2011 Utility CFO Day

D.A. Davidson & Co.

May 26, 2011

Portland General Electric

Cautionary Statement

Information Current as of May 5, 2011

Except as expressly noted, the information in this presentation is current as of May 5, 2011 — the date on which PGE filed its Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2011 — 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

This presentation contains statements that are "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 regarding the future impact of Senate Bill 408; statements regarding future capital expenditures; statements regarding future financings and PGE's access to capital and cost of capital; statements regarding PGE's future liquidity and anticipated collateral roll-off; statements regarding the cost, completion and benefits of capital projects; statements regarding future generation and transmission projects, including those set forth in the Company's Integrated Resource Plan; statements concerning future operation of the Company's Boardman coal plant; as well as other statements containing words such as "anticipates," "believes," "intends," "estimates," "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 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 market 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; unforeseen problems or delays in completing capital projects, resulting in the failure to complete such projects on schedule or within budget; 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 statements, except as required by law. 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.

Portland General Investment Highlights

"Pure-play" electric utility

- Vertically integrated, regulated electric utility
- Attractive service territory and constructive regulatory dialogue
- Regulated ROE of 10.0%

Operational excellence

- Diversified, high-performing generation portfolio
- Well-managed power supply operations
- High quality, well-maintained T&D system
- Strong overall customer satisfaction

Low-risk growth plan

- Significant regulated capital investments as identified in the Integrated Resource Plan drive rate base growth
- Natural gas-fired generation, transmission, and renewable resource investment opportunities
- Track record of completing projects on time and within budget

Prudent financial strategy

- Investment grade ratings of BBB / Baa2 (unsecured)
- Target capital structure: 50% debt, 50% equity
- Focus on maintaining a strong balance sheet and adequate levels of liquidity

Stability:

Dividend Yield

Attractive total return proposition

Growth:

Earnings Per Share

Portland General Strategic Direction

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

Operational Excellence

- Customer satisfaction
- Operational efficiency
- Power supply, system reliability and service quality
- Achieve allowed ROE
- Engage and develop our people

Business Growth

- Strategic system investments
- Encourage economic vitality
- Capitalize on emerging technologies

Corporate Responsibility

- Listen and lead in public policy
- Trusted convener for customers and stakeholders
- Continued commitment to the Oregon community

Deliver Value to Customers and Shareholders

Portland General Electric

2010 Accomplishments

Regulatory Processes

2011 General Rate Case

- Completed General Rate Case based on forward test year with prices effective January 1, 2011
- Outcome provides PGE with the opportunity to earn a competitive return

2009 Integrated Resource Plan

- Acknowledged by the Oregon Public Utility Commission
- Issuing three separate RFPs for additional renewables, capacity and baseload resources

Boardman 2020 Plan

- Approved by the Oregon Environmental Quality Commission and is now before the Environmental Protection Agency for approval
- Plan provides for plant to discontinue burning coal at the end of 2020

Operational Excellence

Biglow Canyon Wind Farm

- Completed final phase of 450 MW Biglow Canyon Wind Farm on time, under budget and fully in customer prices

Smart Meters

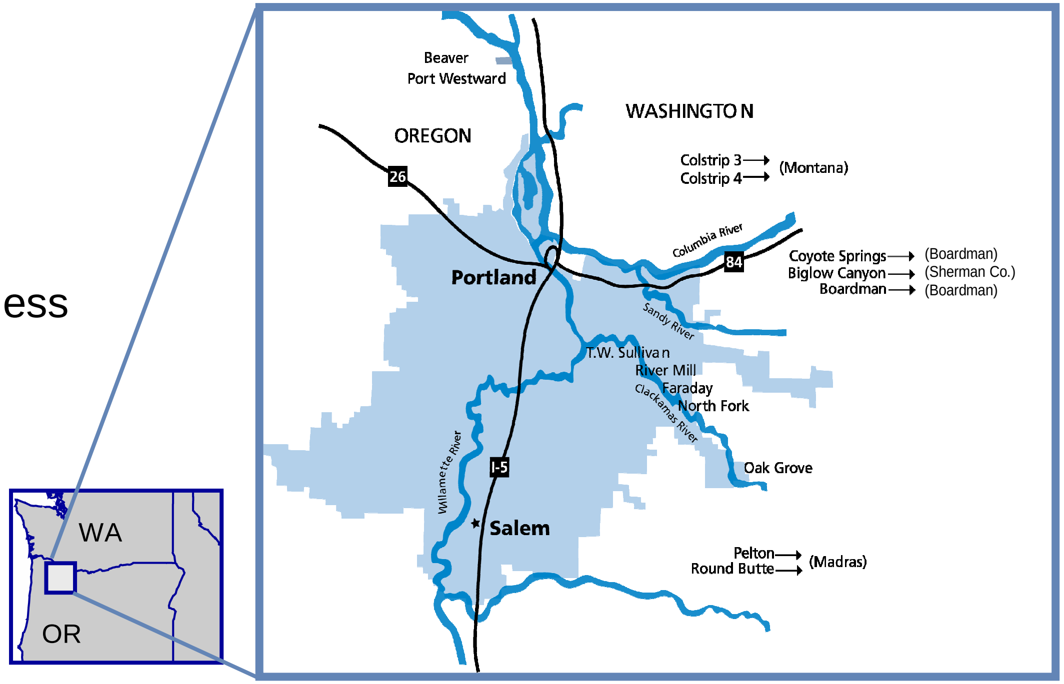
- Completed installation of 825,000 smart meters

Selective Water Withdrawal

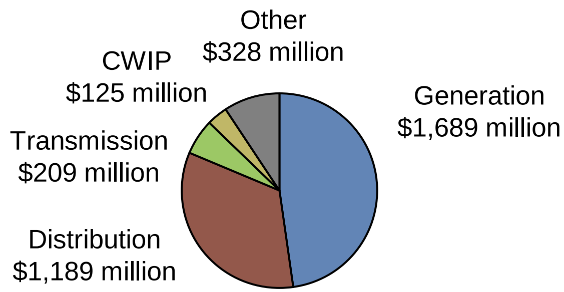
- Restoration of fish passage on the upper Deschutes River basin
- Received the 2010 Edison Award, the highest recognition in the industry

Attractive Regulated Business Profile

- Vertically integrated electric utility
  - Single state jurisdiction
  - Virtually 100% regulated business
  - No holding company structure
- Attractive, compact service territory with 821,193 retail customer accounts(1)
- Opportunities for investment in core utility assets
- Diversified and growing customer base



