



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204  
PortlandGeneral.com

October 16, 2014

**E-File/US Mail**

Commission Filing Center  
Public Utility Commission of Oregon  
3930 Industrial DR SE  
PO Box 1088  
Salem, OR 97308-1166

Re: UF\_\_\_\_ PGE Finance Application

PGE is requesting the Commission to assign a new docket and issue an order allowing PGE to issue new First Mortgage Bonds or unsecured debt in an amount up to \$400 million. The proposed debt financing proceeds will provide PGE with the flexibility to fund its external capital requirements and repay maturing debt through the issuance of first mortgage bonds or unsecured debt in 2015 and will allow PGE to preserve its existing liquidity. PGE understands that it will be subject to prudence review of any financings undertaken pursuant to this amended application and subsequent order.

We ask that this Application be placed for consideration at the Commission's November 12, 2014 Public Meeting, or as soon thereafter as possible. Staff has tentatively agreed to try to review and process this application in time for that meeting.

If you have any questions regarding this matter, please call Jim Warberg at 503-464-7085.

Sincerely,

A handwritten signature in blue ink that reads "Patrick G. Hager".

Patrick G. Hager  
Manager, Regulatory Affairs

cc: Brett Greene, James Warberg, Cheryl Chevis, Doug Tingey

**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 \$400 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 \$400 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, other than the 3.51% Series Bonds to be issued on November 17, 2014, 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 OPUC finance applications. Many of these 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, 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-0702  
Portland, OR 97204  
(503) 464-7857 (telephone)  
(503) 464-7651 (fax)  
pge.opuc.filings@pgn.com

Doug Tingey  
Assistant 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 names and addresses to receive notices and communications via the e-mail service list are:

Brett Greene, Assistant Treasurer

E-Mail: [brett.greene@pgn.com](mailto:brett.greene@pgn.com)

(d) As of June 30, 2014, the following are the principal officers of PGE with primary business offices located at 121 SW Salmon Street, Portland, Oregon 97204:

James J. Piro	Chief Executive Officer & President
James F. Lobdell	Senior Vice President Finance, CFO & Treasurer
William O. Nicholson	Senior Vice President
Maria Pope	Senior Vice President
Arleen N. Barnett	Vice President
Carol A. Dillin	Vice President
Campbell A. Henderson	Vice President & Chief Information Officer
J. Jeffrey Dudley	Vice President, General Counsel & Corporate Compliance Officer
Larry Bekkedahl <sup>1</sup>	Vice President
Stephen M. Quennoz	Vice President
W. David Robertson	Vice President
Kristin A. Stathis	Vice President
Kirk M. Stevens	Controller and Assistant Treasurer
Marc S. Bocci	Corporate Secretary
Nora E. Arkonovich	Assistant Secretary
Cheryl A. Chevis	Assistant Secretary
Karen J. Lewis	Assistant Secretary
Brett C. Greene	Assistant Treasurer

(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,

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<sup>1</sup> Bruce Carpenter retired July 6, 2014. Larry Bekkedahl filled this position August 25, 2014

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 **June 30, 2014**, the date of PGE’s last major SEC filing (10-Q):

	<u>Outstanding</u> <u>Shares</u>	<u>Amount (\$000s)</u>
Cumulative Preferred Stock:	0	0
None authorized		
Common Stock:		
No Par Value		
(80,000,000 shares authorized):	78,202,241	\$914,070

None of the outstanding shares of common stock referenced above are held as reacquired securities or have been pledged by the Applicant. Vanguard Group, Inc. held 6.94% of the outstanding PGE common stock and Black Rock Fund Advisors held 5.18% as reported in the most recent Forms 13-F filed with the Securities and Exchange Commission. PGE cannot determine from the Forms 13-F whether either entity qualifies as an affiliate. PGE periodically reports major shareholder activity annually to OPUC Staff 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 **June 30, 2014** is as follows:

