 AUT)[1]

Total = 2,140 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 93%[1]
- Strong power supply operations to stabilize and optimize power costs
- Progressive approach to reduce coal generation – Boardman 2020 Plan
- T&D investment to ensure high reliability and customer satisfaction
- Ongoing investment in technology to improve service and capture efficiencies

Effective Utility Operations

1) Represents 2010 through 2014

4. Financial Performance

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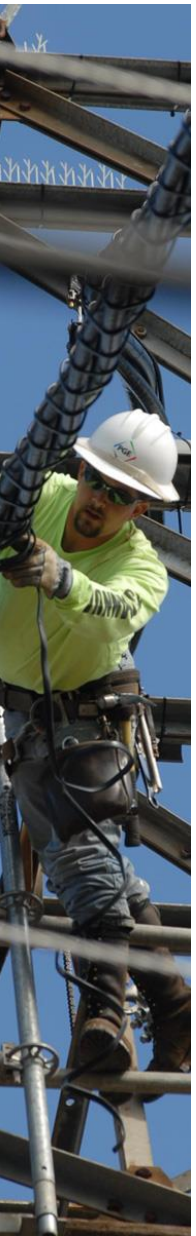
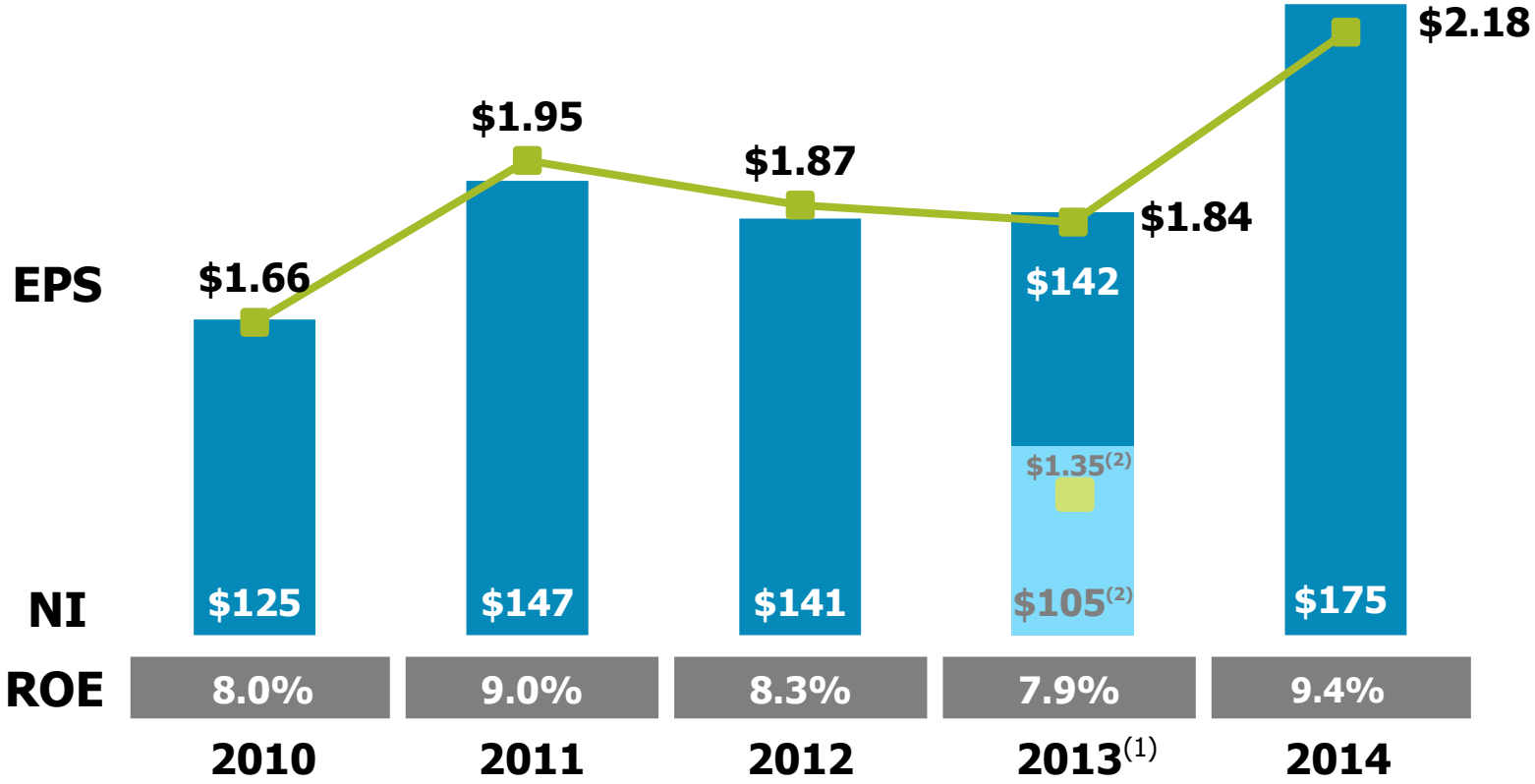


