



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204
PortlandGeneral.com

November 6, 2018

via email

puc.filingcenter@state.or.us

Public Utility Commission of Oregon

Attn: OPUC Filing Center

201 High Street, Ste. 100

P. O. Box 1088

Salem, OR 97308-1088

Re: **UF__ PGE Finance Application**

Attention Filing Center:

PGE is requesting the Commission to assign a new docket and issue an order allowing PGE to issue Securities in an amount up to \$800 million with a maturity of up to 40 years. The proposed debt financing proceeds will provide PGE with the flexibility to fund the acquisition of utility property, the construction, extension or improvement of utility facilities, the improvement or maintenance of service, discharge or repay obligations which were incurred for utility purposes and allow PGE to preserve its existing liquidity. PGE understands that it will be subject to prudence review of any financings undertaken pursuant to this application and subsequent order.

We ask that this Application be placed on the docket for consideration at the Commission's December 4, 2018 meeting, or as soon thereafter as possible.

If you should have questions regarding this matter, please contact me at 503-464-7805 or Katie Trosen at 503-464-2241.

Please direct all formal correspondence and requests to the following email address:
pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan Brown" with "for" written below it.

Stefan Brown
Manager, Regulatory Affairs

SB/np
Encls.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF
OREGON**

In the Matter of the Application of PORTLAND)
GENERAL ELECTRIC COMPANY for authority) APPLICATION
to issue and sell not more than \$800 million of First)
Mortgage Bonds and/or Unsecured Notes.) UF-_____

Pursuant to ORS 757.410(1), and OAR 860-027-0030, Portland General Electric Company (the “PGE” or the “Applicant”) is submitting this financing application requesting authority to issue up to \$800 million of its First Mortgage Bonds described herein (“Bonds”) and/or long-term unsecured notes described herein (“Notes”). PGE understands and agrees that if this request is granted, any remaining authorization to issue new Bonds or Notes under a previous order will no longer be valid. The Applicant believes the transactions contemplated in this application will produce the lowest cost of funds for a similar maturity currently available to PGE. The Applicant will issue Bonds to the extent there is sufficient capacity under the Applicant’s existing Indenture of Mortgage and Deed of Trust dated July 1945, as supplemented from time to time (“First Mortgage Indenture”), otherwise the Applicant may issue Notes. “Securities” shall mean herein Bonds or Notes or, if both Bonds and Notes are issued, Bonds and Notes.

PGE acknowledges that it cannot always anticipate all costs and required terms in the preparation of its Public Utility of Commission of Oregon (“OPUC”) finance applications. Many of the costs and terms do not become apparent until PGE begins actual negotiations with the buyers of the Securities or with the agents/underwriters of the Securities. As a result, PGE requests that, in addition to the costs and terms specifically listed in the application, it be allowed to pay such other costs and agree to such other terms as may be required to complete the transaction so long as such costs and terms are reasonable and typical for the transaction contemplated. PGE understands it will be subject to prudence reviews of any such costs and

will report such costs or terms to the OPUC within 30 days of the closing of any transaction.

I. Required Information Under OAR 860-027-0030:

Pursuant to the requirements of OAR 860-027-0030, PGE represents as follows:

(a) *The applicant's exact name and address of its principal business office:* The name and address of the Applicant is Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204.

(b) *The state in which incorporated, the date of incorporation, and the other states in which authorized to transact utility business:* The Applicant is a corporation organized and existing under and by virtue of the laws of the State of Oregon, and the date of its incorporation is July 25, 1930. The Applicant is authorized to transact business in the states of Oregon, California, Idaho, Montana, Utah, and Washington and in Alberta, Canada, but conducts utility business only in the State of Oregon.

(c) *The name and address of persons authorized, on behalf of applicant to receive notices and communications in respect to this application:* The name and address of the persons authorized on behalf of the Applicant to receive notices and communications in respect of this Application are:

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC-0306
Portland, OR 97204
(503) 464-7805 (telephone)
(503) 464-7651 (fax)
pge.opuc.filings@pgn.com

Doug Tingey
Associate General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC-1301
Portland, OR 97204
(503) 464-8926 (telephone)
(503) 464-2200 (fax)
doug.tingey@pgn.com

In addition, the name and address to receive notices and communications via the e-mail service list

is: Christopher Liddle, Assistant Treasurer

E-Mail: christopher.liddle@pgn.com

(d) As of September 12, 2018, the following are the principal officers of PGE with primary business offices located at 121 SW Salmon Street, Portland, Oregon 97204:

Maria M. Pope	President and Chief Executive Officer
James F. Lobdell	Senior Vice President, Finance, Chief Financial Officer and Treasurer
William O. Nicholson	Senior Vice President, Customer Service, Transmission and Distribution
Larry N. Bekkedahl	Vice President, Transmission and Distribution
Bradley Y. Jenkins	Vice President, Generation and Power Operations
Lisa A. Kaner	Vice President, General Counsel, Corporate Compliance Officer and Assistant Secretary
John T. Kochavatr	Vice President, Information Technology and Chief Information Officer
Anne F. Mersereau	Vice President Human Resources, Diversity and Inclusion
W. David Robertson	Vice President, Public Policy and Corporate Resiliency
Kristin A. Stathis	Vice President, Customer Service Operations
Jardon T. Jaramillo	Controller and Assistant Treasurer
Christopher A. Liddle	Assistant Treasurer and Director, Treasury and Investor Relations
Nora E. Arkonovich	Associate General Counsel and Corporate Secretary
Karen J. Lewis	Assistant Corporate Secretary
David F. White	Assistant Corporate Secretary

(e) *A description of the general character of the business done, and a designation of the territories served, by counties and states:* The Applicant is engaged in the generation, purchase,

transmission, distribution, and sale of electric energy for public use in Oregon in Clackamas, Columbia, Hood River, Jefferson, Marion, Morrow, Multnomah, Polk, Sherman, Washington, and Yamhill counties.