Description	Authorized (\$000s)	Outstanding (\$000s)
<b>First Mortgage Bonds:</b>		
3.46% series due 1-15-2015	70,000	70,000
6.80% series due 1-15-2016	67,000	67,000
3.81% series due 6-15-2017	58,000	58,000
5.80% series due 3-1-2018	75,000	75,000
6.10% series due 4-15-2019	300,000	300,000
9.31% series due 8-11-2021	20,000	20,000
6.75% series VI due 8-1-2023	50,000	50,000
6.26% series due 5-1-2031	100,000	100,000
6.875% series due 8-1-2033	50,000	50,000
6.31% series due 5-1-2036	175,000	175,000
5.81% series due 10-1-2037	130,000	130,000
5.80% series due 6-1-2039	170,000	170,000
5.43% series due 5-3-40	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
4.84% series due 12-15-2049	<u>50,000</u>	<u>50,000</u>
	<b>1,795,000</b>	<b>1,795,000</b>
<b>Pollution Control Bonds:</b>		
<b>City of Forsyth, MT</b>		
5.45% series B due 5-1-2033*	21,000	21,000
5% series due 5-1-2033	97,800	97,800
<b>Port of Morrow, OR</b>		
5.00% series due 5-1-2033,	23,600	23,600
Variable rate due 5-1-2031**	5,800	5,800
<b>*This debt instrument, purchased by the Company on May 1, 2009, is currently held for possible remarketing</b>	(21,000)	(21,000)
<b>** This debt instrument, purchase by the Company in 2008 is currently held for possible remarketing</b>	(5,800)	(5,800)
<b>Total Pollution Control Bonds outstanding</b>	<b><u>121,400</u></b>	<b><u>121,400</u></b>
<b>Other Long Term Debt:</b>		
<b>Term Loans</b>		
5/12/14 due 10/30/15	75,000	75,000
6/2/14 due 10/30/15	75,000	75,000
6/30/14 due 10/30/15	75,000	75,000
<b>Long-Term Contracts</b>	93	93
Unamortized Debt Discount and Other	<u>(742)</u>	<u>(742)</u>
<b>Total Other Long-Term Debt</b>	<b><u>224,351</u></b>	<b><u>224,351</u></b>

Description	Authorized (\$000s)	Outstanding (\$000s)
<b>Total Long-Term Debt<sup>1</sup></b>	<b><u>2,140,751</u></b>	<b><u>2,140,751</u></b>

None of the long-term debt is pledged by the Applicant or held as reacquired securities, by affiliated corporations, or in any fund, except as may be noted above.

(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 as a result 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:

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<sup>1</sup> Does not reflect \$100 million 4.39% series first mortgage bonds due 8/15/45 issued on August 15, 2014 or \$100 million 4.44% series due 10/15/46 issued October 15, 2014 both issued under Order 14-004

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 in excess of \$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:

<b>Greater Than or Equal To</b>	<b>Equal to or Less Than</b>	<b>Maximum Spread Over Benchmark Treasury Yield</b>
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:

<b>Greater Than or Equal To</b>	<b>Equal to or Less Than</b>	<b>Maximum Spread Over Benchmark Treasury Yield</b>
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, 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 \$400,000,000 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 \$400,000,000.

(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 \$400,000,000 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, JP Morgan, Wachovia, Barclays, Bank of America, Morgan Stanley, U.S Bank 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% 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	\$400,000,000	\$100.00
2. Plus premium or less discount		
3. Gross proceeds	\$400,000,000	\$100.00
4. Underwriters' spread or commission (0.875%)	3,500,000	
5. Securities and Exchange Commission registration fee	15,000	
6. Printing and engraving expenses	30,000	
7. Trustee's charges	25,000	
8. Fees and expenses of independent public accountants	40,000	
9. Rating agency fees	100,000	
10. Legal fees	150,000	
12. Total deductions	\$3,860,000	0.97
13. Estimated net amount to be realized	\$396,140,000	\$99.03

(1) *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 860-027-030 (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 860-027-030 (p) 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.** *Articles of Incorporation, as Amended and Restated, effective on May 13, 2009 (Third Amended and Restated Articles 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 June 30, 2014 are attached.*

*[Attached in 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 June 30, 2014: 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 June 30, 2014: See Attached Income Statement for the 6-month period ended June 30, 2014 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 June 30, 2014 and pro forma: See Attached Analysis of retained earnings for the 6-month period ended June 30, 2014 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: 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 \$400 million of First Mortgage Bonds.