Net Income, Earnings per Share, and ROE
2010 – 2014

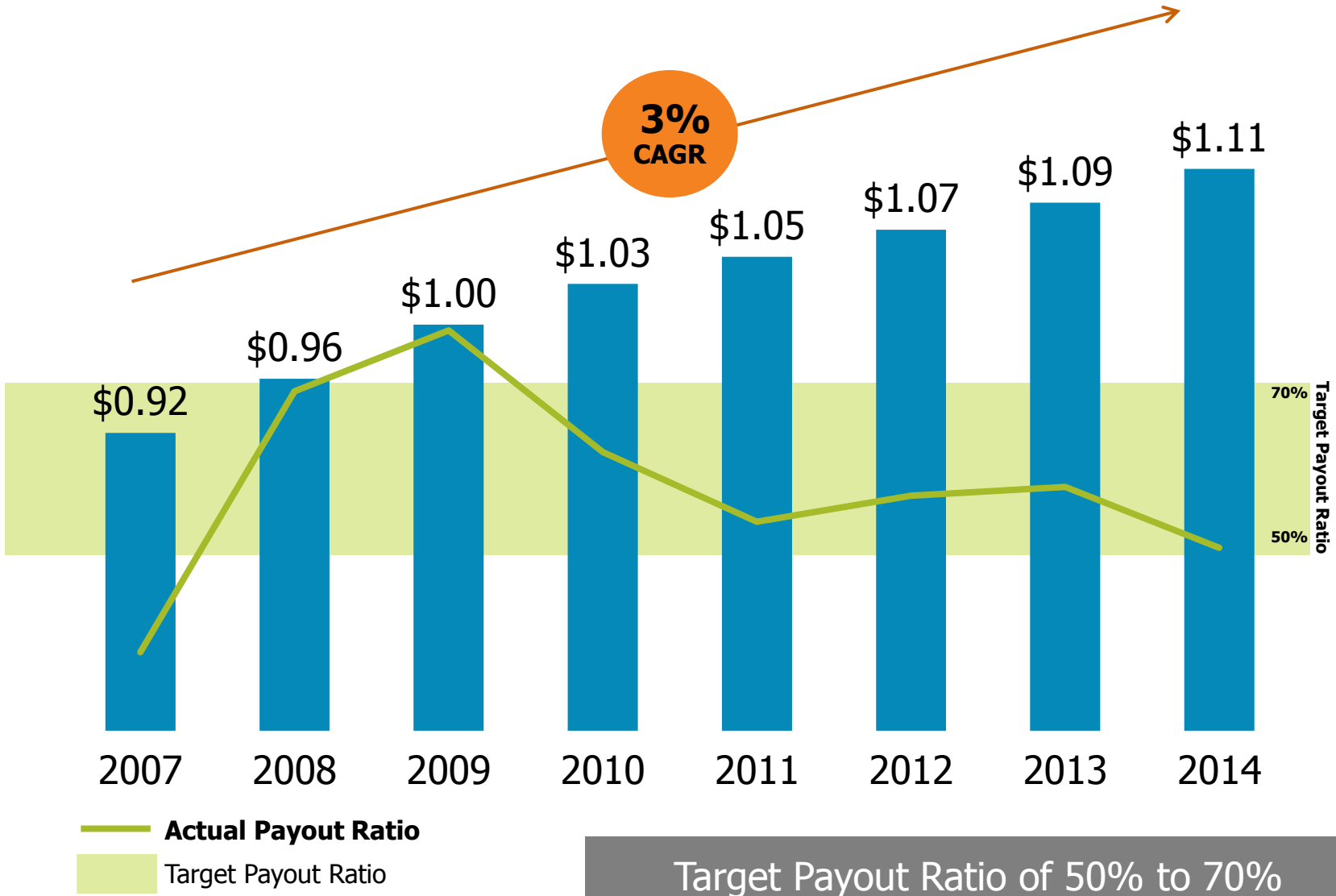
(NI in millions)



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.