Net Utility Plant



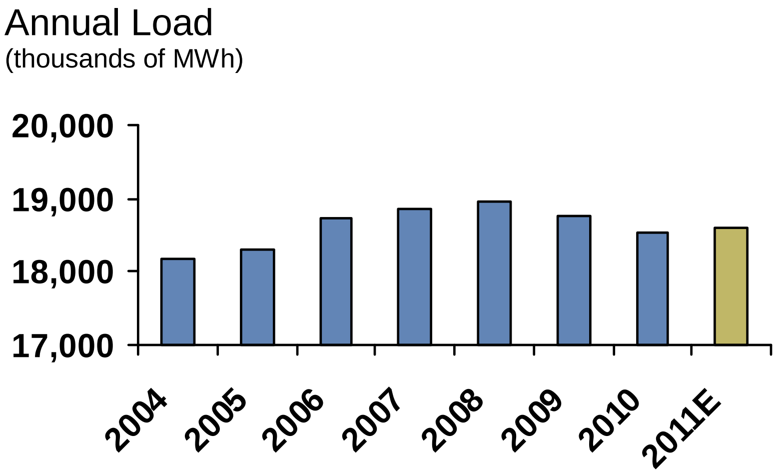
Net Utility Plant – $3,540 million(2)

Portland General Electric

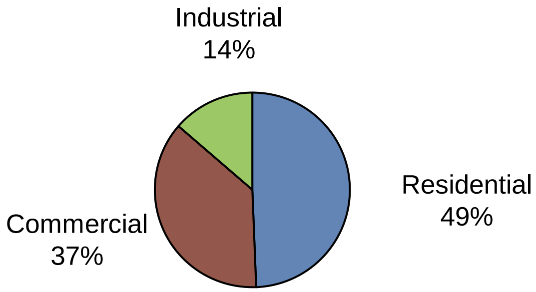
1) As of March 31, 2011.
2) Source: 2010 FERC Form 1.

Attractive Service Territory

Weather Adjusted Annual Load [1]



2010 Retail Revenues by Customer Group



Total = $1.7 Billion

2010 Load

- 2010 loads[2] declined 1.4% from 2009 loads[2]

Key Drivers:

- Declines in residential and commercial usage partially offset by increase in deliveries to certain high-tech, solar and other industrial manufacturing customers.
- Declines in weather-adjusted load attributable to effects of a weak economy and energy efficiency initiatives.

2011 Forecasted Load

- 2011 loads [3] are forecast to increase approximately 1% compared to 2010 loads[2]

Key Drivers:

- Modest load growth expected to be partially offset by our customers' energy efficiency efforts.

Long-term Load Growth

- Per 2009 IRP, long-term annual load growth forecast of 1.9% through 2030[4]

1) Adjusted for weather and certain industrial customers.
2) Adjusted for weather.
3) Based on a March 2011 forecast.
4) Per the November 2009 IRP (which has not been updated): PGE's forecasted 1.9% long-term annual load growth does not reflect new Energy Trust of Oregon (ETO) forecasted energy efficiency (EE) activities to the extent that they exceed historical levels embedded into the load forecast. Including all ETO forecasted EE activities, PGE's forecasted long-term annual load growth is 1.7%.

Portland General Electric

Constructive Regulatory Environment

- **Oregon Public Utility Commission**
  - Governor-appointed Commission with staggered four-year terms (John Savage 3/2013, Susan Ackerman 3/2012[1], Open [2])
- **Return on Equity & Capital Structure**
  - 10.0% allowed return on equity
  - 50% debt and 50% equity capital structure
- **Forward Test Year**
- **Net Variable Power Cost Recovery**
  - Annual Update Tariff
  - Power Cost Adjustment Mechanism: contains fixed deadbands and earnings test
- **Decoupling**
  - Per 2011 General Rate Case order, mechanism to continue through the end of 2013
- **Renewable Energy Standard**
  - Standard requires PGE to serve 25% of its retail load from renewable sources by 2025
- **Renewable Adjustment Clause (RAC)**
  - PGE can recover costs of renewable resources through a separate tracking mechanism
- **Integrated Resource Plan**
  - OPUC “Acknowledgement” is standard
  - 2009 IRP: long-term analysis outlining 20-year resource strategy

1) Susan Ackerman appointed to fill out remainder of Lee Beyer’s term effective March 1, 2010.
2) Ray Baum, Chairman of the OPUC since March 2010, resigned effective January 16, 2011 to accept a position as a senior policy advisor to the chairman of the House Subcommittee on Communications & Technology in DC; no successor or chair has been named.

Portland General Electric

Operational Excellence

Operational Efficiency

- Ongoing capital investments to improve quality of service, reduce costs and generate adequate shareholder return
- Smart Meter Program
  - Capex: $142 million
  - Projected annual operational savings of $18 million

Customer Satisfaction

- Top decile customer satisfaction rankings with general business customers
- Top quartile customer satisfaction rankings with residential and large industrial customers
- U.S. Department of Energy's Utility Green Power Program of the Year Award

PGE

Well Maintained, High-Quality System

- PGE-operated generating plants were at 98% availability in first three months of 2011
- On-going infrastructure
  - Spent more than $800 million in transmission, distribution, and existing generation during the last 5 years

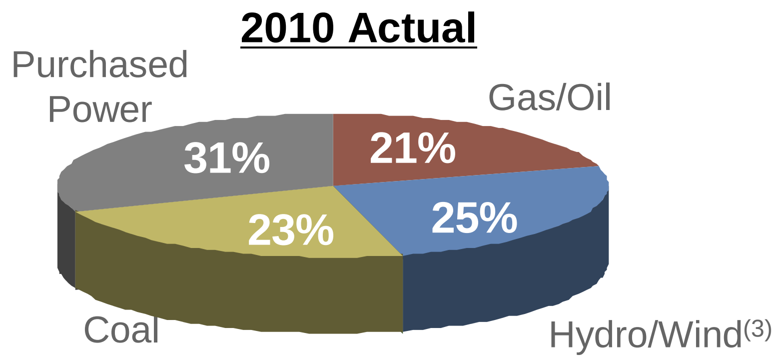
Portland General Electric

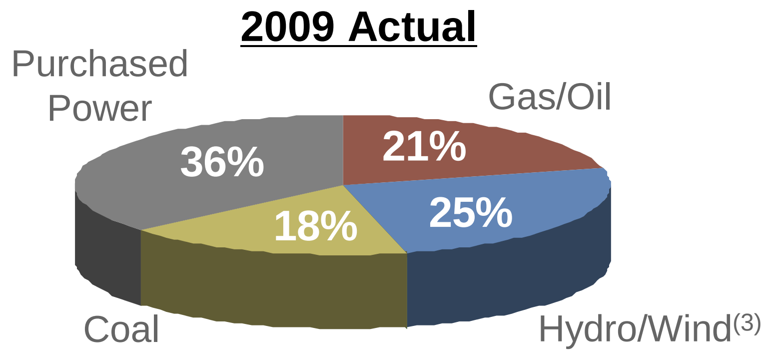
Operational Excellence

Resource Capacity (at 12/31/10) [1]