Dated this 16<sup>th</sup> day of October, 2014.

**PORTLAND GENERAL ELECTRIC COMPANY**

By  \_\_\_\_\_  
Patrick G. Hager,  
Manager, Regulatory Affairs  
On Behalf of Portland General Electric Company  
121 SW Salmon Street, 1WTC-0702  
Portland, Oregon 97204  
Phone: (503) 464-7580  
E-Mail: patrick.hager@pgn.com

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**Exhibit "F"**  
**Statement of Contingent Liabilities**  
**As of June 30, 2014**

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 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 reasonably estimated, then the Company: 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.

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.

The Company 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) there are significant facts in dispute; vi) there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants); or vii) there is a wide range of potential outcomes. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

**Trojan Investment Recovery**

*Regulatory Proceedings.* 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 1998, the Oregon Court of Appeals upheld the OPUC's order authorizing PGE's recovery of the Trojan investment, but held

that the OPUC did not have the authority to allow the Company to recover a return on the Trojan investment and remanded the case to the OPUC for reconsideration.

In 2000, PGE entered into agreements to settle the litigation related to recovery of, and return on, its investment in Trojan. The settlement, which was approved by the OPUC, allowed PGE to remove from its balance sheet the remaining investment in Trojan as of September 30, 2000, along with several largely offsetting regulatory liabilities. After offsetting the investment in Trojan with these liabilities, the remaining Trojan regulatory asset balance of approximately \$5 million (after tax) was expensed. As a result of the settlement, PGE's investment in Trojan was no longer included in prices charged to customers, either through a return of or a return on that investment. The Utility Reform Project (URP) did not participate in the settlement and filed a complaint with the OPUC challenging the settlement agreements. In 2002, the OPUC issued an order (2002 Order) denying all of the URP's challenges. In 2007, following several appeals by various parties, the Oregon Court of Appeals issued an opinion that remanded the 2002 Order to the OPUC for reconsideration.

The OPUC then issued an order in 2008 (2008 Order) that required PGE to provide refunds, including interest from September 30, 2000, to customers who received service from the Company during the period from October 1, 2000 to September 30, 2001. The Company recorded a charge of \$33.1 million in 2008 related to the refund and accrued additional interest expense on the liability until refunds to customers were completed in the first quarter of 2010. The URP and the plaintiffs in the class actions described below separately appealed the 2008 Order to the Oregon Court of Appeals. On February 6, 2013, the Oregon Court of Appeals issued an opinion that upheld the 2008 Order. On May 31, 2013, the Court of Appeals denied the appellants' request for reconsideration of the decision. On October 18, 2013, the Oregon Supreme Court granted plaintiffs' petition seeking review of the February 6, 2013 Oregon Court of Appeals decision. Oral argument occurred in March 2014 and the parties now await a Court decision.

*Class Actions.* In two separate legal proceedings, lawsuits were filed in Marion County Circuit Court against PGE in 2003 on behalf of two classes of electric service customers. 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 2006, the Oregon Supreme Court issued a ruling ordering the abatement of the class action proceedings until the OPUC responded to the 2002 Order (described above). The Oregon Supreme Court concluded that the OPUC has primary jurisdiction to determine what, if any, remedy can 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.

The Oregon Supreme Court further stated that if the OPUC determined that it can provide a remedy to PGE's customers, then the class action proceedings may become moot in whole or in part. The Oregon Supreme Court added that, if the OPUC determined that it cannot provide a remedy, the court system may have a role to play. The Oregon Supreme Court also ruled that the plaintiffs retain the right to return to the Marion County Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings. The Marion County Circuit Court subsequently abated the class actions in response to the ruling of the Oregon Supreme Court.