(f) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of capital stock: brief description; the amount authorized (face value and number of shares); the amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount owned by affiliated interests; and amount held in any fund.* The following represents PGE’s capital stock as of September 30, 2018, the date of PGE’s last major SEC filing (10-Q):

	<u>Outstanding Shares</u>	<u>Amount (\$000s)</u>
Common Stock *:	89,244,659	\$1,209,108

160,000,000 shares authorized

* Company Directors hold 199,602 shares.

None of the outstanding shares of common stock referenced above are held as reacquired securities or have been pledged by PGE. Vanguard Group, Inc. held 9.45% of the outstanding PGE common stock, Black Rock Fund Advisors held 8.34%, and JP Morgan Chase & Co held 4.71% as reported in the most recent Forms 13G/A filed with the Securities and Exchange Commission as of October 8, 2018. PGE cannot determine from the Forms 13G/A whether either entity qualifies as an affiliate. PGE reports major shareholder activity annually to the Commission pursuant to OAR 860-027-0175 (AR-544).

(g) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of long-term debt and notes: brief description (amount, interest rate and maturity);*

amount authorized; amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount held by affiliated interests; and amount in sinking and other funds: PGE's long-term debt as of September 30, is as follows:

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
6.1 Series due 4-15-2019	-	-
2.51 Series due 1-6-2021	140,000	140,000
9.31 Series due 8-11-2021	20,000	20,000
6.75 Series due 8-1-2023	50,000	50,000
3.51 Series due 11-15-2024	80,000	80,000
3.55 Series due 1-15-2030	75,000	75,000
6.26 Series due 5-1-2031	100,000	100,000
6.875 Series due 8-1-2033	50,000	50,000
3.5 Series due 5-15-2035	70,000	70,000
6.31 Series due 5-1-2036	175,000	175,000
5.81 Series due 10-1-2037	130,000	130,000
5.8 Series due 6-1-2039	170,000	170,000
5.43 Series due 5-3-2040	150,000	150,000
4.74 Series due 11-15-2042	105,000	105,000
4.47 Series due 8-14-2043	75,000	75,000
4.47 Series due 6-15-2044	150,000	150,000
4.39 Series due 9-15-2045	100,000	100,000
4.44 Series due 10-15-2046	100,000	100,000
3.98 Series due 11-21-2047	150,000	150,000
3.98 Series due 8-3-2048	75,000	75,000
4.84 Series due 12-15-2048	50,000	50,000
<u>4.47 Series due 12-13-2048*</u>	<u>75,000</u>	<u>75,000</u>
	2,090,000	2,090,000

*Bond issuance agreement date December 13, 2018

Pollution Control Bonds:		
City of Forsyth, MT		
5.45% series B due 5-1-2033 ⁽¹⁾	21,000	21,000
Series A 5-1-2033 remarked 3-11-10 at 5%	97,800	97,800
Port of Morrow, OR		
Series A 5-1-2033, remarked 3-11-10 at 5% ⁽²⁾	0	0
⁽¹⁾ This debt instrument, purchased by the Company on May 1, 2009, is currently held for possible remarketing	(21,000)	(21,000)
⁽²⁾ This debt instrument, was redeemed early, effective October 31, 2018		
Total Pollution Control Bonds outstanding	97,800	97,800

Description	Authorized (\$000s)	Outstanding (\$000s)
Long-Term Contracts	69	69
Unamortized Debt Discount and Other	(498)	(498)
Unamortized Debt Expense	(9294)	(9294)
Total Other Long-Term Debt	<u>(9,723)</u>	<u>(9,723)</u>
Total Classified as Short-Term	300,000	300,000
Net Long-Term Debt	<u>2,478,077</u>	<u>2,478,077</u>

None of the long-term debt is pledged or held as reacquired securities, is held by affiliated corporations, or is held in any sinking or other fund.

(h) *Full description of securities proposed to be issued showing: kind and nature of securities or liabilities; amount (face value and number of shares); interest or dividend rate, if any; date of issue and date of maturity; and voting privileges, if any:* PGE proposes to enter into the following transactions:

(1) Type and nature of securities

The Securities would be issued in one or more transactions as conditions permit. The Securities would have a maturity of up to 40 years and would either be issued, in the case of Bonds, under PGE's First Mortgage Indenture or, in the case of Notes, as unsecured notes issued under an indenture, a trust agreement, or a bank or other lender arrangement to be negotiated with the purchasers or their representatives. The Securities may have a sinking fund provision and may have a feature that allows for early redemption and may require PGE to indemnify the holders of the Securities from any loss or costs incurred because of the redemption. The agreement with purchasers of Securities may contain a provision requiring PGE to pay a breakage fee in the event the Securities are not issued to the purchasers under certain circumstances. The agreement with purchasers of Securities may contain other market required conditions including yield protection, capital adequacy requirements and tax and funding indemnification.