	Capacity	% of Total Capacity
Hydro		
Deschutes River Projects	298 MW	6.2%
Clackamas/Willamette River Projects	191	3.9
Hydro Contracts	657	13.6
	1,146	23.7
Natural Gas/Oil		
Beaver Units 1-8	516 MW	10.6%
Coyote Springs	231	4.8
Port Westward	410	8.5
	1,157	23.9
Coal		
Boardman	374 MW	7.7%
Colstrip	296	6.1
	670	13.8
Wind[2]		
Wind Contracts	44 MW	0.9%
Biglow Canyon Phase I, II, & III	159	3.3
	203	4.2
Net Purchased Power		
Short-/Long-term	1,664 MW	34.4%
Total	**4,840 MW**	**100.0%**

Power Sources as % of Total System Load



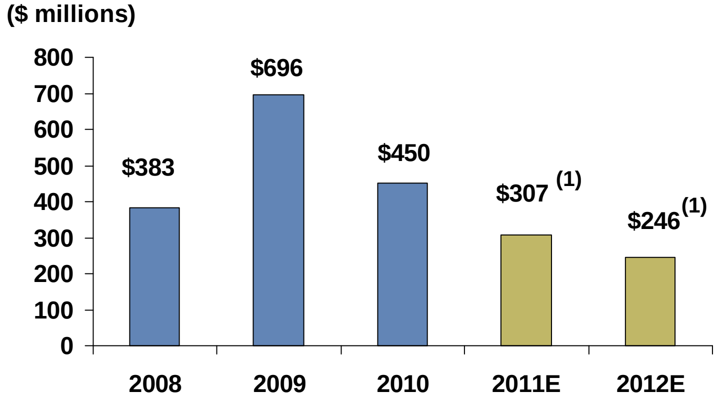


1) Capacity of a given plant represents the megawatts the plant is capable of generating under normal operating conditions, net of electricity used in the operation of the plant.
2) Wind generation from contracts and Biglow is expressed in average megawatts. Biglow's capacity reflects the weighted average capacity factor for all three phases of the project.
3) Includes PGE owned and purchased hydro and wind resources.

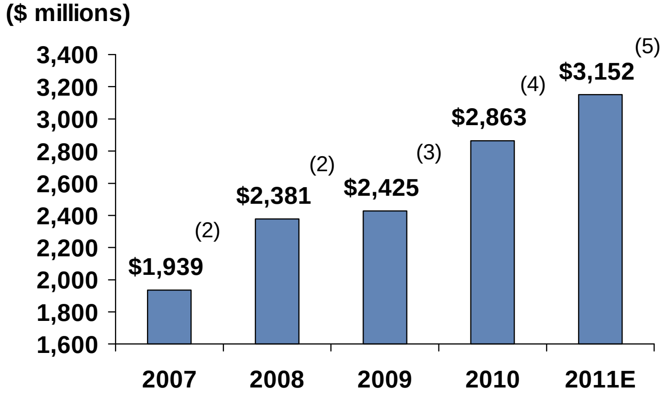
Portland General Electric

Business Growth

Capital Expenditures



Rate Base (Average)



- 2011 capital expenditures are expected to be fully funded by cash from operations
- Attractive, near-term regulated growth opportunities through capital investment focused on renewable resources and core utility assets. Significant new capital investments expected to be funded through cash from operations and issuances of debt and equity, with a targeted capital structure of 50/50.

1) Does not include capital spending associated with Cascade Crossing or the RFP generation projects outlined in our IRP Action Plan.
2) As filed in the OPUC regulatory Results of Operations Report.
3) Includes 2009 General Rate Case average rate base of $2.278 billion plus Biglow Canyon Phase II and Smart Meter project.
4) Includes 2009 General Rate Case average rate base of $2.278 billion plus Biglow Canyon Phase II & III, Smart Meter and Selective Water Withdrawal projects.
5) The $3.152 billion in average rate base does not include four projects that will be completed in 2011. PGE filed a deferred accounting application for 2011 and expects to file a deferred accounting application in 2012, recovery for both filings is subject to an earnings test.

Portland General Electric

Business Growth: Biglow Canyon

Biglow Canyon Wind Farm

- Columbia Gorge, eastern Oregon
- 450 MW total installed capacity
- Total cost approximately $1 billion
- Completion of Biglow Canyon Phase III brings PGE's ability to supply 10% - 11% of its 2011 retail load with Oregon RES qualified resources

	Phase I	Phase II	Phase III
Nameplate Capacity	125 MW, 76 turbines	150 MW, 65 turbines	175 MW, 76 turbines
MW per unit	1.65 Megawatts	2.3 Megawatts	2.3 Megawatts
Cost (w/AFDC)	$255 million	$321 million	$385 million
Online date	December 2007	August 2009	August 2010
Vendor	Vestas	Siemens	Siemens

Portland General Electric

Business Growth: General Rate Case

- General rate case filed in February 2010 based on a 2011 test year
- December 2010, OPUC issued a final order in PGE's 2011 General Rate Case

	Final Order
Revenue Increase	– $65 million
Net Revenue Increase (1)	– 3.9% effective January 1, 2011
2011 Average Rate Base	– $3.152 billion
ROE & Capital Structure	– 10.0% ROE and 50/50 capital structure
Power Cost Adj. Mech.	– Deadband narrowed and fixed at $30 million above and $15 million below NVPC baseline – 90/10 sharing outside of deadbands – Earnings test continued
Boardman Auto. Adj. Clause	– Tariff provides recovery of Boardman's net book value over shorter life
Decoupling	– Continue with current mechanism through end of 2013