As noted above, on February 6, 2013, the Oregon Court of Appeals upheld the 2008 Order. Because the Oregon Supreme Court has granted the plaintiffs' petition seeking review of that decision, and the class actions described above remain pending, management believes that it is reasonably possible that the regulatory proceedings and class actions could result in a loss to the Company in excess of the amounts previously recorded and discussed above. Because these matters involve unsettled legal theories and have a

broad range of potential outcomes, sufficient information is currently not available to determine PGE's potential liability, if any, or to estimate a range of potential loss.

### **Pacific Northwest Refund Proceeding**

In 2001, the FERC called for a hearing to explore whether there may have been unjust and unreasonable charges for spot market sales of electricity in the Pacific Northwest from December 25, 2000 through June 20, 2001 (Pacific Northwest Refund proceeding). During that period, PGE both sold and purchased electricity in the Pacific Northwest. In 2003, the FERC issued an order terminating the proceeding and denying the claims for refunds. Upon appeal of the decision to the U.S. Ninth Circuit Court of Appeals (Ninth Circuit) the Court remanded the case to the FERC to, among other things, address market manipulation evidence in detail and account for the evidence in any future orders regarding the award or denial of refunds in the proceedings.

In October 2011, the FERC issued an Order on Remand, establishing an evidentiary hearing to determine whether any seller had engaged in unlawful market activity in the Pacific Northwest spot markets during the December 25, 2000 through June 20, 2001 period by violating specific contracts or tariffs, and, if so, whether a direct connection existed between the alleged unlawful conduct and the rate charged under the applicable contract. The FERC held that the Mobile-Sierra public interest standard governs challenges to the bilateral contracts at issue in this proceeding, and the strong presumption under Mobile-Sierra that the rates charged under each contract are just and reasonable would have to be specifically overcome before a refund could be ordered. The FERC directed the presiding judge, if necessary, to determine a refund methodology and to calculate refunds, but held that a market-wide remedy was not appropriate, given the bilateral contract nature of the Pacific Northwest spot markets.

In December 2012, the FERC issued an order clarifying that the Mobile-Sierra presumption could be overcome either by: i) a showing that a respondent had violated a contract or tariff and that the violation had a direct connection to the rate charged under the applicable contract; or ii) a showing that the contract rate at issue imposed an excessive burden or seriously harmed the public interest.

On April 5, 2013, the FERC granted rehearing of its Order on Remand on the issue of the appropriate refund period, holding that parties could pursue refunds for transactions between January 1, 2000 and December 24, 2000 under Section 309 of the Federal Power Act by showing violations of a filed tariff or rate schedule or of a statutory requirement. Refund claimants have filed petitions for appeal of the Order on Remand and the Order on Rehearing with the Ninth Circuit.

In its October 2011 Order on Remand, the FERC ordered settlement discussions to be convened before a FERC settlement judge. Pursuant to the settlement proceedings, the Company received notice of two claims and reached agreements to settle both claims for an immaterial amount. The FERC approved both settlements during 2012.

Additionally, the settlement between PGE and certain other parties in the California refund case in Docket No. EL00-95, et seq., approved by the FERC in May 2007, resolved all claims between PGE and the California parties named in the settlement, including the California Energy Resource Scheduling division of the California Department of Water Resources (CERS), as to transactions in the Pacific Northwest during the settlement period, January 1, 2000 through June 20, 2001, but did not settle potential claims from other market participants relating to transactions in the Pacific Northwest.

The above-referenced settlements resulted in a release for the Company as a named respondent in the first phase of the remand proceedings, which are limited to initial and direct claims for refunds, but there remains

a possibility that additional claims related to this matter could be asserted against the Company in a subsequent phase of the proceeding if refunds are ordered against some or all of the current respondents.