4. Consistent Dividend Growth

Portland General Electric

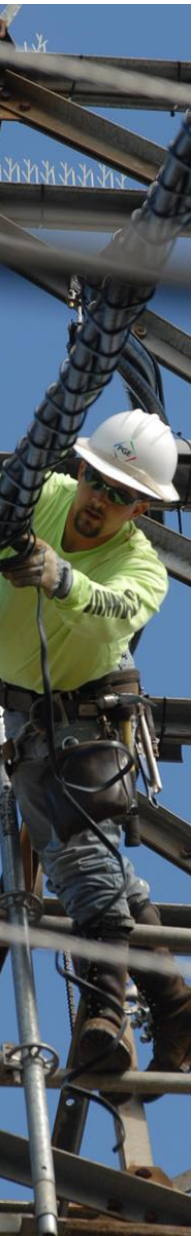


Target Payout Ratio of 50% to 70%

Note: Represents annual dividends paid

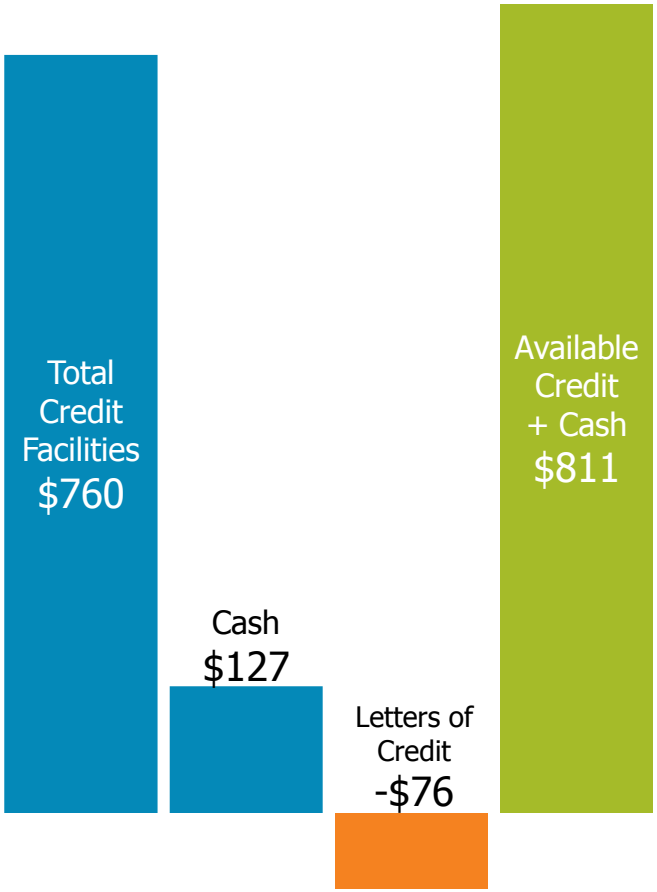
5. Strong Financial Position

Portland General Electric



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 December 31, 2014

Strong Platform. Executing our Growth.

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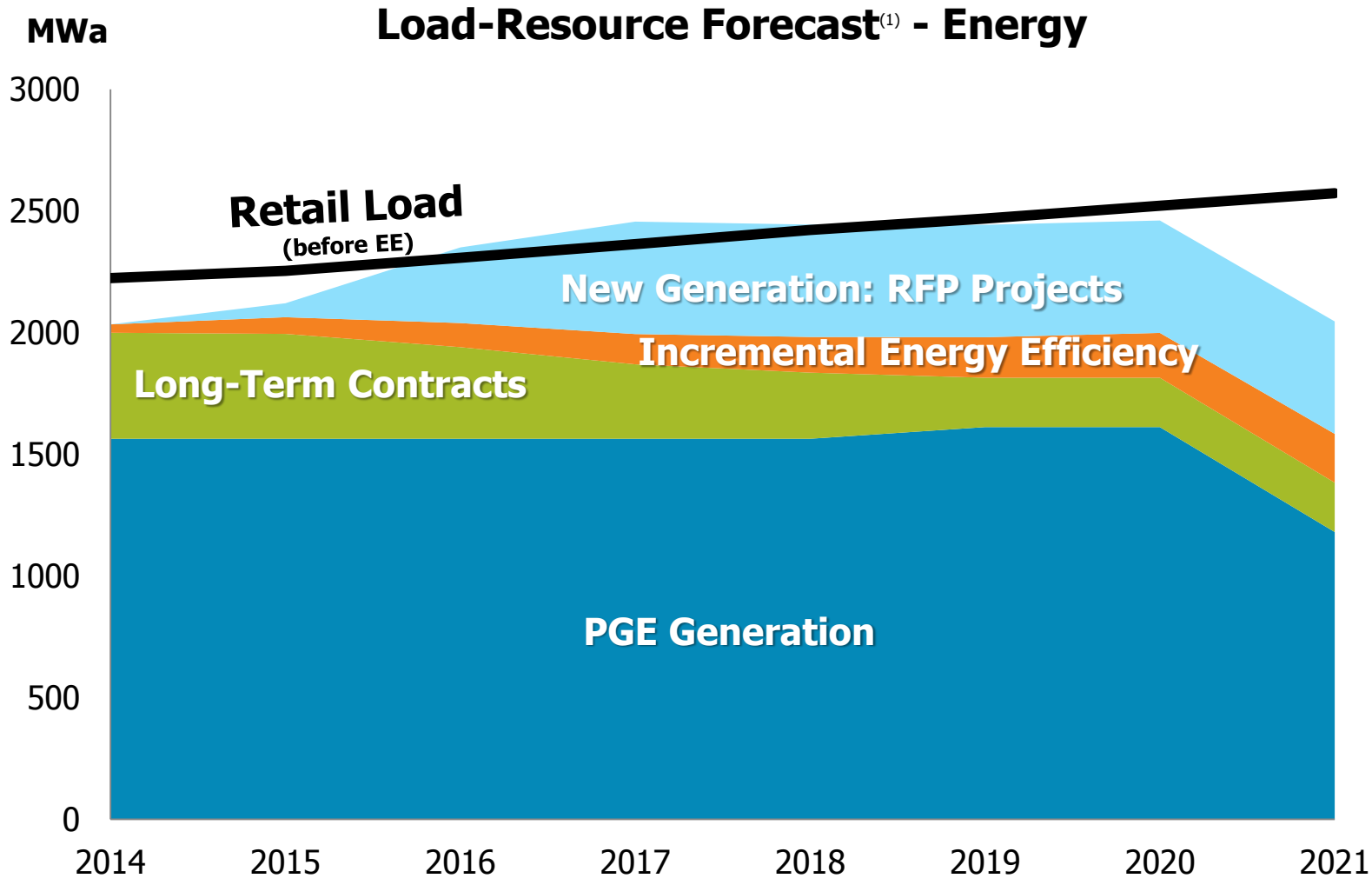
The Company

The Strengths

The Execution

Load-Resource Forecast



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

Completed Projects

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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
In-Service Date	December 15, 2014
Customer Price Impact	~2.4%
Project Cost[1]	$530M

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
In-Service Date	December 30, 2014
Customer Price Impact	~2.8%
Project Cost[1]	$315M

1) Final estimated completion costs including AFDC, and capital expenditures in 2015 of $29 million and $20 million for Tucannon River Wind Farm and Port Westward Unit 2, respectively.