A brief description of the Bonds is as follows:

The Bonds would be issued under PGE's First Mortgage Indenture. The Bonds will be secured equally with all other First Mortgage Bonds of PGE as part of a lien against substantially all of PGE's utility property. The Trustee under the First Mortgage Indenture is Wells Fargo Bank, National Association (as successor to HSBC Bank USA, National Association). The Bonds may be issued in one or more separate series pursuant to supplements to the First Mortgage Indenture or as a single series. The Bonds or any series thereof, if there is more than one series, will most likely be without coupons. The Bonds may or may not be registered and could be in any amount of \$25 per bond or greater. First Mortgage Bonds currently represent the least expensive long-term taxable debt financing available to PGE.

A brief description of the Notes is as follows:

The Notes may be issued in one or more separate series or as a single series. The Notes or any series thereof, if there is more than one series, will most likely be without coupons. The Notes may or may not be registered and could be in any amount more than \$25 per note. The Notes will be subordinated to PGE's First Mortgage Bonds with respect to the First Mortgage lien. Apart from First Mortgage Bonds, unsecured Notes represent the least expensive long-term debt financing available to PGE.

Fixed Rate

For any fixed rate Bonds or Notes issued, the coupon or interest rate will be established at the time of issuance unless the Bonds or Notes have the delayed settlement feature (described below in Paragraph (h)(4)), in which case the fixed interest rate will be determined on the date PGE and Bond purchasers enter into a binding agreement for the purchase and sale of the Bonds or Notes. PGE requests that if the applicable spread should exceed the maximum levels listed below,

it be granted authority to issue the Bonds or Notes so long as the interest rate or coupon does not exceed 6.0% per annum. The proposed maximum fixed rate spread over the applicable Treasury security for Bonds of various maturities is as follows:

Greater Than or Equal To	Equal to or Less Than	Maximum Spread Over Benchmark Treasury Yield
1 year	9 years	+ 130 basis points
10 years	14 years	+ 140 basis points
15 years	19 years	+ 150 basis points
20 years	30 years	+ 160 basis points
31 years	40 years	+ 170 basis points

The proposed maximum spread over the applicable Treasury security for Notes of various maturities is as follows:

Greater Than or Equal To	Equal to or Less Than	Maximum Spread Over Benchmark Treasury Yield
1 year	9 years	+ 170 basis points
10 years	14 years	+ 180 basis points
15 years	19 years	+ 190 basis points
20 years	30 years	+ 200 basis points
31 years	40 years	+ 210 basis points

Floating Rate Notes

In addition to fixed rate Notes, PGE requests the authority to issue floating rate Notes. Floating rate notes could have a maturity of up to 40 years, but the interest rate would be reset monthly, bi-monthly, quarterly or every 6 months as established at the time of the sale of the Notes. The interest rates would be reset based on a fixed spread over the 1-month, 3-month or 6-month London Interbank Offering Rate (“LIBOR rate”) as set forth on Bloomberg, Reuters or another LIBOR rate source. In the event the LIBOR rate is no longer available from these sources, then the rate will be based on a rate agreed upon by PGE and the purchasers. PGE requests that the maximum fixed spread be no greater than 1.50%.

(2) Amount of securities

The Applicant expects to issue Securities in amounts of not more than \$800,000,000 aggregate principal amount or, if the Securities are issued at an original issue discount of up to one percent, such greater amount as will result in an aggregate offering price of not more than \$800,000,000.

(3) Interest rate

The interest rate on the Bonds will be fixed and payable semi-annually in arrears. The interest rate on the Notes could be fixed or variable. Interest on fixed rate Notes would be semi-annually in arrears. Interest on floating rate Notes could be monthly, quarterly or semi-annually in arrears depending on maturity and market conditions. The proposed maximum spread over the respective Treasury security for fixed rate Bonds or Notes is set forth in Paragraph (h)(1) in this application. The maximum spread over LIBOR for any floating rate Notes is also set forth in Paragraph (h)(1) in this application.

(4) Date of issuance and maturity

The Applicant expects to issue the Securities in one or more series from time to time in amounts not to exceed \$800,000,000 in the aggregate. The maturities of the various series are expected to be at least one-year and up to 40 years from the date of issuance. The Securities may be priced with a delayed settlement feature which allows the Applicant to execute a binding purchase and sale agreement establishing the interest rate and other terms of the sale but postpone the actual issuance of the Securities and receipt of funds to a date up to one year later. The delayed settlement feature would allow the Applicant to lock-in interest rates but defer the issuance of the Securities to correspond with the Applicant's cash needs.

(5) Institutional rating or, if not rated, an explanation

PGE's First Mortgage Bonds are currently rated:

Moody's	A1
Standard & Poor's	A

PGE's Unsecured Long-Term Debt is currently rated:

Moody's	A3
Standard & Poor's	BBB+

PGE may apply for a rating on the Securities issued if it is required by the market.

Sometimes the Securities carry an implied rating based on the current company ratings for like securities.

(i) *A reasonably detailed and precise description of proposed transaction, including a statement of the reasons why it is desired to consummate the transaction and the anticipated effect thereof:*

(A) *Description of proposed method of issuance and selling the securities:* The Securities may be issued as public offerings or on a private placement basis. The Securities may be sold on a negotiated or competitive bid basis. The Securities may be sold directly to a limited number of purchasers or to a single purchaser or underwriter. See Paragraph (h) above.

(B) *Statement of whether securities are to be issued pro rata to existing holders of the applicant's securities or issued pursuant to any preemptive right or in connection with any liquidation or reorganization:* The Securities will not be issued pro rata to existing holders of the Applicant's securities and will not be issued pursuant to any preemptive right or in connection with any liquidation or reorganization.