During the first phase of the remand hearing, now completed, two sets of refund proponents, the City of Seattle, Washington (Seattle) and various California parties on behalf of CERS, presented cases alleging that multiple respondents had engaged in unlawful activities and caused severe financial harm that justified the imposition of refunds. After conclusion of the hearing, the presiding Administrative Law Judge issued an Initial Decision on March 28, 2014 finding: i) that Seattle did not carry its Mobile-Sierra burden with respect to its refund claims against any of its respondent sellers; and ii) that the California representatives of CERS did not carry their Mobile-Sierra burden with respect to one of CERS' respondents, but did find evidence of unlawful activity in the implementation of multiple transactions and bad faith in the formation of as many as 119 contracts by the last remaining CERS respondent. The Administrative Law Judge scheduled a second phase of the hearing to commence after a final FERC decision on the Initial Decision. In the second phase, the last respondent will have an opportunity to produce additional evidence as to why its transactions should be considered legitimate and why refunds should not be ordered. If the FERC requires one or more respondents to make refunds, it is possible that such respondent(s) will attempt to recover similar refunds from their suppliers, including the Company.

Management believes that this matter could result in a loss to the Company in future proceedings. However, management cannot predict whether the FERC will order refunds from any of the current respondents, which contracts would be subject to refunds, the basis on which refunds would be ordered, or how such refunds, if any, would be calculated. Further, management cannot predict whether any current respondents, if ordered to make refunds, will pursue additional refund claims against their suppliers, and, if so, what the basis or amounts of such potential refund claims against the Company would be. Due to these uncertainties, sufficient information is currently not available to determine PGE's liability, if any, or to estimate a range of reasonably possible loss.

### **EPA Investigation of Portland Harbor**

A 1997 investigation by the United States Environmental Protection Agency (EPA) of a segment of the Willamette River known as Portland Harbor 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 (CERCLA) as a federal Superfund site and listed 69 Potentially Responsible Parties (PRPs). PGE was included among the PRPs as it has historically owned or operated property near the river. In January 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. Subsequently, the EPA has listed additional PRPs, which now number over one hundred.

The Portland Harbor site is currently undergoing a remedial investigation (RI) and feasibility study (FS) pursuant to an Administrative Order on Consent (AOC) between the EPA and several PRPs known as the Lower Willamette Group (LWG), which does not include PGE.

In March 2012, the LWG submitted a draft FS to the EPA for review and approval. The draft FS, along with the RI, provide the framework for the EPA to determine a clean-up remedy for Portland Harbor that will be documented in a Record of Decision, which the EPA is not expected to issue before 2017.

The draft FS evaluates several alternative clean-up approaches. These approaches would take from two to 28 years with costs ranging from \$169 million to \$1.8 billion, depending on the selected remedial action levels and the choice of remedy. The draft FS does not address responsibility for the costs of clean-up, allocate such

costs among PRPs, or define precise boundaries for the clean-up. Responsibility for funding and implementing the EPA's selected clean-up will be determined after the issuance of the Record of Decision.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties discussed above, sufficient information is currently not available to determine PGE's liability for the cost of any required investigation or remediation of the Portland Harbor site or to estimate a range of potential loss.

### **DEQ Investigation of Downtown Reach**

The Oregon Department of Environmental Quality (DEQ) has executed a memorandum of understanding with the EPA to administer and enforce clean-up activities for portions of the Willamette River that are upriver from the Portland Harbor Superfund site (the Downtown Reach). In January 2010, the DEQ issued an order requiring PGE to perform an investigation of certain portions of the Downtown Reach. PGE completed this investigation in December 2011 and entered into a consent order with the DEQ in July 2012 to conduct a feasibility study of alternatives for remedial action for the portions of the Downtown Reach that were included within the scope of PGE's investigation. The draft feasibility study report, which describes possible remediation alternatives that range in estimated cost from \$3 million to \$8 million, was submitted to the DEQ in February 2014. Using the Company's best estimate of the probable cost for the remediation effort from the set of alternatives provided in the draft feasibility study report, PGE has a \$3 million reserve for this matter as of June 30, 2014.