Under Construction: Baseload Resource

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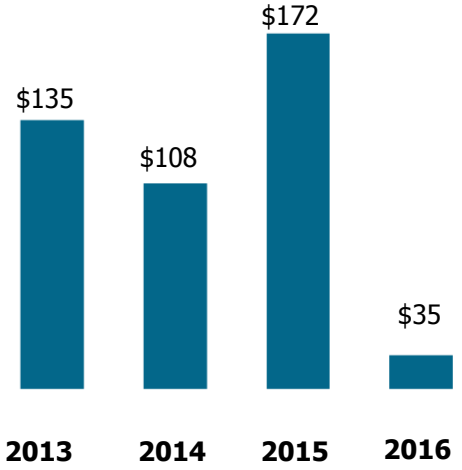
Carty Generating Station	
Project Location	Boardman, OR
Capacity / Fuel	440 MW / Natural Gas
Technology	Mitsubishi Turbine
EPC Contractor	Abener/Abengoa
Estimated In-Service Date	Q2 2016
Customer Price Impact	~ 4.7 percent
Next Steps	Gas turbine and gas generator have been installed; Steam turbine and steam turbine generator are expected to be shipped at the end of Q1 2015

Carty CapEx:

$450M



Execution of Regulatory Strategy

Portland General Electric

General Rate Case: 2015

Approved by OPUC in December of 2014:

- 2015 Forward Test Year
- Return on Equity (ROE): 9.68%
- Cost of Capital: 7.56%
- Capital Structure: 50% debt, 50% equity
- Rate base: $3.8B
- Annual revenue requirement increase: $15M
- Included Tucannon River Wind Farm and Port Westward 2

New Customer Prices:	
Base Business	January 1, 2015
Port Westward 2	January 1, 2015
Tucannon River	January 1, 2015
Average customer price impact is approximately 1%	

General Rate Case: 2016

Filed on February 12, 2015:

- 2016 Forward Test Year
- Return on Equity (ROE): 9.9%
- Cost of Capital: 7.67%
- Capital Structure: 50% debt, 50% equity
- Rate Base: $4.5B
- Revenue Increase: $66M
- Final OPUC order expected in December 2015
- Includes Carty Generating Station

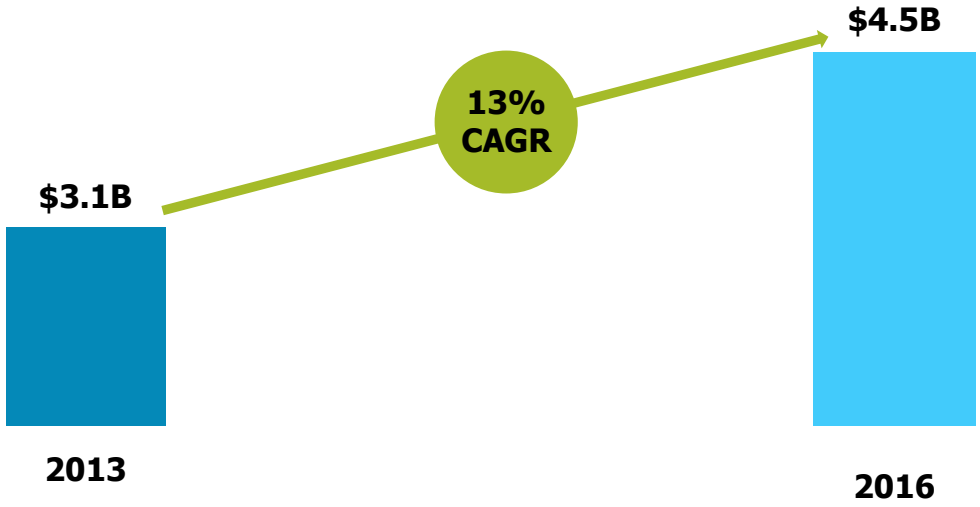
Projected New Customer Prices:		Annual Revenue Increase (As filed 2/12/2015)
Base Business	1/1/2016	$39
Supplemental Tariff Updates[1]	1/1/2106	($56)
Carty (annualized)	Q2 2016	$83
Annual Revenue Net Increase (Annualized)		**$66**
Current projected average estimated customer price impact is approximately 3.7%		

1) Includes $26 million related to capital project deferrals expected to be fully recovered in 2015, $17 million of accelerated customer credits related to the settlement of a legal matter concerning costs associated with the operation of the ISFSI, a $15 million increase in customer credits related to the Residential Exchange Program, and other tariff updates.

