

Portland General Electric

Earnings Conference Call

Fourth Quarter and
Full Year 2016



Cautionary Statement

Information Current as of February 17, 2017

Except as expressly noted, the information in this presentation is current as of February 17, 2017 — the date on which PGE filed its Annual Report on Form 10-K for the year ended December 31, 2016 — 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 the expected capital costs for the Carty Generating Station and the recovery of those costs; 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.

Leadership Presenting Today

On Today's Call

- Financial performance
- Operational update
- Economy and customers
- Capital expenditures forecast
- 2016 Integrated Resource Plan (IRP)
- 2018 General Rate Case
- Financial update
- Earnings guidance

Jim Piro
President & CEO



Jim Lobdell
Senior VP
of Finance,
CFO & Treasurer

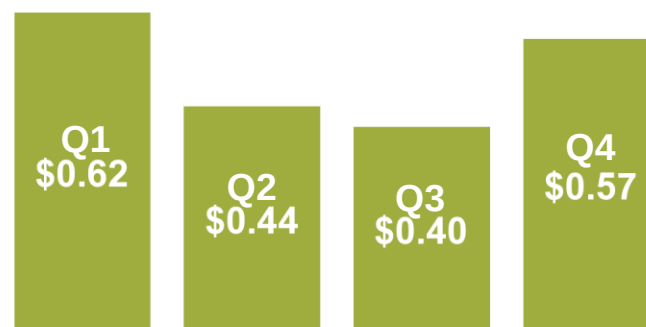


2016 Earnings Results

<i>NI in millions</i>	Q4 2016	Q4 2015	FY 2016	FY 2015
Net Income	\$61	\$51	\$193	\$172
Diluted EPS	\$0.68	\$0.57	\$2.16	\$2.04