Based on the available evidence of previous rate recovery of incurred environmental remediation costs for PGE, as well as for other utilities operating within the same jurisdiction, the Company has concluded that the estimated cost of \$3 million to remediate the Downtown Reach is probable of recovery. As a result, the Company also has a regulatory asset of \$3 million for future recovery in prices as of June 30, 2014. The Company included recovery of the regulatory asset in its 2015 General Rate Case filed with the OPUC in February 2014.

### **Alleged Violation of Environmental Regulations at Colstrip**

On July 30, 2012, PGE received a Notice of Intent to Sue (Notice) for violations of the Clean Air Act (CAA) at Colstrip Steam Electric Station (CSES) from counsel on behalf of the Sierra Club and the Montana Environmental Information Center (MEIC). The Notice was also addressed to the other CSES co-owners, including PPL Montana, LLC, the operator of CSES. PGE has a 20% ownership interest in Units 3 and 4 of CSES. The Notice alleges certain violations of the CAA, including New Source Review, Title V, and opacity requirements, and states that the Sierra Club and MEIC will: i) request a United States District Court to impose injunctive relief and civil penalties; ii) require a beneficial environmental project in the areas affected by the alleged air pollution; and iii) seek reimbursement of Sierra Club's and MEIC's costs of litigation and attorney's fees.

The Sierra Club and MEIC asserted that the CSES owners violated the Title V air quality operating permit during portions of 2008 and 2009 and that the owners have violated the CAA by failing to timely submit a complete air quality operating permit application to the Montana Department of Environmental Quality (MDEQ). The Sierra Club and MEIC also asserted violations of opacity provisions of the CAA.

On March 6, 2013, the Sierra Club and MEIC sued the CSES co-owners, including PGE, for these and additional alleged violations of various environmental related regulations. The plaintiffs are seeking relief that includes an injunction preventing the co-owners from operating CSES except in accordance with the CAA, the Montana State Implementation Plan, and the plant's federally enforceable air quality permits. In

addition, plaintiffs are seeking civil penalties against the co-owners including \$32,500 per day for each violation occurring through January 12, 2009, and \$37,500 per day for each violation occurring thereafter.

In September 2013, the plaintiffs filed an amended complaint that withdrew Title V and opacity claims, added claims associated with two 2011 projects, and expanded the scope of certain claims to encompass approximately forty additional projects. The CSES co-owners have filed a motion to dismiss all of the claims in the amended complaint. In April 2014, the parties entered into an agreement under which, following the court's decision on the motion to dismiss, plaintiffs will move to amend the complaint to limit the scope of the claims to thirteen projects. On May 22, 2014, the federal magistrate judge issued a recommendation to deny most of the motion to dismiss. The parties are awaiting a final decision on the motion to dismiss. This matter is scheduled for trial in June 2015.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

### **Challenge to AOC Related to Colstrip Wastewater Facilities**

In August 2012, the operator of CSES entered into an AOC with the MDEQ, which established a comprehensive process to investigate and remediate groundwater seepage impacts related to the wastewater facilities at CSES. Within five years, under this AOC, the operator of CSES is required to provide financial assurance to MDEQ for the costs associated with closure of the waste water treatment facilities. This will establish an obligation for asset retirement, but the operator of CSES is unable at this time to estimate these costs, which will require both public and agency review.

In September 2012, Earthjustice filed an affidavit pursuant to Montana's Major Facility Siting Act (MFSA) that sought review of the AOC by Montana's Board of Environmental Review (BER), on behalf of environmental groups Sierra Club, the MEIC, and the National Wildlife Federation. In September 2012, the operator of CSES filed an election with the BER to have this proceeding conducted in Montana state district court as contemplated by the MFSA. In October 2012, Earthjustice, on behalf of Sierra Club, the MEIC and the National Wildlife Federation, filed with the Montana state district court a petition for a writ of mandamus and a complaint for declaratory relief alleging that the AOC fails to require the necessary actions under the MFSA and the Montana Water Quality Act with respect to groundwater seepage from the wastewater facilities at CSES. On May 31, 2013, the district court judge granted the defendants' motion to dismiss the petition for the writ of mandamus.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