(C) *Statement showing why it is in applicant's interest to issue securities in the manner proposed and the reason(s) why it selected the proposed method of sale:* The proposed method

of issuance and sale and the reasons that the Applicant has proposed the types of Securities are described above in Paragraph (h).

(D) *Statement that exemption from the competitive bidding requirements of any federal or other state regulatory body has or has not been requested or obtained, and a copy of the action taken thereon when available:* In the opinion of Applicant's legal counsel, the Applicant is not subject to the competitive bidding requirements of federal or state regulatory bodies in connection with the issuance of the Securities.

The proposed transactions are not part of a general program.

(j) *The name and address of any person receiving or entitled to a fee for service:*

If Securities are issued, PGE may name as possible managing underwriters/agents, Bank of America, Barclays, J.P. Morgan, U.S. Bank, Wells Fargo or others. PGE will likely hire outside legal counsel to represent and advise PGE in connection with any issuance and may name Perkins Coie, LLP, Tonkon Torp, LLP, Skadden Arps or other law firms as legal counsel for PGE. The underwriters will receive as compensation (assuming a public offering) the difference between the price at which they purchase the Securities from the Applicant and the price at which the Securities are sold by the underwriters to the public. The underwriters will receive the usual and customary amount prevailing in arm's length transactions for such sales and such amount will not exceed 0.875 percent of the aggregate principal amount of the Securities. Assuming a private placement, the agents will receive a placement fee from PGE to be negotiated. The fee will be the usual and customary amount prevailing for similar transactions in the market and in any case will not exceed 0.875 percent of the aggregate principal amount of the Securities.

(k) *A statement showing both in total amount and per unit the price to the public, underwriting commission and net proceeds to the applicant:* Total amount of the Securities to

the ultimate purchaser(s) and expenses and net proceeds to the Applicant resulting from the sale are estimated to be as follows:

Item	Securities	
	Amount	Per \$100
1. Face value or principal amount	\$800,000,000	\$100.00
2. Plus premium or less discount		
3. Gross proceeds	\$800,000,000	\$100.00
4. Underwriters' spread or commission (0.875%)	7,000,000	
5. Securities and Exchange Commission registration fee	30,000	
6. Printing and engraving expenses	50,000	
7. Trustee's charges	60,000	
8. Fees and expenses of independent public accountants	64,000	
9. Rating agency fees	160,000	
10. Legal fees	275,000	
12. Total deductions	\$7,639,000	0.95
13. Estimated net amount to be realized	\$792,361,000	\$99.05

(l) *Purposes for which the securities are to be issued:* The above-described issuance expenses will be paid out of the general funds of the Applicant. The Applicant will defer the issuance expenses and amortize them equitably over the life of the Securities.

The purposes for which securities are proposed to be issued in this matter are the acquisition of utility property, the construction, extension or improvement of utility facilities, the improvement or maintenance of service, the discharge or lawful refunding of obligations which were incurred for utility purposes permitted under ORS 757.415 (l)(a), (l)(b), (l)(c), (l)(d), or (l)(e) or the reimbursement of PGE treasury for funds used for the foregoing purposes, except the maintenance of service and replacements. To the extent proceeds are used to discharge or lawfully refund obligations, they or their precedents were originally incurred for purposes described in ORS 757.415 (l)(a), (l)(b) or (l)(e). To the extent proceeds are used to reimburse the treasury for funds used to discharge or lawfully refund obligations, such obligations were incurred for purposes described in ORS 757.415 (l)(a), (l)(b) or (l)(e), or for the purposes described in ORS 757.415 (l)(a), (l)(b) or (l)(e) directly. The Applicant requests that it not be required to file a

supplemental application provided the terms of the Bonds are within the parameters set forth in this Application.

(m) *A statement as to whether or not any application, registration statement, etc., with respect to the transaction or any part thereof, is required to be filed with any federal or state regulatory body:* No other application is required to be filed with any federal or other state regulatory body. If issued in the public market, the Securities would be issued pursuant to PGE's S-3 registration statement.

(n) *The facts relied upon by the application to show that the issue: is for a lawful object within the corporate purposes; is compatible with public interest; is necessary or appropriate for proper performance by application of service as a utility; will not impair its ability to perform the service; is reasonably necessary and appropriate for such purposes; and if filed under ORS 757.495, is fair and reasonable and not contrary to public interest:* As a public utility, Applicant is obligated to secure sufficient generating, transmission, and distribution capacity to serve its customers reliably at the lowest reasonable cost. Applicant believes the securities issued in the manner proposed, will minimize the overall capital costs associated with such public utility obligations for the reasons stated above. Therefore, the transaction proposed is for a lawful object within the corporate purposes of the Applicant; is compatible with the public interest; is necessary and appropriate for and consistent with the proper performance by the Applicant of service as a public utility; will not impair its ability to perform such service; is reasonably appropriate for such purposes; and in accordance with ORS 757.495, is fair and reasonable and not contrary to public interest. This Application is not filed under ORS 757.495.

(o) *A brief statement of all rights to be a corporation, franchises, permits and contracts for consolidation, merger or lease included as assets of the applicant or any predecessor there, the amounts actually paid as consideration therefore, respectively, and the facts relied upon to show the issuance of securities for which approval is requested:* The requirements of OAR 860-027-0300 (o) are not

applicable.

(p) *If filed under ORS 757.490, 757.495, 759.385, or 759.390 a statement describing relationship between utility and the affiliated interest:* The requirements of OAR 860-027-0030 (o) are not applicable.