Rate Base and Capital Expenditures

Portland General Electric

$1.4B of expected increase in rate base



Capital Expenditures

(in millions)	2013	2014	2015E	2016E	2017E	2018E	TOTAL
Base Capital Spending[1]	$335	$342	$408	$363	$341	$301	**$2,090**
Port Westward Unit 2	$155	$118	$20				**$293**
Tucannon River Wind Farm	$95	$380	$29				**$504**
Carty Generating Station	$135	$108	$172	$35			**$450**
TOTAL	**$720**	**$948**	**$629**	**$398**	**$341**	**$301**	**$3,337**

1) Consists of board-approved ongoing CapEx and hydro relicensing per the Annual 2014 Form 10-K filed on February 13, 2015
Note: Amounts exclude AFDC debt and equity

2016 Integrated Resource Plan

Portland General Electric

IRP Process Timeline	
2015	Develop IRP / Public Process
2016	File IRP
2017	Acknowledgement from OPUC expected and RFP process commences

Areas of Focus

- Energy efficiency and demand side actions
- Boardman replacement
- 2020 Renewable Portfolio Standard requirement of 20%
- Evaluate need for additional capacity
- Other topics

PGE Value Proposition

Portland General Electric

- Strong financial position
- High quality utility operations
- Attractive service area
- New investments drive rate-base growth

Strong Platform
executing
Sustained L-T Growth

PGE Investor Relations Team

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Appendices

Diversified Resource Mix

Portland General Electric

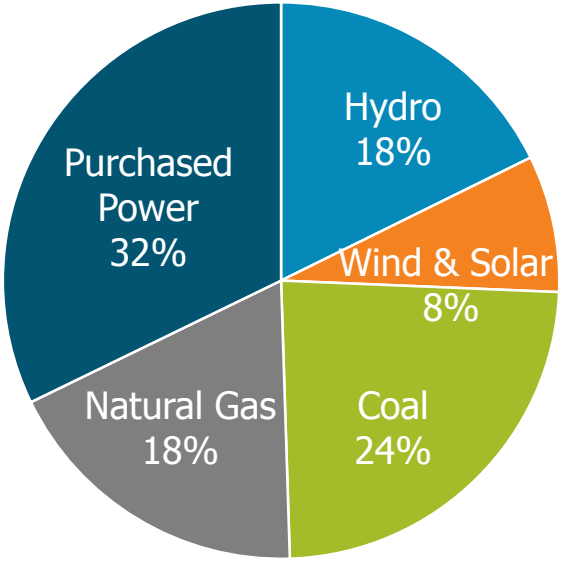
Resource Capacity (at 12/31/14)[1]

	Capacity in MW	% of Total Capacity
Hydro[1]		
Deschutes River Projects	303	6%
Clackamas/Willamette River Projects	191	4%
Hydro Contracts	595	12%
	1,089	**22%**
Natural Gas/Oil[1]		
Beaver Units 1-8	516	11%
Coyote Springs	248	5%
Port Westward Unit 1	401	8%
Port Westward Unit 2	224	5%
	1,389	**28%**
Coal[1]		
Boardman	518	11%
Colstrip	296	6%
	814	**17%**
Wind		
Biglow Canyon[2]	450	9%
Tucannon River[3]	267	5%
Wind Contracts	39	1%
	756	**15%**
Purchased Power	**862**	**18%**
Total	**4,910**	**100%**

Power Sources as a Percent of Retail Load

(2014 Actuals)

Total = 18,734 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 is based on a 30% capacity factor
3) With respect to Tucannon River Wind Farm, capacity represents nameplate and differs from expected energy to be generated, which is based on a 38% capacity factor

Changing Generation Portfolio

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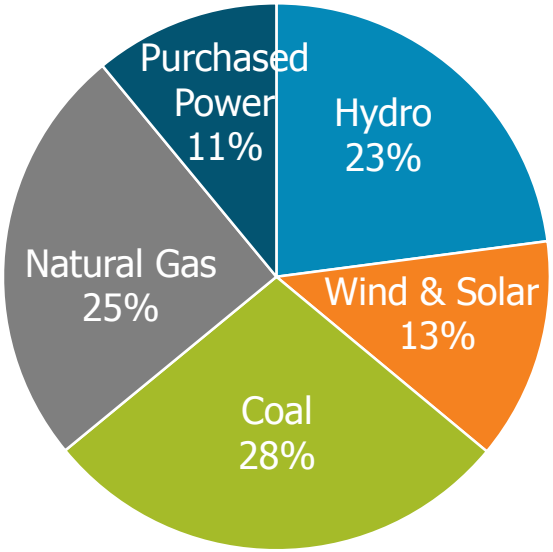
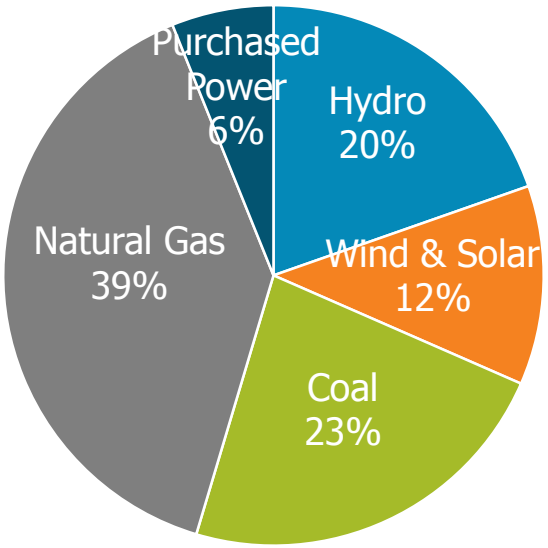
2015 Power Sources as a Percent of Retail Load[1]



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



New Resources Driving Change

- New generation: Port Westward Unit 2 (natural gas, Q4 2014), Tucannon River (wind, Q4 2014), and Carty Generating Station (natural gas, Q2 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 ownership increased to 90% at year-end 2014 and is scheduled to discontinue coal-fired operations at the end of 2020

