



PGE Responds to OPUC Order on Trojan Costs

PORTLAND, Ore., Sep 30, 2008 (BUSINESS WIRE) -- The Oregon Public Utility Commission (OPUC) today ordered Portland General Electric (PGE) (NYSE:POR) to refund \$33.1 million to customers. The refund relates to amounts PGE collected under OPUC-approved prices on the unrecovered balance of the utility's investment in the Trojan Power Plant.

"I can appreciate what a tough, incredibly complex challenge the commission faced in sorting out 13 years of multiple regulatory proceedings and lawsuits," PGE CEO and President Peggy Fowler said. "Throughout this process PGE has followed the OPUC's orders for Trojan cost recovery, and we're pleased that they've determined the company's rates were just and reasonable. However, the refund order is disappointing. PGE and its investors have already written off \$42 million of the Trojan investment and our customers benefited both from reduced power costs after we shut Trojan down and from the commission's 1995 decision to spread cost recovery over a period of years."

With OPUC approval, PGE decided to shut down the Trojan plant in 1993 after a least-cost planning analysis determined that the cost to customers of closing the plant and recovering the utility's investment would be less than the cost of continued operation of the plant for the remainder of its planned lifespan.

In 1995 the OPUC ordered PGE to write off \$37 million (after tax) of its remaining investment in the Trojan plant, but determined that the law allowed PGE to recover the balance of the investment. To maintain price stability, the commission ordered PGE to collect the balance as part of the utility's prices over the remainder of Trojan's planned lifespan, with an end-date of 2011, and allowed the company to collect a return on the unrecovered balance. Customer advocates appealed the decision in court, and a settlement between PGE, commission staff and the Citizens' Utility Board, approved by the OPUC in 2000, removed the rest of the Trojan balance from the company's books. Part of the settlement required PGE to write off an additional \$5 million (after tax).

Later court decisions said that while recovery of the Trojan investment was legal, it was not legal for the OPUC to authorize collection of a return on the unrecovered balance. The courts sent the issue back to the OPUC to determine if the prices customers paid for electricity were too high as a result of the commission's previous decisions, and if so what -- if anything -- needed to be done to fix the problem.

About Portland General Electric Company

Portland General Electric, headquartered in Portland, Ore., is a vertically integrated electric utility that serves approximately 813,000 residential, commercial and industrial customers in Oregon. Visit our Web site at www.PortlandGeneral.com.

Safe Harbor Statement

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 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. 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 Form 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.

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Source: Portland General Electric Company

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