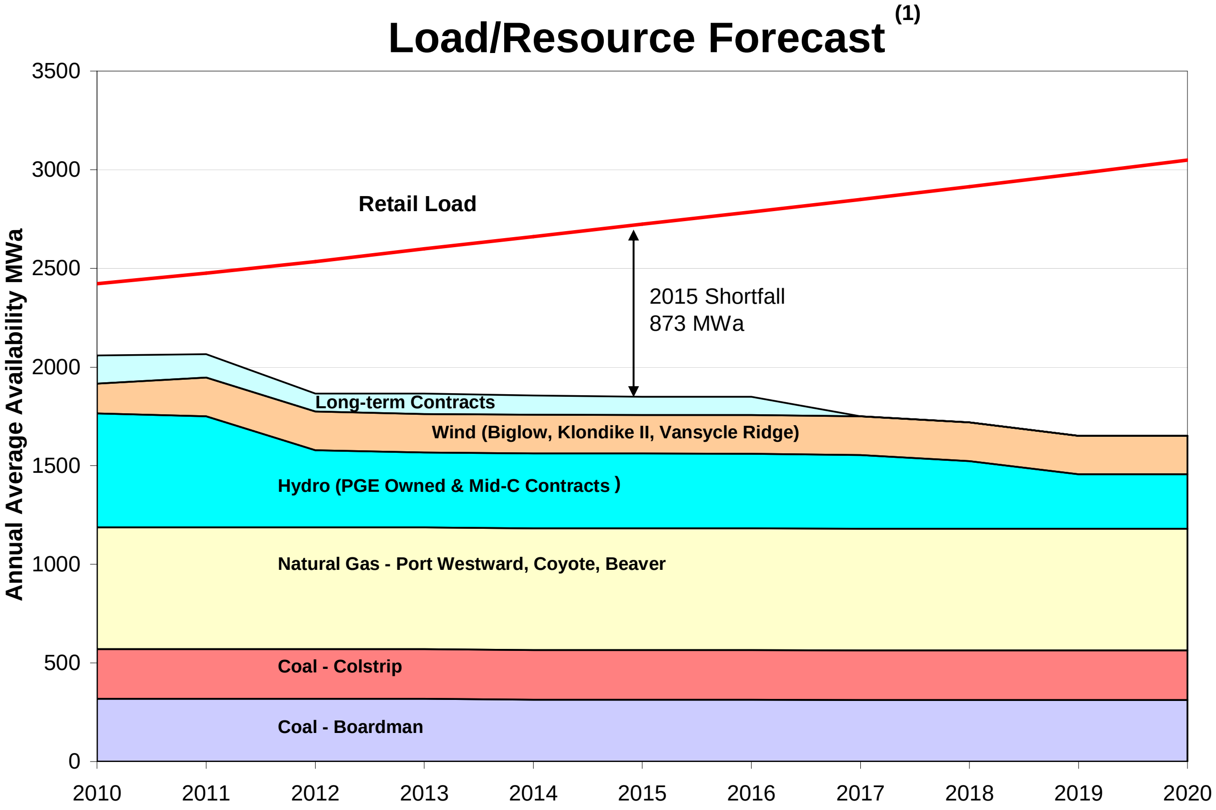
1) Initially requested a rate increase of 7.4% which was comprised of a 9.4% increase related to Investment and O&M costs offset by a 2% reduction related to decreased power costs. The stipulated rate increase of 3.9% is comprised of a 6.3% increase related to Investment and O&M costs partially offset by a 2.4% reduction related to decreased power costs.

Portland General Electric

Business Growth: Load & Resource Forecast

Load Growth

- PGE's long-term retail load is expected to grow consistently while certain long-term power purchase contracts expire, driving the need for additional generation capacity.
- In 2015 we project an energy and capacity shortfall of 873 MWa and 1,724 MW, respectively.



1) Load/Resource Forecast Data from 2009 Integrated Resource Plan. Data has not been updated since initial filing in November 2009

Business Growth: 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
- The goal is to obtain OPUC acknowledgement of the IRP. Acknowledgement is not approval for rate-making purposes, but the Commission has stated that it will give "considerable weight" to utility actions that are consistent with the acknowledged IRP

2009 Integrated Resource Plan

- November 2010 PGE received acknowledgement of IRP originally filed in November 2009
- OPUC directed PGE to file its next IRP no later than November 2012 and to:
  - Include a updated cost benefit analysis of Cascade Crossing
  - Provide information regarding the ability of customers to respond to high demand periods by curtailing use
  - Consider potential savings from operating distribution system in lower portion of acceptable voltage ranges
  - Address cost and impacts of integrating variable wind generation into PGE's system
  - Evaluate alternatives to physical compliance with RES requirements, such as the use of Renewable Energy Credits

Portland General Electric

Business Growth: Integrated Resource Plan (cont'd)

- Resource requirements include expansion of energy efficiency, additional renewable resources, purchased power agreements and new facilities to meet energy and capacity needs.
- Potential capital projects:
  - Flexible peaking supply
  - Renewable resources
  - Baseload combined cycle combustion turbine
  - Emission controls & retrofit at Boardman
  - Cascade Crossing Transmission Project

Portland General Electric

Business Growth: Integrated Resource Plan (cont'd)

- PGE plans to conduct three "Request For Proposals" (RFPs) and expects to bid into each RFP with its own self-build option

New Capacity Resource

- Up to 200 MW natural gas fired facility
  - Approximate capital cost: $1,100 - 1,400/kw
- Two purchased power agreements
  - Approximately 200 MW of bi-seasonal (winter and summer peaking supply)
  - Approximately 150 MW of winter-only peaking supply
- RFP to be issued: mid-2011
- Resources available in 2013 -2015 timeframe

New Renewables Resources

- 120 MWa of renewable energy(1)
- Wind/Solar/Biomass/Other
- Assist in meeting Oregon's Renewable Energy Standard of 15% by 2015
- Approximate capital cost: $2,200 - 4,100/kw
- RFP to be issued: late 2011 – early 2012 timeframe
- Earliest date resource available: 2013

New Energy Resource

- 300-500 MW natural gas facility
- Approximate capital cost: $1,300 - 1,400/kw
- RFP to be issued: latter half of 2011
- Earliest date resource available: 2015

1) If the renewable resource is a wind project the name plate MW size would be approximately 330 MWs using a 36% capacity factor.

Portland General Electric

Business Growth: Integrated Resource Plan (cont'd)

Emission Controls at the Boardman Coal Plant

- December 2010 Oregon Environmental Quality Commission (OEQC) approved revised Best Available Retrofit Technology (BART) rules.
- Under the revised rules, PGE would:
  - Use lower sulfur coal to fire the plant's boiler
  - Install low NOx burners and modified over-fired air ducts by July 2011
  - Install dry sorbent injection systems (DSI) to address SO_2 and mercury
    - Contingent upon successful pilot testing:
      - PGE would meet a 0.4 lb SO2/MMBtu limit using DSI by July 2014
      - PGE would meet a 0.3 lb SO2/MMBtu limit using DSI by July 1, 2018
  - Cease coal-fired operations no later than December 31, 2020
- Revised BART rules are subject to U.S. Environmental Protection Agency (EPA) approval expected by June 2011. (1)
- Total costs of proposed Boardman emissions controls is approximately $60 million (2)