2016 EPS
\$2.16



2015 EPS
\$2.04

Accomplishments and operational update



Generating Plant Availability 93%

Top Quartile Customer Satisfaction

TQS Research Inc. and Market Strategies International



Most Trusted Brand,
Customer Champion, &
Environmental Champion in 2016

Market Strategies International



Filed 2016 Integrated Resource Plan

Carty Generating Station Online

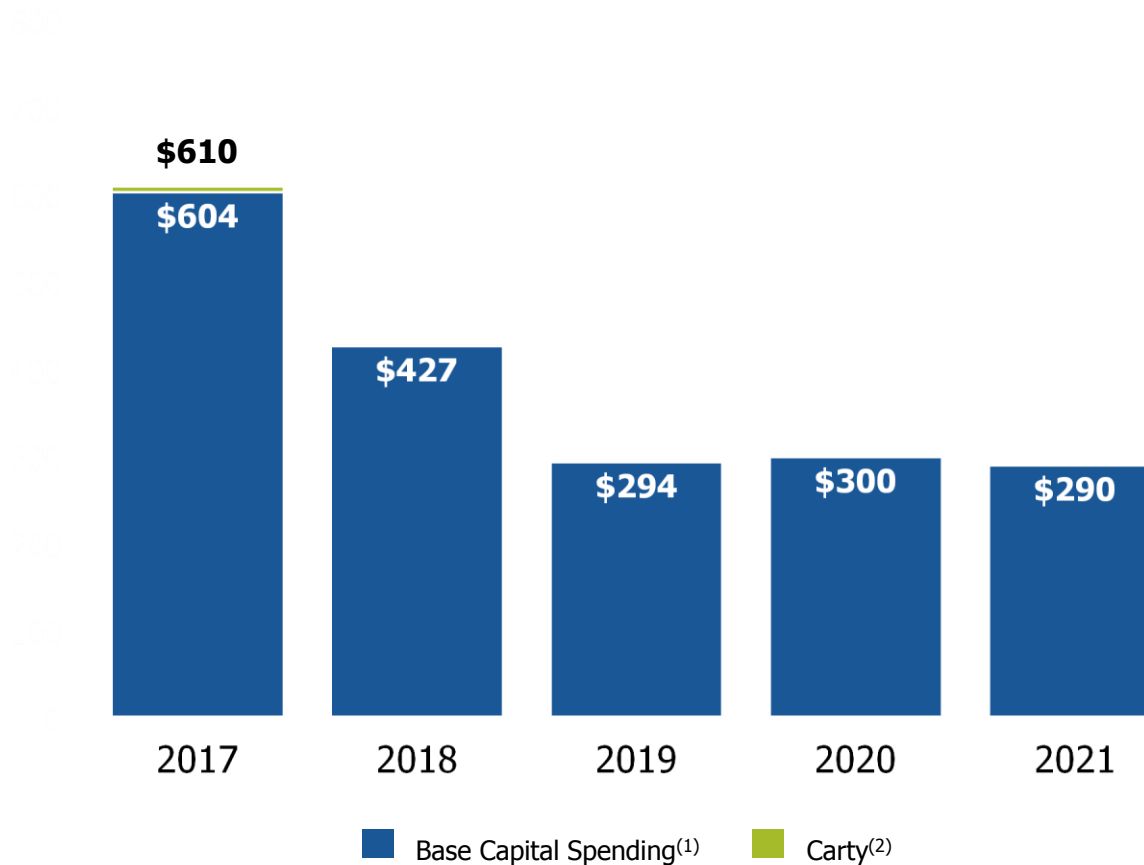
Economic Update

- Oregon's economic expansion continued in 2016⁽¹⁾
- PGE's service area unemployment rate of 4.0 percent outperformed Oregon's rate of 4.6 percent and the national rate of 4.7 percent⁽²⁾
- Residential customer count increased approximately 1.2 percent over the past year
- Weather-adjusted 2017 energy deliveries forecast to decrease by 0 to 1 percent, with long-term positive annual growth of ~1 percent based on continued strength of local economy⁽³⁾



(1) Oregon Office of Economic Analysis
(2) State of Oregon Employment Department, as of December 2016
(3) Net of approximately 1.5% of energy efficiency

Capital Planning



Current Capital Outlook

- Board approved investments include:
 - Upgrades and replacement of aging generation, transmission and distribution
 - Strengthening the power grid for earthquakes, cyberattacks and other potential threats
 - New customer information systems and technology tools

(1) Consists of board-approved ongoing CapEx and hydro relicensing per the 2016 Form 10-K filed on February 17, 2017

(2) Total estimated cost does not consider any amounts that may be received from sureties under the performance bond

Carty Generating Station update



Carty Generating Station, our 440 MW natural gas baseload plant near Boardman, Ore.

- Achieved 93 percent availability in first five months of operation
- Capital costs included in customer prices as of 8/1/2016: \$514M
- Carty plant in-service, including AFDC, as of 12/31/2016: \$634M
- Total estimated cost, including AFDC, for completion: ~\$640M
- Estimated time frame to complete litigation: 2-4 years

2016 Integrated Resource Plan



- Reflects PGE's shift to more renewables in keeping with Oregon Clean Electricity Plan
- Process includes continuing dialog with OPUC staff and stakeholders
- RFPs will be open to a variety of resource options

Areas of Focus

- Energy efficiency (135 MWa) and demand side actions (77 MW)
- Investment / acquisition of renewables (175 MWa) to meet Oregon Clean Electricity Plan: IRP will position PGE to comply with 27% requirement by 2025
- Filling up to 850 MW capacity deficit to ensure reliability
 - 375-550 MW long-term annual dispatchable resources; Up to 400 MW annual capacity resources

2018 General Rate Case

Key drivers:

Investments in the system to keep it safe, reliable and secure

Includes:

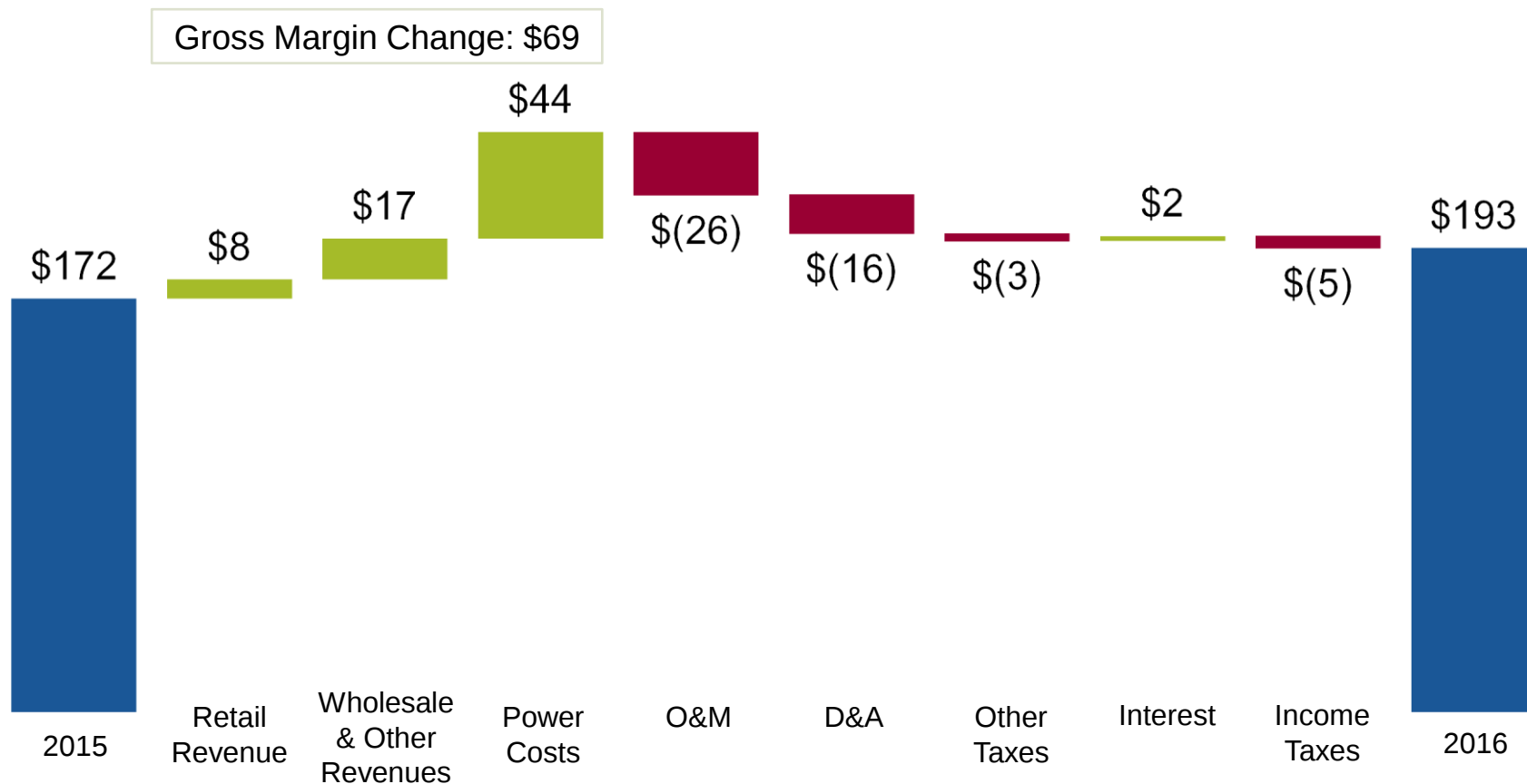
- Replacing assets at the end of their useful life
- Strengthening the system to better prepare for storms, earthquakes, cyberattacks and other potential threats
- Investments in operational changes to integrate more renewable resources and enhance system reliability

Timeline:

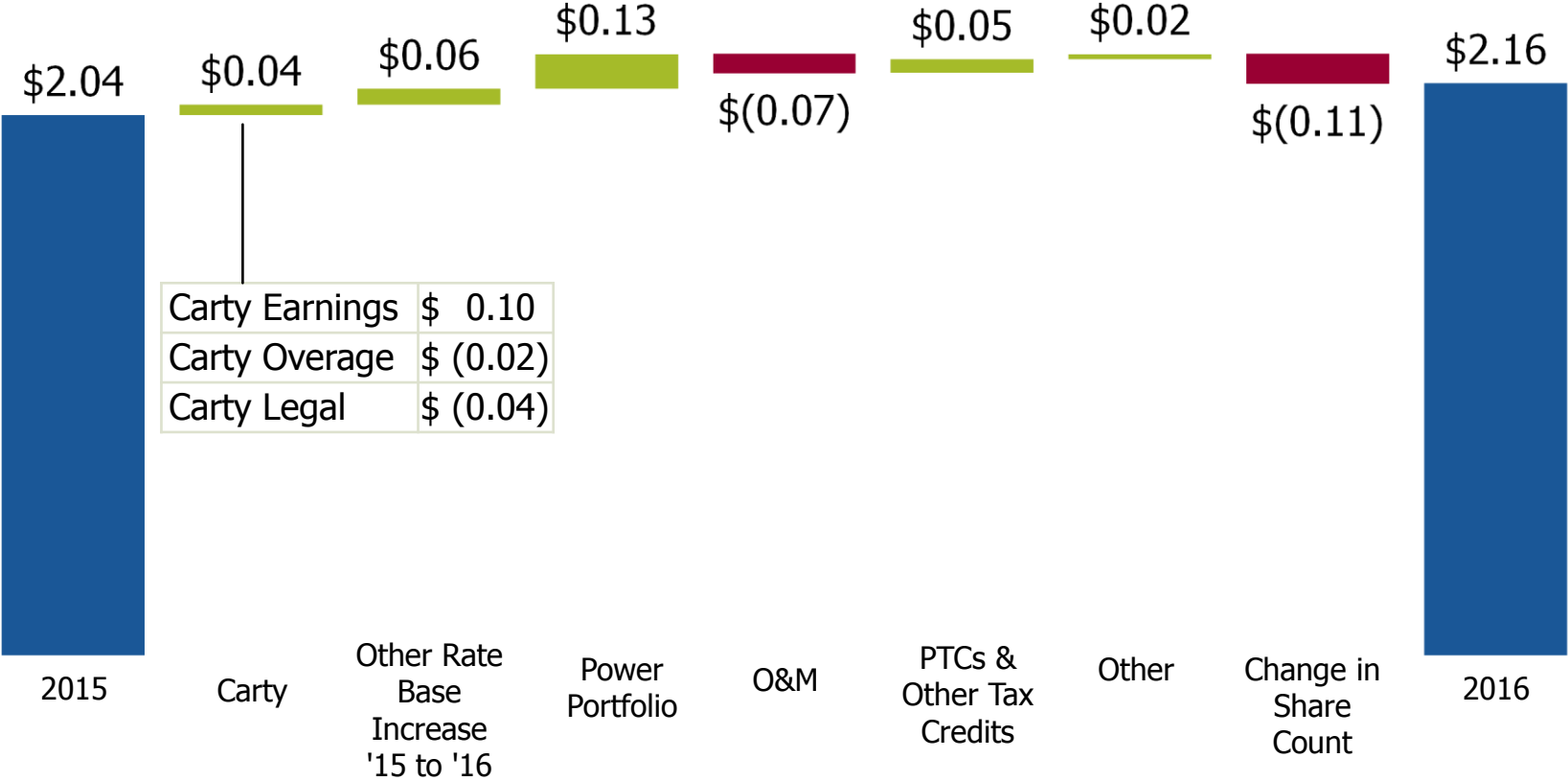
- File with the OPUC by the end of February
- Regulatory review to occur throughout 2017
- Final order expected from the commission by end of December

2016 Income Statement Bridge

\$ in millions



2016 Drivers Bridge



Liquidity and Financing

Total Liquidity	as of 12/31/2016 (in millions)
Credit Facilities	\$ 660
Commercial Paper	—
Letters of Credit	\$ (56)
Cash	\$ 6
Available	\$ 610

Ratings	S&P	Moody's
Senior Secured	A-	A1
Senior Unsecured	BBB	A3
Commercial Paper	A-2	Prime-2
Outlook	Stable	Stable

(\$ in millions)	Q1 2017	Q2 2017	Q3 2017	Q4 2017
First Mortgage Bonds		Plan to issue ~\$450 million		
Bank Loan				\$150 million maturing

Guidance and Assumptions

2017 EPS
Guidance:

\$2.20

-

\$2.35

- Retail deliveries decline between zero and one percent, weather-adjusted;
- Average hydro conditions for the year;
- Wind generation for the year based on 5 years of historic levels or forecast studies when historical data is not available;
- Normal thermal plant operations;
- Operating and maintenance costs between \$540 and \$560 million; and
- Depreciation and amortization expense between \$340 and \$350 million.

2017 Key Initiatives



- Maintain high level of operational excellence
- Work collaboratively with stakeholders to obtain acknowledgement of 2016 IRP and associated action plan
- Achieve a fair and reasonable result in our 2018 General Rate Case