II. Required Exhibits Under OAR 860-027-0030(2):

The following exhibits are submitted and by reference made a part of this application:

EXHIBIT A. *A copy of the applicant's charter or articles of incorporation with amendments to date:*

Third Amended and Restated Articles of Incorporation, effective as of May 7, 2014, were previously filed in Docket UP-310, and by reference made a part of this application.

EXHIBIT B. *A copy of the bylaws with amendments to date:* Tenth Amended and Restated Bylaws adopted May 7, 2014 and previously filed in Docket UP-310 and by reference made a part of this application).

EXHIBIT C. *Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished:* Directors' Resolution to be filed when available.

EXHIBIT D. *Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction:* To be filed when available.

EXHIBIT E. *Balance sheets showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report, which applicant(s) is required, or will be required, to file with the Commission:* Balance sheets showing booked amounts, adjustments to record the

proposed transactions and pro forma Balance sheets as of September 30, 2018, are attached.

[electronic format]

EXHIBIT F. *A statement of all known contingent liabilities, except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application, as of September 30, 2018: See Attached. [electronic format]*

EXHIBIT G. *Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report which applicant(s) is required, or will be required, to file with the Commission, as of September 30, 2018: See attached Income Statement for the 9-month period ended September 30, 2018, and pro forma. [Electronic format]:*

EXHIBIT H. *An analysis of surplus for the period covered by the income statements referred to in Exhibit G, as of September 30, 2018 and pro forma: See Attached Analysis of retained earnings for the 9-month period ended September 30, 2018, and pro forma. [electronic format]*

EXHIBIT I. *A copy of registration statement proper, if any, and financial exhibits made a part thereof, filed with the Securities and Exchange Commission: PGE will file the prospectus supplement when available. To be filed if applicable.*

EXHIBIT J. *A copy of each proposed and of the published invitation of proposals for the purchase of underwriting of the securities to be issued; of each proposal received; and of each contract, underwriting, and other arrangement entered into for the sale or marketing of securities: Not Applicable.*

EXHIBIT K. *Copies of the stock certificates, notes, or other evidences of indebtedness proposed to be issued: To be filed when available.*

WHEREFORE, the Applicant respectfully requests an Order authorizing PGE to issue and sell not more than \$800 million of First Mortgage Bonds and/or long-term unsecured notes described herein.

Dated this 6th day of November, 2018.

PORTLAND GENERAL ELECTRIC COMPANY

By _____


Stefan Brown,
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC-0306
Portland, Oregon 97204
Phone: (503) 464-7805
E-Mail: stefan.brown@pgn.com

Exhibit "E"
UF__

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheet
September 30, 2018
(In Millions)

	<u>September 30, 2018</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 200		\$ 200
Accounts receivable, net	189		189
Unbilled revenues	73		73
Inventories	76		76
Regulatory assets - current	42		42
Other current assets	51		51
Total current assets	<u>631</u>	<u>-</u>	<u>631</u>
Electric utility plant	6,782		6,782
Construction work in progress	340		340
Total cost	7,122		7,122
Less: accumulated depreciation and amortization	<u>(3,776)</u>		<u>(3,776)</u>
Electric utility plant, net	<u>3,346</u>		<u>3,346</u>
Regulatory assets - noncurrent	426		426
Nuclear decommissioning trust	42		42
Non-qualified benefit plan trust	39		39
Other noncurrent assets	55		55
Total assets	<u>\$ 4,539</u>	<u>\$ -</u>	<u>\$ 4,539</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	\$ 110		\$ 110
Liabilities from price risk management activities - current	42		42
Short-term debt	-		-
Current portion of long-term debt	300		300
Accrued expenses and other current liabilities	251		251
Total current liabilities	<u>703</u>	<u>-</u>	<u>703</u>
Long-term debt, net of current portion	2,127		2,127
Regulatory liabilities - noncurrent	1,379		1,379
Deferred income taxes	372		372
Unfunded status of pension and postretirement plans	283		283
Liabilities from price risk management activities - noncurrent	124		124
Asset retirement obligations	196		196
Non-qualified benefit plan liabilities	106		106
Other noncurrent liabilities	199		199
Total liabilities	<u>\$ 5,489</u>	<u>\$ -</u>	<u>\$ 5,489</u>
Commitments and contingencies (see notes)	-		-
Equity			
Preferred stock	-		-
Common stock	1,209		1,209
Accumulated other comprehensive loss	(8)		(8)
Retained earnings	1,285		1,285
Total equity	<u>2,486</u>	<u>-</u>	<u>2,486</u>
Total liabilities and equity	<u>\$ 7,975</u>	<u>\$ -</u>	<u>\$ 7,975</u>

⁽¹⁾ Footnote not used this quarter.

Exhibit "F"
Statement of Contingent Liabilities
As of September 30, 2018

PGE is subject to legal, regulatory, and environmental proceedings, investigations, and claims that arise from time to time in the ordinary course of its business. Contingencies are evaluated using the best information available at the time the condensed consolidated financial statements are prepared. Legal costs incurred in connection with loss contingencies are expensed as incurred. The Company may seek regulatory recovery of certain costs that are incurred in connection with such matters, although there can be no assurance that such recovery would be granted.

Loss contingencies are accrued, and disclosed if material, when it is probable that an asset has been impaired or a liability incurred as of the financial statement date and the amount of the loss can be reasonably estimated. If a reasonable estimate of probable loss cannot be determined, a range of loss may be established, in which case the minimum amount in the range is accrued, unless some other amount within the range appears to be a better estimate.