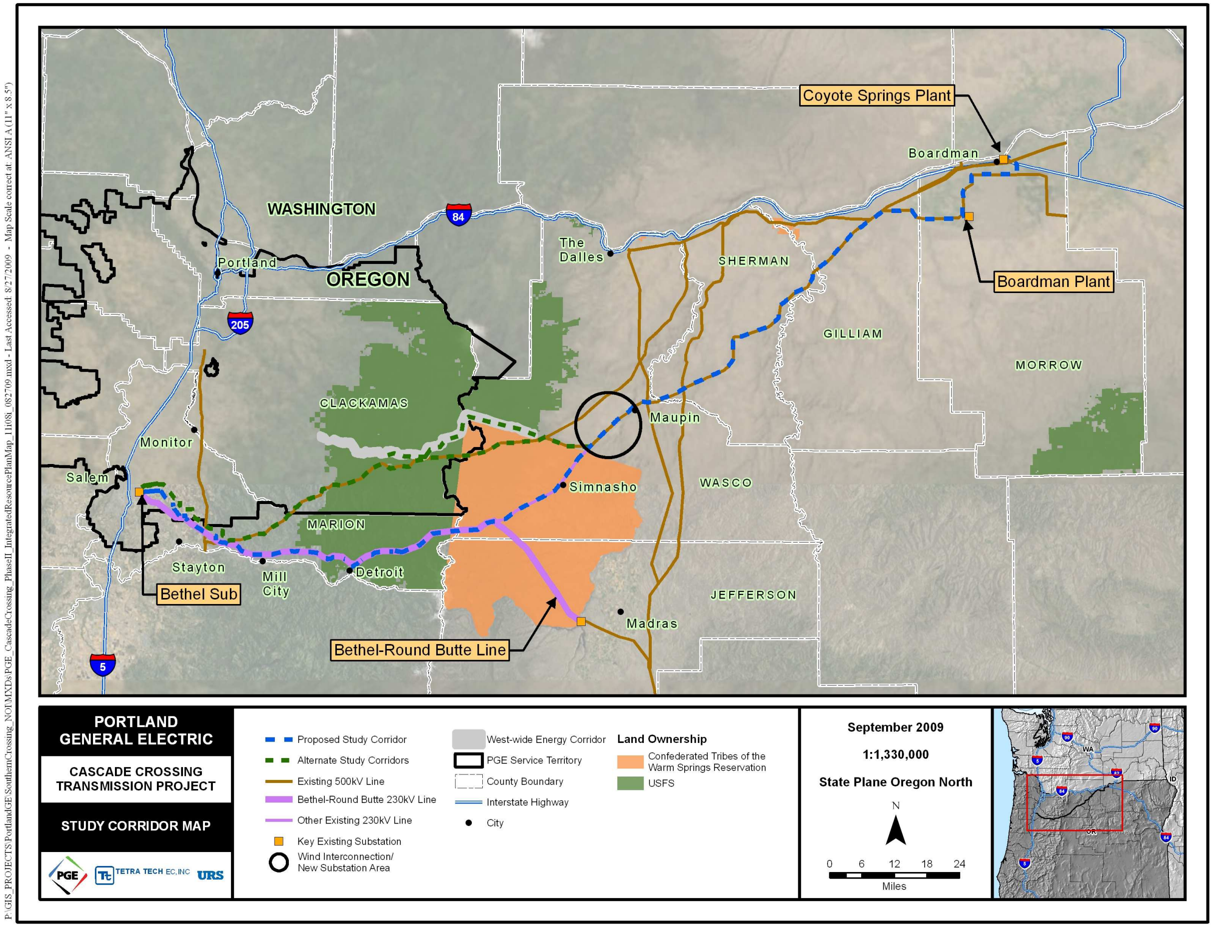
1) On April 4, 2011, PGE submitted an advice filing to the OPUC requesting recovery of increased depreciation expense reflecting a change in the retirement date of Boardman from 2040 to 2020 and decommissioning costs of the plant, all of which is contingent upon EPA approval of the State Implementation Plan. The filing is expected to have an effective date of July 1, 2011. The filing does not include the additional costs of emissions controls, which will be addressed in a separate deferral filing.

2) Mercury controls expected to be installed in 2011 at a total estimated cost of $7 million

Business Growth: Integrated Resource Plan (cont'd)

Cascade Crossing Transmission Project

- 500 kV double circuit, approximately 200 miles
- Connect Boardman, Coyote Springs, potential new baseload and renewable energy resources into the southern part of PGE's operating area
- Provide transmission access for development of new potential wind resources
- Reduce transmission congestion
- Signed Memorandums of Understanding (MOUs) with BPA, PacifiCorp, Idaho Power, and Confederated Tribes of Warm Springs
- Approximate capital cost ranges from $800 million to $1 billion (2011 dollars)
- Estimated in-service date: 2015



Portland General Electric

Prudent Financial Strategy

Target Capital Structure 50% Debt, 50% Equity

2011 Financing Activity

- January 2011, redeemed and retired $10 million Port of St. Helens pollution control revenue bonds

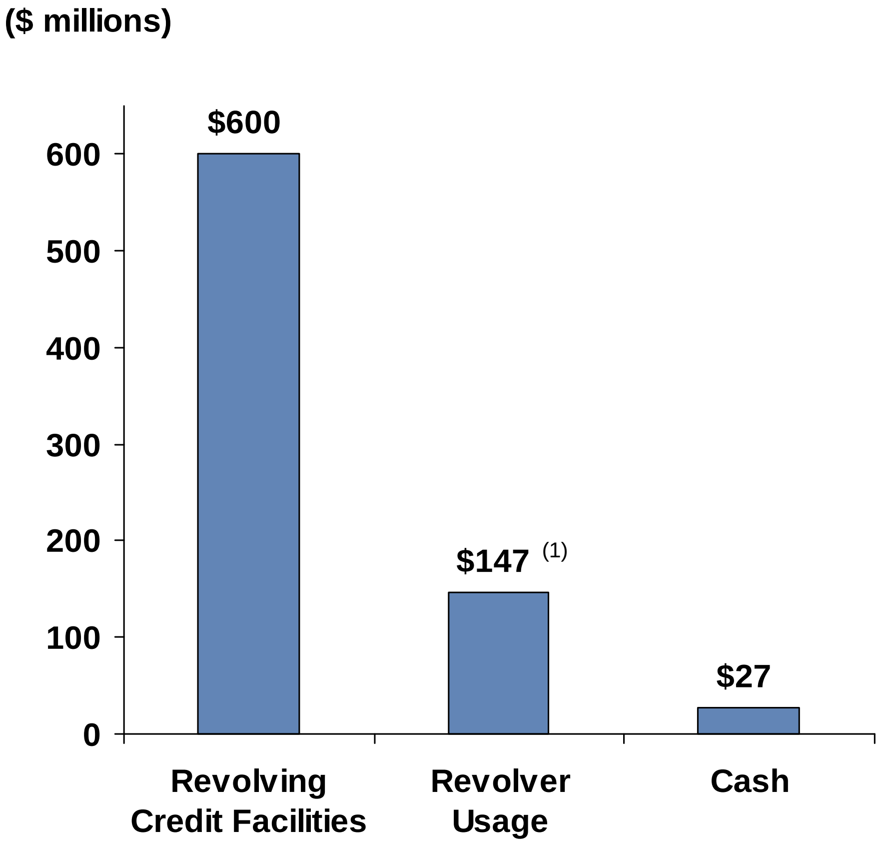
Future Financing

Debt & Equity Issuance

- For 2011, the company expects to meet capital requirements with cash from ongoing operations, with no issuances of long-term debt or equity expected
- For 2012 and beyond, timing of future debt and equity issuances will depend on a number of factors, such as, capital requirements related to the outcomes of the IRP RFPs, cash flow, and market conditions

Prudent Financial Strategy

Liquidity (as of 3/31/11)