1) Based on 2015 AUT filed November 2014
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

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**

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
$75	1/15/15	3.55%	2030

Generation Plant Operations

Portland General Electric

- **Track record of high availability**

	2010	2011	2012	2013	2014
PGE Thermal Plants	94%	90%	92%	84%	89%
PGE Hydro Plants	99%	100%	99%	100%	100%
PGE Wind Farm	96%	97%	98%	98%	94%
PGE Wtd. Average	**95%**	**93%**	**94%**	**89%**	**92%**
Colstrip Unit 3 & 4	95%	84%	93%	66%	83%

- **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 Integrated Resource Plan

Portland General Electric

2013 IRP was acknowledged by the OPUC on 12/2/14 and PGE received written confirmation on stipulations to incorporate into the 2016 IRP development

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: 124 Mwa by 2017
- 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

Action Plan Studies and Initiatives to Inform 2016 IRP

- Operational flexibility assessment
- Third party 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

Transmission Requirements

- Retain and/or acquire required service under Bonneville Transmission Administration's Open Access Transmission Tariff

GRC Overview – 2015 Test Year

Portland General Electric

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	Additional Updates	OPUC Order 12/4/14
New Generation Plants:								
Port Westward 2	**$51**	($5)	$3	**$49**	($1)	**$48**	$1	**$49**
Tucannon River	**$47**	($3)	($4)	**$40**	($1)	**$39**	$4	**$43**
Base Business Cost Change	**$12**	($11)	($30)	**($29)**	($12)	**($41)**	($7)	**($48)**
(Less): Customer Credits[4]	**($29)**	-	-	**($29)**	-	**($29)**	-	**($29)**
Annual Revenue Increase	**$81**	($19)	($31)	**$31**	($14)	**$17**	($2)	**$15**

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) 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

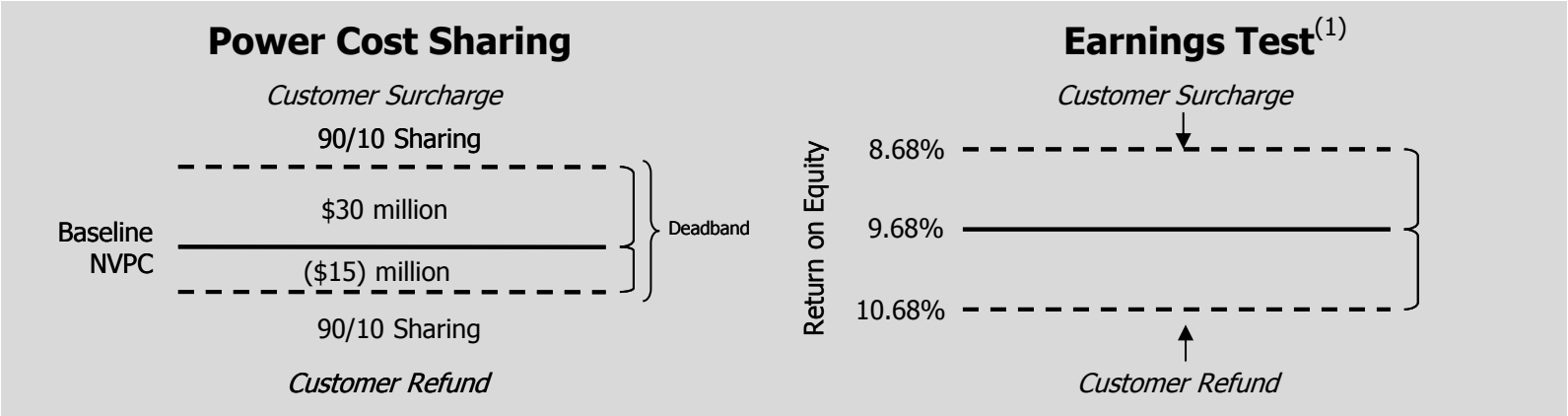
Recovery of Power Costs

Portland General Electric

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
- 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%

Renewable Portfolio Standard

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Additional Renewable Resources

- PGE's 2009 Integrated Resource Plan addressed procurement of renewable resources to meet the 2015 requirement of Oregon's Renewable Portfolio Standard. To help meet this standard PGE built Tucannon River Wind Farm, a 267 megawatt, 116 turbine wind resource located in southeastern Washington.

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

- Renewable Portfolio Standard qualifying resources supplied approximately 10% of PGE's retail load in 2012, 2013, & 2014.

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

Portland General Electric

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 2015 general rate case. The SNA mechanism applies to approximately 61% of 2015 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 26% of 2015 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 was adjusted for new connects with lower energy usage. There were no changes or extensions to the decoupling mechanism in the 2015 GRC.