A loss contingency will also be disclosed when it is reasonably possible that an asset has been impaired or a liability incurred if the estimate or range of potential loss is material. If a probable or reasonably possible loss cannot be determined, then PGE: i) discloses an estimate of such loss or the range of such loss, if the Company is able to determine such an estimate; or ii) discloses that an estimate cannot be made and the reasons.

If an asset has been impaired or a liability incurred after the financial statement date, but prior to the issuance of the financial statements, the loss contingency is disclosed, if material, and the amount of any estimated loss is recorded in the subsequent reporting period.

PGE evaluates, on a quarterly basis, developments in such matters that could affect the amount of any accrual, as well as the likelihood of developments that would make a loss contingency both probable and reasonably estimable. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves a series of complex judgments about future events. Management is often unable to estimate a reasonably possible loss, or a range of loss, particularly in cases in which: i) the damages sought are indeterminate or the basis for the damages claimed is not clear; ii) the proceedings are in the early stages; iii) discovery is not complete; iv) the matters involve novel or unsettled legal theories; v) significant facts are in dispute; vi) a large number of parties are represented (including circumstances in which it is uncertain how liability, if any, will be shared among multiple defendants); or vii) a wide range of potential outcomes exist. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

Carty

In 2013, PGE entered into a turnkey engineering, procurement, and construction agreement (Construction Agreement) with Abeinsa EPC LLC, Abener Construction Services, LLC, Teyma Construction USA, LLC, and Abeinsa Abener Teyma General Partnership (collectively, the Contractor), affiliates of Abengoa S.A., for the construction of the Carty natural gas-fired generating plant (Carty) located in Eastern Oregon. Liberty Mutual Insurance Company and Zurich American Insurance Company (together, the Sureties) provided a performance bond of \$145.6 million (Performance Bond) in connection with the Construction Agreement. PGE, the Contractor, Abengoa S.A., and the Sureties are hereinafter collectively referred to as the Parties.

In December 2015, the Company declared the Contractor in default under the Construction Agreement and terminated the Construction Agreement. Following termination of the Construction Agreement, PGE brought on new contractors and completed construction.

Carty was placed into service on July 29, 2016 and the Company began collecting its revenue requirement in customer prices on August 1, 2016, as authorized by the OPUC, based on the approved capital cost of \$514 million. Actual costs for the construction of Carty exceeded the approved amount and, as of June 30, 2018, PGE had capitalized \$640 million to Electric utility plant.

The excess costs resulted from various matters relating to the resumption of construction activities following the termination of the Construction Agreement.

The Company sought recovery of excess construction costs and other damages pursuant to breach of contract claims against the Contractor and claims against the Sureties pursuant to the Performance Bond. The Sureties denied liability in whole under the Performance Bond, and the Contractor filed claims against the Company alleging wrongful termination of contract and related damages.

Various actions relating to this matter were filed in the U.S. District Court for the District of Oregon, in the Ninth Circuit Court of Appeals, and in the International Chamber of Commerce's Court of Arbitration.

As a result of the foregoing events, PGE incurred a higher cost of service than what is reflected in the current authorized revenue requirement amount, primarily due to higher depreciation, interest, and legal expenses. These incremental expenses are recognized in the Company's current results of operations. Such incremental expenses were \$1 million and \$8 million for the three and nine months ended September 30, 2018, respectively, and \$5 million and \$12 million for the three and nine months ended September 30, 2017, respectively.

On July 16, 2018, the Parties reached a settlement to resolve all claims relating to Carty construction between the Company and each of the Contractor, Abengoa S.A., and the Sureties. Under the terms of the settlement, i) the Sureties paid \$130 million to PGE, and ii) the Contractor, Abengoa S.A., and the Sureties released all claims against the Company arising out of the Carty construction, and in return, PGE released all such claims against the Contractor, Abengoa S.A., and the Sureties.

The settlement was recorded in PGE's financial statements for the quarter ended September 30, 2018. The Company applied \$120 million to reduce Electric utility plant, net for undepreciated incremental construction costs, thus eliminating ongoing excess depreciation and amortization and interest expense with the remaining proceeds of \$10 million from the cash settlement applied as a reduction of Administrative and other expenses.

In July 2016, PGE requested from the OPUC a regulatory deferral for the recovery of the revenue requirement associated with the excess capital costs for Carty. The Company requested that the OPUC delay its review of this deferral request until all legal actions with respect to this matter, including PGE's actions against the Sureties, were resolved. As a result of the settlement described above, the Company has withdrawn the deferral application.

Up to \$5 million of liens and claims filed for goods and services provided under third-party contracts with the Contractor remain in dispute. The Company believes these claims by subcontractors are not owed by the Company and is contesting the liens and claims in the courts.

EPA Investigation of Portland Harbor

An investigation by the United States Environmental Protection Agency (EPA) of a segment of the Willamette River known as Portland Harbor that began in 1997 revealed significant contamination of river sediments. The EPA subsequently included Portland Harbor on the National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act as a federal Superfund site and listed 69 Potentially Responsible Parties (PRPs), which included PGE as it historically owned or operated property near the river.

In 2008, the EPA requested information from various parties, including PGE, concerning additional properties in or near the original segment of the river under investigation as well as several miles beyond. The EPA then listed additional PRPs, which now number over one hundred.

The Portland Harbor site remedial investigation had been completed pursuant to an agreement between the EPA and several PRPs known as the Lower Willamette Group (LWG), which did not include PGE. The LWG funded the remedial investigation and feasibility study and stated that it had incurred \$115 million in investigation-related costs. The Company anticipates that such costs will ultimately be allocated to PRPs as a part of the allocation process for remediation costs of the EPA's preferred remedy.