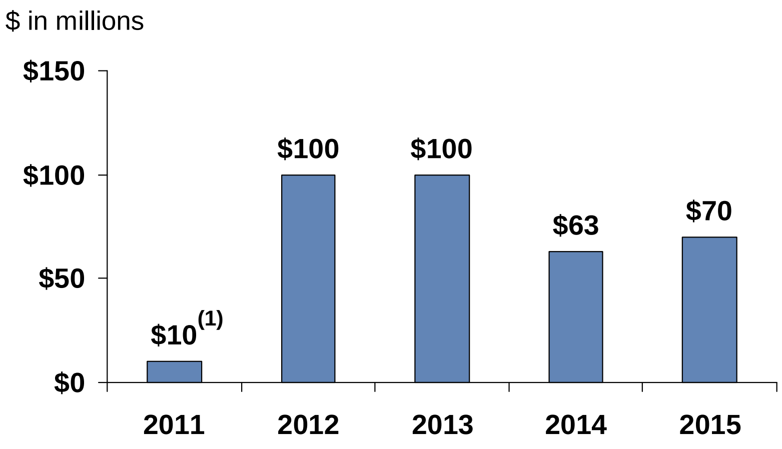


- $370 million revolving credit facility
  - $10 million matures in July 2012
  - $360 million matures in July 2013
- $200 million revolving credit facility matures in December 2012
- $30 million revolving credit facility matures in June 2013
- As of March 31, 2011 PGE posted collateral of $206 million (2)
  - Margin deposits create a cash flow timing difference but have minimal impact on earnings
  - Collateral roll-off (3)
    - Approximately 57% in 2011
      - $87 million letters of credit
      - $30 million cash
    - Approximately 30% in 2012
      - $38 million letters of credit
      - $25 million cash

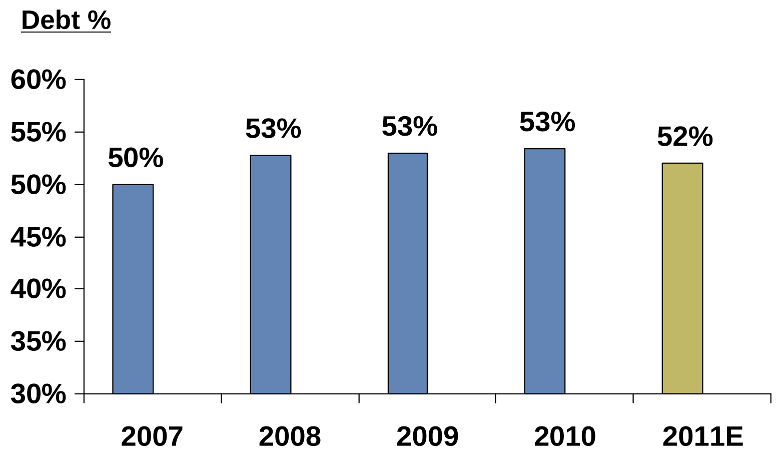
1) On March 31, 2011, there were no draws on the revolver: represents $147 million of letters of credit
2) Consists of $80 million in cash and $126 million in letters of credit.
3) Assumes market prices remain unchanged from March 31, 2011.

Prudent Financial Strategy

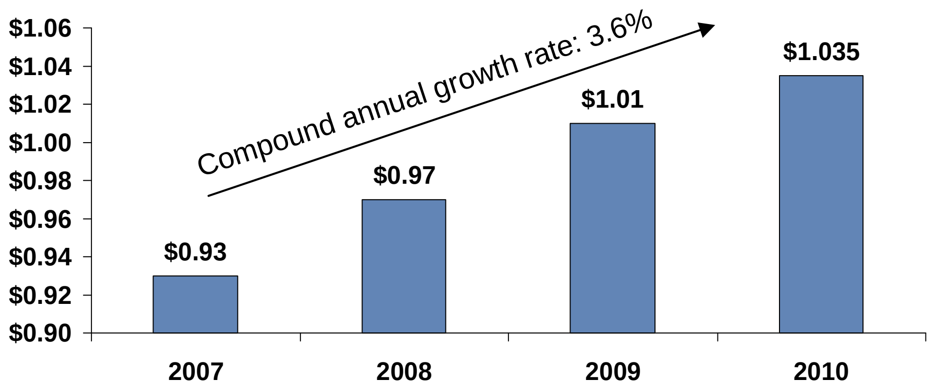
Manageable Near-term Debt Maturities



Debt/Capitalization



Dividend Growth (2)



Credit Ratings

	Senior Secured	Senior Unsecured	Outlook
S&P	A-	BBB	Stable
Moody's	A3	Baa2	Stable

1) January 2011, PGE redeemed and retired $10 million Port of St. Helens pollution control revenue bonds outstanding.
2) Dividends declared: compound annual growth rate from 2007 – 2010.

Portland General Investment Highlights

"Pure-play" electric utility

Operational excellence

Low-risk growth plan

Prudent financial strategy

Stability:

Dividend Yield

Attractive total return proposition

Growth:

Earnings Per Share

Portland General Electric

Investor Relations Contact Information

William J. Valach
Director, Investor Relations
503-464-7395
William.Valach@pgn.com

Emilie L. Witkowski
Analyst, Investor Relations
503-464-8586
Emilie.Witkowski@pgn.com

Portland General Electric Company
121 S.W. Salmon Street
Suite 1WTC0403
Portland, OR 97204

www.PortlandGeneral.com

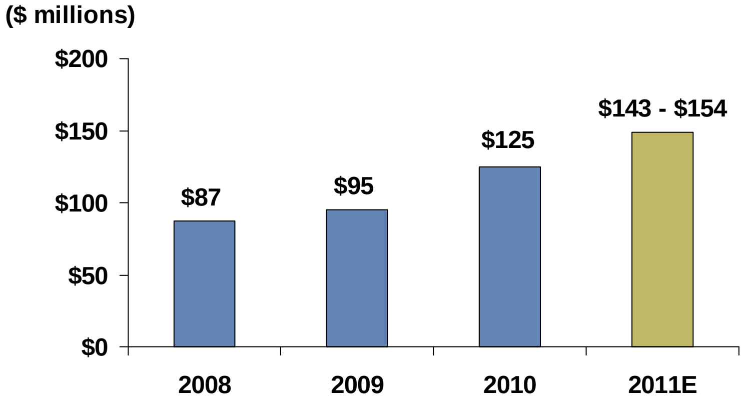
Portland General Electric

Appendix

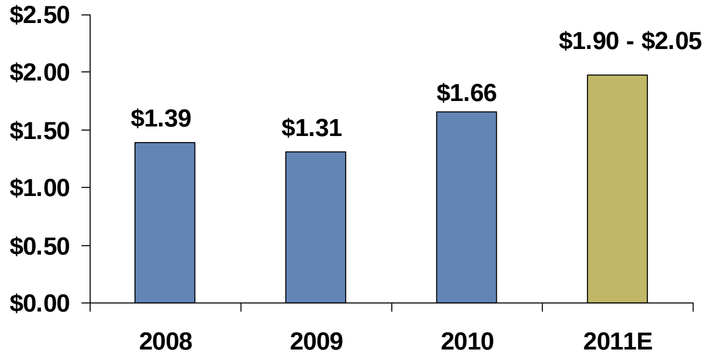
Table of Contents

Recent Financial Results

Net Income



Earnings per Share (diluted)