Recent Decoupling Results

(in millions)	Q1	Q2	Q3	Q4	YTD 2014
Sales Normalization Adjustment	$4.4	$(1.1)	$(6.5)	($3.4)	($6.6)
Lost Revenue Recovery Adjustment	$0.0	$0.0	$0.0	$1.4	$1.4
Total adjustment	**$4.4**	**$(1.1)**	**($6.5)**	**($2.0)**	**($5.2)**

(in millions)	Q1	Q2	Q3	Q4	YTD 2013
Sales Normalization Adjustment	$4.0	$(2.1)	$(0.7)	$0.7	$1.9
Lost Revenue Recovery Adjustment	$0.0	$1.8	$0.6	$0.6	$3.0
Total adjustment	**$4.0**	**$(0.3)**	**$(0.1)**	**$1.3**	**$4.9**

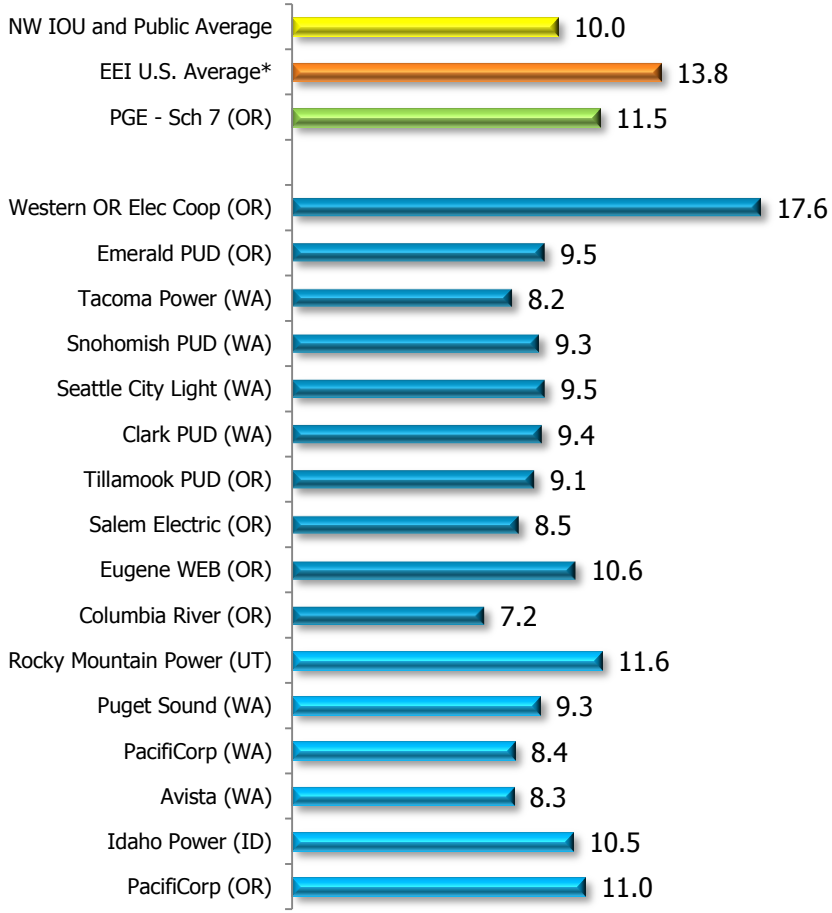
Note: refund = (negative) / collection = positive

Average Retail Price Comparison

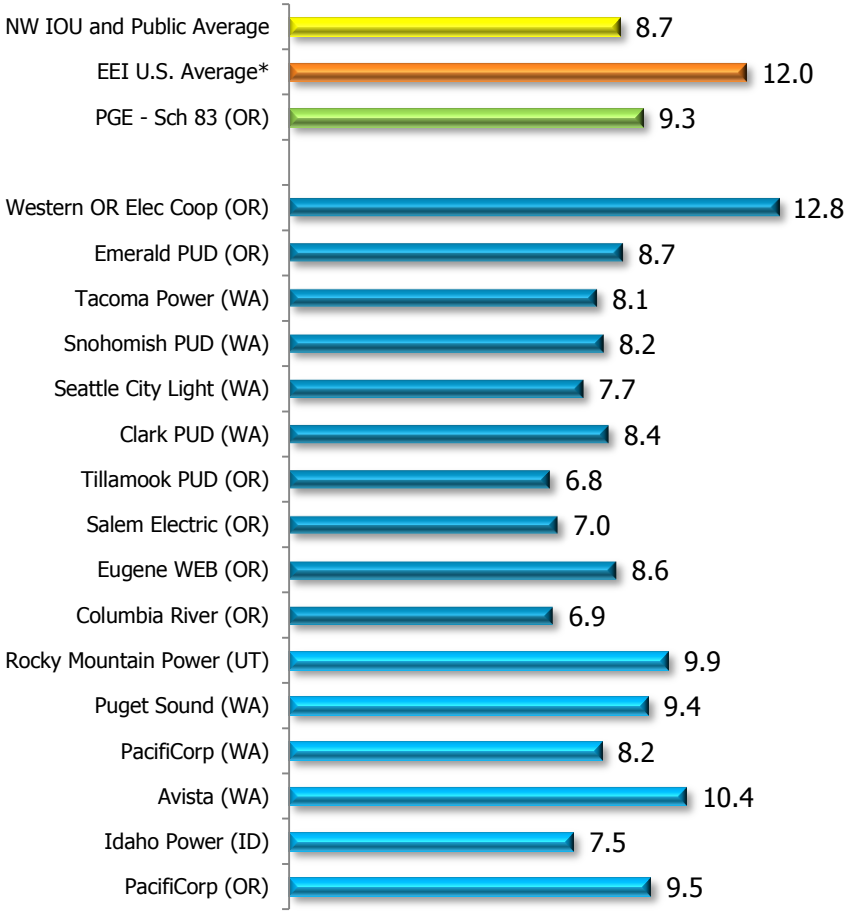
Residential and Commercial – Summer 2014

Portland General Electric

Residential Electric Service Costs
Northwestern Investor-Owned and Public Utilities
1,000 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.