The EPA finalized the feasibility study, along with the remedial investigation, and the results provided the framework for the EPA to determine a clean-up remedy for Portland Harbor that was documented in a Record of Decision (ROD) issued on January 6, 2017. The ROD outlined the EPA's selected remediation plan for clean-up of the Portland Harbor site, which had an estimated total cost of \$1.7 billion, comprised of \$1.2 billion related to remediation construction costs and \$0.5 billion related to long-term operation and maintenance costs, for a combined discounted present value of \$1.1 billion. Remediation construction costs

were estimated to be incurred over a 13-year period, with long-term operation and maintenance costs estimated to be incurred over a 30-year period from the start of construction. The EPA acknowledged the estimated costs were based on data that was outdated and that pre-remedial design sampling was necessary to gather updated baseline data to better refine the remedial design and estimated cost. In December 2017, the EPA announced that four PRPs have entered into an administrative order on consent to conduct this additional sampling, which was estimated to be completed in two years. PGE is not among the four PRPs performing this sampling.

PGE continues to participate in a voluntary process to determine an appropriate allocation of costs amongst the PRPs. Significant uncertainties remain surrounding facts and circumstances that are integral to the determination of such an allocation percentage, including results of the pre-remedial design sampling, a final allocation methodology, and data with regard to property specific activities and history of ownership of sites within Portland Harbor. Based on the above facts and remaining uncertainties, PGE cannot reasonably estimate its potential liability or determine an allocation percentage that represents PGE's portion of the liability to clean-up Portland Harbor.

In cases in which injuries to natural resources have occurred as a result of releases of hazardous substances, federal and state trustees may seek to recover for such damages, which are referred to as Natural Resource Damages (NRD). The EPA does not manage NRD assessment activities but does provide claims information and coordination support to the NRD trustees. NRD assessment activities are typically conducted by a Council made up of the trustee entities for the site. The Portland Harbor NRD trustees consist of the National Oceanic and Atmospheric Administration, the U.S. Fish and Wildlife Service, the State of Oregon, and certain tribal entities.

The NRD trustees may seek to negotiate legal settlements or take other legal actions against the parties responsible for the damages. Funds from such settlements must be used to restore injured resources and may also compensate the trustees for costs incurred in assessing the damages. The NRD trustees have continued the process of negotiating NRD liability with several PRPs, although the Company believes that PGE's portion of any NRD liabilities related to Portland Harbor will not have a material impact on its results of operations, financial position, or cash flows.

Significant uncertainties remain concerning the precise boundaries for clean-up, the assignment of responsibility for clean-up costs, the final selection of a proposed remedy by the EPA, and the method of allocation of costs amongst PRPs. It is probable that PGE will share in a portion of these costs. However, the Company does not currently have sufficient information to reasonably estimate the amount, or range, of its potential costs for investigation or remediation of Portland Harbor, although such costs could be material. The Company plans to seek recovery of any costs resulting from the Portland Harbor proceeding through claims under insurance policies and regulatory recovery in customer prices.

In 2016, the Company filed an application with the OPUC seeking the deferral of future environmental remediation costs as well as seeking authorization to establish a regulatory cost recovery mechanism for such environmental costs. In the first quarter of 2017, the OPUC approved the deferral request and a mechanism

that will allow the Company to defer and recover incurred environmental expenditures through a combination of third-party proceeds, such as insurance recoveries, and customer prices, as necessary. The mechanism establishes annual prudency reviews of environmental expenditures and is subject to an annual earnings test.

Trojan Investment Recovery Class Actions

In 1993, PGE closed the Trojan nuclear power plant (Trojan) and sought full recovery of, and a rate of return on, its Trojan costs in a general rate case filing with the OPUC. In 1995, the OPUC issued a general rate order that granted the Company recovery of, and a rate of return on, 87% of its remaining investment in Trojan.

Numerous challenges and appeals were subsequently filed in various state courts on the issue of the OPUC's authority under Oregon law to grant recovery of, and a return on, the Trojan investment. In 2007, following several appeals by various parties, the Oregon Court of Appeals issued an opinion that remanded the matter to the OPUC for reconsideration.

In 2003, in two separate legal proceedings, lawsuits were filed against PGE on behalf of two classes of electric service customers: i) Dreyer, Gearhart and Kafoury Bros., LLC v. Portland General Electric Company, Marion County Circuit Court; and ii) Morgan v. Portland General Electric Company, Marion County Circuit Court. The class action lawsuits seek damages totaling \$260 million, plus interest, as a result of the Company's inclusion, in prices charged to customers, of a return on its investment in Trojan.

In August 2006, the Oregon Supreme Court (OSC) issued a ruling ordering the abatement of the class action proceedings. The OSC concluded that the OPUC had primary jurisdiction to determine what, if any, remedy could be offered to PGE customers, through price reductions or refunds, for any amount of return on the Trojan investment that the Company collected in prices.

In 2008, the OPUC issued an order (2008 Order) that required PGE to provide refunds of \$33 million, including interest, which refunds were completed in 2010. Following appeals, the 2008 Order was upheld by the Oregon Court of Appeals in 2013 and by the OSC in 2014.

In June 2015, based on a motion filed by PGE, the Marion County Circuit Court (Circuit Court) lifted the abatement on the class action proceedings and in July 2015, heard oral argument on the Company's motion for Summary Judgment. In March 2016, the Circuit Court entered a general judgment that granted the Company's motion for Summary Judgment and dismissed all claims by the plaintiffs. In April 2016, the plaintiffs appealed the Circuit Court dismissal to the Court of Appeals for the State of Oregon. A Court of Appeals decision remains pending.