Key Items ($ earnings per diluted share)

2008

- Trojan Refund Order Provision (-$0.32)
- Non-qualified benefit plan assets (-$0.19)
- Beaver oil sale (+$0.10)
- Senate Bill 408 (-$0.10)

2009

- Boardman Deferral (-$0.15)
- Selective Water Withdrawal (-$0.05)
- Non-qualified benefit plan assets (+$0.07)
- Senate Bill 408 (-$0.11)

2010

- Non-qualified benefit plan assets (+$0.04)
- Senate Bill 408 (+$0.04)
- Strong power supply operations partially offset by milder weather and continued effects of a weak economy

2011

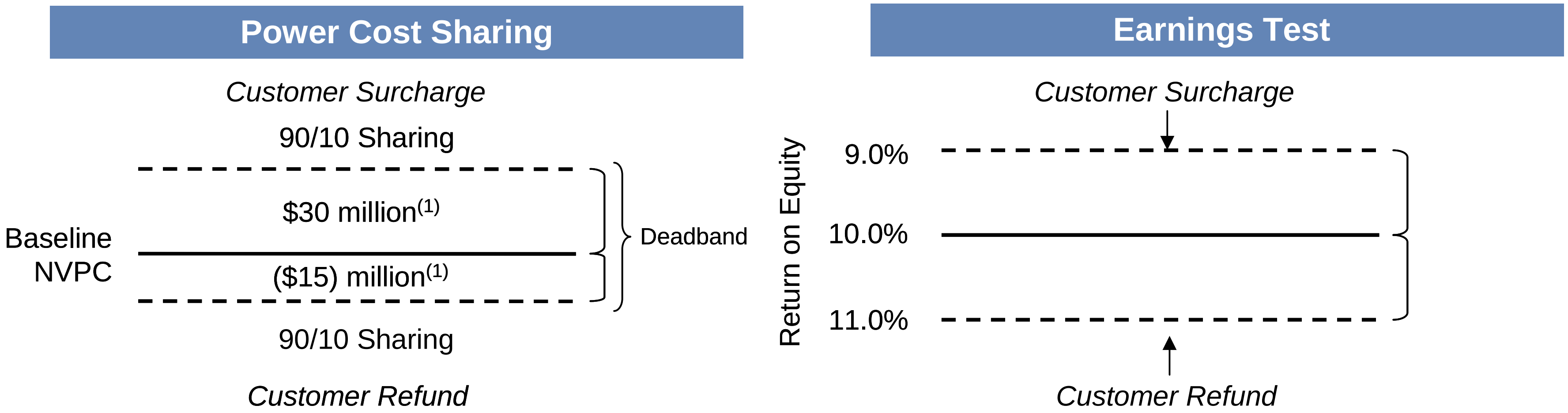
- May 5, 2011, increased 2011 earnings guidance from $1.80 to $1.95 per diluted share to $1.90 to $2.05 per diluted share.

Recovery of Power Costs

Annual Power Cost Update Tariff

- Annual reset of rates based on forecast of net variable power costs (NVPC) for the coming year
- Following OPUC approval, new prices go into effect on or around January 1 of the coming year

2011 Power Cost Adjustment Mechanism (PCAM)



- PGE absorbs 100% of the costs/benefits within the deadband, and amounts above or below the deadband are shared 90% with customers and 10% with PGE
- An annual earnings test is applied as part of the PCAM
  - Customer surcharge occurs to the extent it results in PGE's actual regulated ROE being no greater than 9.0%
  - Customer refund occurs to the extent it results in PGE's actual regulated ROE being no less than 11.0%
- YTD Q1 2011: PGE's net variable power costs were $19 million below the baseline

1) Per OPUC's 2011 General Rate Case Order, deadband ranges are fixed and no longer represent 75 – 150 basis points of ROE.

Decoupling Mechanism

- The decoupling mechanism is intended to allow recovery of reduced revenues due to a reduction in sales of electricity resulting from customers' energy efficiency and conservation efforts
- Includes a Sales Normalization Adjustment mechanism (SNA) for residential and small non-residential customers (≤ 30 kW) and a Lost Revenue Recovery mechanism (LRR), for large non-residential 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 projected 2011 base revenues
  - The LRR is based on the difference between actual energy-efficiency savings (as reported by the ETO) and those incorporated in the applicable load forecast. The LRR mechanism applies to approximately 29% of projected 2011 base revenues
- OPUC order in PGE's 2011 General Rate Case, authorized the continuation of the decoupling mechanism through December 31, 2013
- YTD Q1 2011, the net estimated customer collection of $0.5 million includes a true-up of approximately $1 million related to a customer collection for the 2010 decoupling mechanism

(in millions)	Q1	Q2	Q3	Q4	2011 YTD
Sales Normalization Adjustment	$0.4				$0.4
ROE Adjustment	-				$0.0
Loss Revenue Adjustment	$0.1				$0.1
Total adjustment	**$0.5**	**$0.0**	**$0.0**	**$0.0**	**$0.5**

Note: refund/surcharge = (negative)/positive

Portland General Electric

Decoupling Mechanism

Simplified Decoupling Example

Assumptions:

- Residential customer
- Monthly Kwh usage: 1,000
- Cost per Kwh: $0.10
- Weather adjusted decrease in monthly usage: 10%
- PGE cost structure: 50% power costs and 50% all other costs

Analysis:

Base monthly bill:	1,000 x $0.10 = $100
Revised monthly bill due to energy efficiency and/or conservation:	900 x $0.10 = $ 90
Reduction in revenue from customer	= $ 10

PGE cost structure of lost revenue:

- $5 in power costs
- $5 in all other costs (fixed costs)

Financial impact on PGE:

- Power costs: Approximately $0 earnings impact on PGE, assuming power sold on the market at PGE average cost in prices
- All other costs: Approximately $0 earnings impact due to $5 booked as a regulatory asset for future recovery from customers through the decoupling mechanism

Portland General Electric

Oregon Senate Bill 408

- Beginning January 1, 2006, a utility tax law, Oregon Senate Bill 408 (SB 408), requires the OPUC to track estimated income taxes collected by Oregon utilities in rates and compare this amount to adjusted taxes paid to taxing authorities by the utility or corporate consolidated group. The OPUC may establish deferral accounts to capture the difference
- SB 408 requires an annual rate adjustment if difference between taxes authorized to be collected by the utility and taxes paid by the utility to taxing authorities exceed $100,000
- Report for prior calendar year is filed in October with the refund or collection beginning in June of the following year
- Primary issue for PGE is the so called "double whammy" effect, due to the OPUC adopting a fixed reference point for margins and effective tax rates. The double whammy can result in unusual outcomes and increased financial volatility. The OPUC stated in the final order that it will be responsive to concerns related to the consequences of the double whammy problem, and may address those concerns in other regulatory proceedings
- Historical/expected outcomes:
  - 2006: Customer refund of approximately $37.2 million plus accrued interest
  - 2007: Customer collection of $14.7 million plus accrued interest
  - 2008: Customer refund of approximately $10 million plus accrued interest
  - 2009: Customer refund of approximately $8 million plus accrued interest
  - 2010: Company estimates a collection of less than $1 million, but has not recorded any amount (1)
  - 2011: Company estimates a collection of less than $1 million, but has not recorded any amount (1)

1) February 2011, OPUC issued temporary rules that are expected to have an impact on the Company's SB 408 calculation for 2010 & 2011 if they are adopted permanently. The OPUC is conducting a permanent rulemaking proceeding to replace the temporary rules, with a decision expected in the third quarter of 2011. Any amount ultimately recorded for 2010 and 2011 would be expected to be reflected in customer prices beginning June 1, 2012 and 2013, respectively.