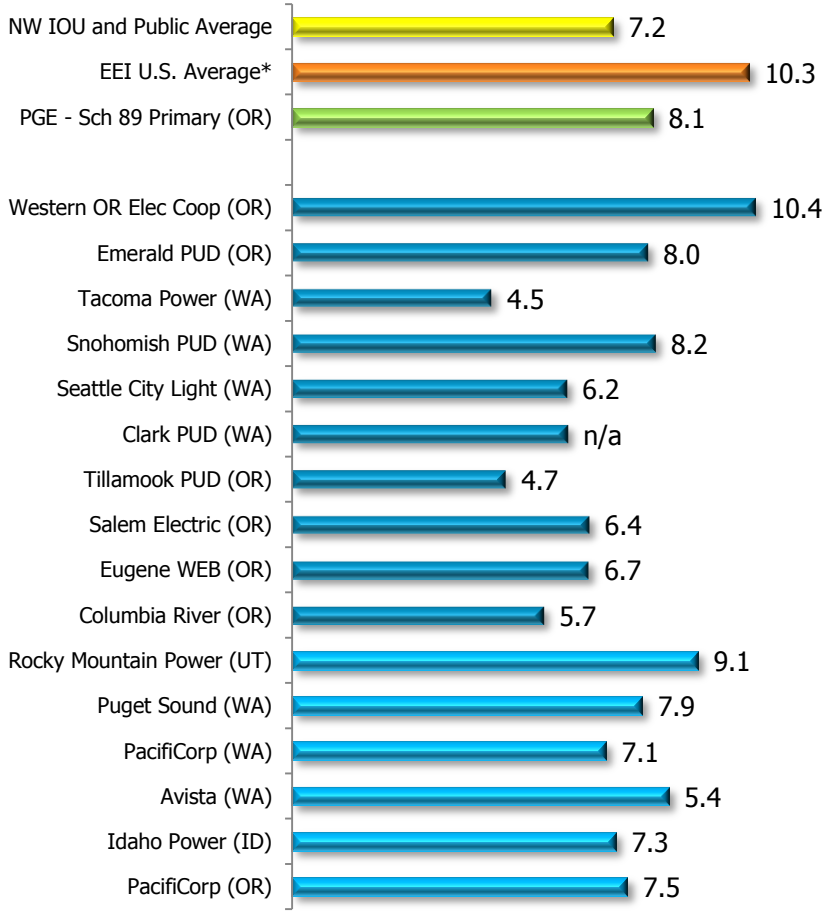
Average Retail Price Comparison

Small and Large Industrial – Summer 2014

Portland General Electric

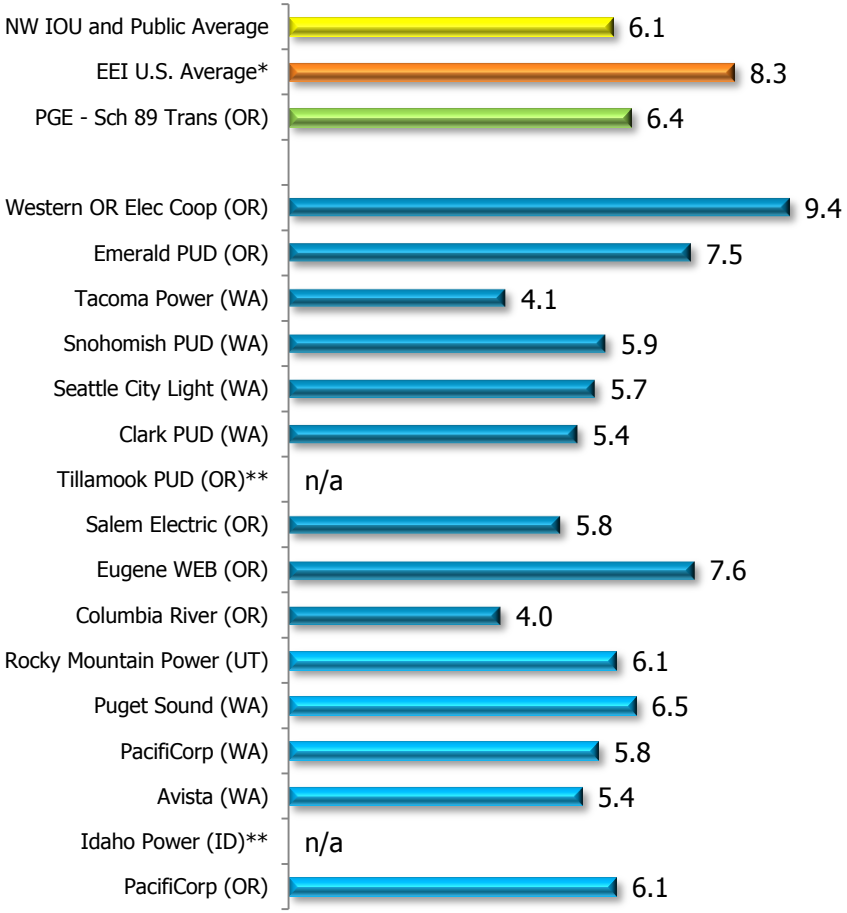
Small Industrial Electric Service Prices Northwestern Investor-Owned and Public Utilities

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)



* 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.