PGE believes that the 2014 OSC decision and the Circuit Court decisions that followed have reduced the risk of any loss to the Company beyond the amounts previously recorded and discussed above. However, because the class actions remain subject to a decision in the appeal, management believes that it is reasonably

possible that such a loss to the Company could result. As these matters involve unsettled legal theories and have a broad range of potential outcomes, sufficient information is currently not available to determine the amount of any such loss.

Deschutes River Alliance Clean Water Act Claims

On August 12, 2016, the Deschutes River Alliance (DRA) filed a lawsuit against the Company (Deschutes River Alliance v. Portland General Electric Company, U.S. District Court of the District of Oregon) that sought injunctive and declaratory relief against PGE under the Clean Water Act (CWA) related to alleged past and continuing violations of the CWA. Specifically, DRA claimed PGE had violated certain conditions contained in PGE's Water Quality Certification for the Pelton/Round Butte Hydroelectric Project (Project) related to dissolved oxygen, temperature, and measures of acidity or alkalinity of the water. DRA alleged the violations were related to PGE's operation of the Selective Water Withdrawal (SWW) facility at the Project.

The SWW, located above Round Butte Dam on the Deschutes River in central Oregon, is, among other things, designed to blend water from the surface of the reservoir with water near the bottom of the reservoir and was constructed and placed into service in 2010, as part of the FERC license requirements, for the purpose of restoration and enhancement of native salmon and steelhead fisheries above the Project. DRA alleged that PGE's operation of the SWW had caused the above-referenced violations of the CWA, which in turn had degraded the Deschutes River's fish and wildlife habitat below the Project and harmed the economic and personal interests of DRA's members and supporters.

In September 2016, PGE filed a motion to dismiss, which asserted that the CWA does not allow citizen suits of this nature, and that the FERC has jurisdiction over all licensing issues, including the alleged CWA violations. On March 27, 2017, the court denied PGE's motion to dismiss. On April 7, 2017, the U.S. District Court granted an unopposed motion filed by the Confederated Tribes of Warm Springs (CTWS) to appear in the case as a friend of the court. The CTWS shares ownership of the Project with PGE but was not initially named as a defendant.

In March and April 2018, DRA and PGE filed cross-motions for summary judgment and PGE and the CTWS filed separate motions to dismiss. At a hearing on May 9, 2018, the Judge requested that PGE file an alternative motion to dismiss, which the Company and the CTWS filed on May 16, 2018. On June 11, 2018, the court denied the motions to dismiss filed in March 2018 and held that the CTWS was a necessary party to the lawsuit. DRA thereafter joined the CTWS as a defendant.

On August 3, 2018, the Judge denied DRA's motions for partial summary judgment and granted PGE's and CTWS's cross-motions for summary judgment, ruling in favor of PGE and CTWS. The Judge found that DRA had not shown a genuine dispute of material fact sufficient to support its contention that PGE and CTWS were operating the Project in violation of the CWA, and accordingly dismissed the case.

On August 24, 2018, DRA filed a motion seeking to alter or amend the judgment of dismissal, arguing that there is a genuine dispute of fact regarding PGE's compliance with requirements under the CWA. On

October 1, 2018, the Judge denied DRA's motion to alter or amend the judgment of dismissal. On October 17, 2018, DRA filed an appeal to the Ninth Circuit Court of Appeals.

The Company cannot predict the outcome of this matter or determine the likelihood of whether the outcome of this matter will result in a material loss.

Other Matters

PGE is subject to other regulatory, environmental, and legal proceedings, investigations, and claims that arise from time to time in the ordinary course of business that may result in judgments against the Company. Although management currently believes that resolution of such matters, individually and in the aggregate, will not have a material impact on its financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties, and management's view of these matters may change in the future.

Exhibit "G"
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Portland General Electric Company and Subsidiaries
Consolidated Statement of Income

Nine Months Ended

September 30, 2018

(In Millions)

	Nine Months Ended September 30, 2018	Adjustments	Adjusted Total
Revenues	\$1,467		\$1,467
Operating Expenses:			
Purchased power and fuel	420		420
Generation, transmission and distribution	212		212
Administrative and other	188		188
Depreciation and amortization	281		281
Taxes other than income taxes	95		95
Total operating expenses	1,196		1,196
Income from Operations	271	-	271
Other Income:			
Allowance for equity funds used during construction	8		8
Miscellaneous income, net	-		-
Other Income, net	8	-	8
Interest Expense	93		93
Income before income taxes	186	-	186
Income Taxes	23		23
Net Income	\$163	-	\$163
Other comprehensive income	-		-
Comprehensive Income	\$163	\$0	\$163

Exhibit "H"
UF__

Portland General Electric Company and Subsidiaries
Consolidated Statement of Retained Earnings
Nine Months Ended
September 30, 2018
(In Millions)

	<u>Retained Earnings</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
Balance at Beginning of Period, January 1, 2018	\$1,217		\$1,217
Net Income	163		163
	<u>1,380</u>		<u>1,380</u>
Dividends Declared			
Common stock	(95)		(95)
	<u>(95)</u>		<u>(95)</u>
Balance at End of Period, September 30, 2018	<u>\$1,285</u>	<u>\$0</u>	<u>\$1,285</u>

(1) No preliminary adjusting entries to the Statement of Retained Earnings.