Oregon Senate Bill 967 (Repeal of SB 408)

- In March 2011, Oregon Senate Bill 967 (SB 967) was introduced
  - SB 967 would repeal existing statutes governing the adjustment of public utility rates to account for differences in taxes paid by electricity and natural gas utilities and amounts collected from customers for taxes (collectively, known as 'SB 408'), effective with the 2010 calendar year
  - Under SB 967 the OPUC would continue to calculate and include incomes taxes, both current and deferred, when conducting ratemaking proceedings
- Status of Bill
  - April 20, 2011: Passed Oregon Senate
  - May 2, 2011: Passed "The Business & Labor Committee" in the Oregon House
  - May 12, 2011: Passed Oregon House
  - Waiting to be presented to governor for signature
    - Once presented, the governor has five business days to sign, but if presented during last five days of legislative session, he has thirty days to sign
- If signed by the governor, SB 967 would be effective with the 2010 SB 408 reporting year, and 2009 tax year would be the last year to which SB 408 would be applicable

Energy Action Plan

2009 Integrated Resource Plan – Energy	
Energy Action Plan in MWa (1)	
	2015
Thermal Resource Actions	
Combined Cycle Combustion Turbine	406
Combined Heat & Power	2
Boardman Lease Contract	-
Renewable & EE Resource Actions	
ETO Energy Savings Trust	214
Existing Contract Renewals	66
RPS Compliance	122
Biomass	-
Geothermal	-
Solar PV	-
To Hedge Load Variability	
Short and Mid-term Market Purchases	100
Subtotal (2)	909
(Surplus) / deficit met by market	(36)
Total Resource Actions	**873**

1) Data from Integrated Resource Plan Addendum filed in April 2010, which assumes normal hydro. Chart does not include updated renewables requirement decrease from 122 MWa to 120 Mwa.
2) Total does not foot due to rounding.

Capacity Action Plan

2009 Integrated Resource Plan – Capacity	
Capacity Action Plan in MW (1) (2)	
	Winter 2015
Thermal Resource Actions	
Combined Cycle Combustion Turbine	441
Combined Heat & Power	2
Boardman Lease Contract	-
Renewable & EE Resource Actions	
Existing Contract Renewals	167
RPS Compliance	18
Biomass	-
Geothermal	-
Solar PV	-
To Hedge Load Variability	
Short and Mid-term Market Purchases	100
Capacity Only Variability	
Flexible Peaking Supply	200
Customer-Based Solutions (Capacity Only)	
Dispatchable Standby Generation	67
Demand Response	60
Seasonally Targeted Resources	
ETO Capacity Savings Target	315
Bi-seasonal Capacity	202
Winter-only Capacity	152
Total Incremental Resources	**1,724**

1) Data from Integrated Resource Plan Addendum filed in April 2010, which assumes normal hydro.
2) Based on winter peak. Summer peak capacity action plan is 1,468 MW for 2015.

Renewable Energy Standard

Additional Renewable Resources

- Integrated Resource Plan addresses 120 MWa of wind or other renewable resources necessary to meet requirements of Oregon's Renewable Energy Standard by 2015

Renewable Energy Standard

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

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

- With the completion of Biglow Canyon Wind Farm, PGE has the ability to supply 10% - 11% of its 2011 retail load with Renewable Energy Standard qualified resources.

Estimated RES Position by Year [1]

- PGE expects to be in compliance with the 2015 renewable resource requirement with the addition of 120 MWa of renewables resources

	2011	2015	2020	2025
Calculate Renewable Resource Requirement:				
PGE retail bus bar load	2,442	2,624	2,886	3,179
Remove incremental EE	(16)	(86)	(135)	(135)
Remove Schedule 483 5-yr. load	(27)	(28)	(28)	(28)
A) Net PGE load	2,399	2,510	2,723	3,016
Renewable resources target load %	5%	15%	20%	25%
B) Renewable Resources Requirement	120	376	545	754
Existing renewable resources at Bus:				
Vansycle Ridge	8	8	8	8
Klondike II	26	26	26	26
Klondike II dedicated to PGE green tariff	-5	0	0	0
Sale of RECs	0	0	0	0
Biglow Canyon Phase I (year-end 2007)	48	48	48	48
Biglow Canyon Phases II and III (year-end 2008, 2010)	114	114	114	114
Post-1999 Hydro Upgrades	9	9	9	9
Pelton Round Butte LIHI Certification	50	50	50	50
C) Total Qualifying Renewable Resources	250	255	255	255
Compliance position & RECs banking:				
D) Excess/(deficit) RECs B4 new IRP Actions (C less B)	130	(122)	(290)	(499)
E) IRP Action Plan* - additional resources for 2015 compliance	0	122	122	122
F) Total PGE renewable resources (C plus E)	250	377	377	377
G) % of load served via RPS renewables (F divided by A)	10.4%	15.0%	13.9%	12.5%
H) Excess/(deficit) RECs after IRP Actions (D plus E)	130	-	(168)	(377)
I) Cumulative Banked RECs after IRP Actions	**709**	**1,408**	**1,185**	**200**
J) Cummulative Non-LIH Banked RECs after IRP Actions	**509**	**1,208**	**985**	**-180**
** Previously approved action from the 2007 IRP*				

1) In MWa; Chart disclosed in Integrated Resource Plan filed in November 2009. Chart does not include updated renewables requirement decrease from 122 MWa to 120 Mwa.

Portland General Electric

Smart Grid

Smart Meters

- Provides two-way communications with residential and commercial customers
- Vendor: Sensus Metering Systems
- Technology: FlexNet radio frequency technology
- Completed installation of 825,000 meters as of December 31, 2010
- Cost: $142 million
- OPUC approved limited term tariff: June 1, 2008 through December 31, 2010 that recovered the remaining investment in old meters. The 2011 General Rate Case includes project costs, net of savings in customer prices effective January 1, 2011

Distribution System

- Pursuing direct load control programs
- Optimizing distribution system through advanced technology

Portland General Electric