### **Oregon Tax Court Ruling**

On September 17, 2012, the Oregon Tax Court issued a ruling contrary to an Oregon Department of Revenue (DOR) interpretation and a current Oregon administrative rule, regarding the treatment of wholesale electricity sales. The underlying issue is whether electricity should be treated as tangible or intangible property for state income tax apportionment purposes. The DOR has appealed the ruling of the Oregon Tax Court to the Oregon Supreme Court. It is uncertain whether the ruling will be upheld. Oral argument occurred in May 2014 and the parties now await a Court decision.

If the ruling is upheld, PGE estimates that its income tax liability could increase by as much as \$7 million due to an increase in the tax rate at which deferred tax liabilities would be recognized in future years. For open tax years per Oregon statute, 2008 through 2012, the Company entered into a closing agreement with the DOR during the third quarter 2013 under which the DOR agreed to the tax apportionment methodology utilized on the tax returns relating to those years.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome.

### **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, which 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.



Portland General Electric Company and Subsidiaries  
Consolidated Balance Sheet  
June 30, 2014  
(In Millions)

	June 30, 2014	Adjustments	Adjusted Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 97		\$ 97
Accounts receivable, net	121		121
Unbilled revenues	74		74
Inventories	85		85
Regulatory assets - current	38		38
Other current assets	98		98
Total current assets	<u>513</u>	<u>-</u>	<u>513</u>
Electric utility plant	7,213		7,213
Construction work in progress	926		926
Total cost	8,139		8,139
Less: accumulated depreciation and amortization	<u>(2,815)</u>		<u>(2,815)</u>
Electric utility plant, net	<u>5,324</u>	<u>-</u>	<u>5,324</u>
Regulatory assets - noncurrent	399		399
Nuclear decommissioning trust	83		83
Non-qualified benefit plan trust	33		33
Other noncurrent assets	47		47
Total assets	<u>\$ 6,399</u>	<u>\$ -</u>	<u>\$ 6,399</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 181		\$ 181
Short-term debt	-		-
Liabilities from price risk management activities - current	32		32
Current portion of long-term debt	70		70
Accrued expenses and other current liabilities	174		174
Total current liabilities	<u>457</u>	<u>-</u>	<u>457</u>
Long-term debt, net of current portion	2,071		2,071
Regulatory liabilities - noncurrent	913		913
Deferred income taxes	613		613
Unfunded status of pension and postretirement plans	160		160
Non-qualified benefit plan liabilities	101		101
Asset retirement obligations	105		105
Liabilities from price risk management activities - noncurrent	83		83
Other noncurrent liabilities	24		24
Total liabilities	<u>\$ 4,527</u>	<u>\$ -</u>	<u>\$ 4,527</u>
Commitments and contingencies (see notes)	-		-
<b>Equity</b>			
Portland General Electric Company shareholders' equity			
Preferred stock	-		-
Common stock	914		914
Accumulated other comprehensive loss	(5)		(5)
Retained earnings	962		962
Total Portland General Electric Company shareholders' equity	<u>1,871</u>	<u>-</u>	<u>1,871</u>
Noncontrolling interests' equity	1		1
Total Equity	<u>1,872</u>	<u>-</u>	<u>1,872</u>
Total liabilities and equity	<u>\$ 6,399</u>	<u>\$ -</u>	<u>\$ 6,399</u>

Portland General Electric Company and Subsidiaries  
Consolidated Statement of Income  
Six Months Ended  
June 30, 2014  
(In Millions)

	Six Months Ended June 30, 2014	Adjustments	Adjusted Total
<b>Revenues</b>	\$916		\$916
<b>Operating Expenses:</b>			
Purchased power and fuel	326		326
Production and distribution	121		121
Administrative and other	110		110
Depreciation and amortization	148		148
Taxes other than income taxes	55		55
Total operating expenses	<u>760</u>		<u>760</u>
<b>Income from Operations</b>	156	-	156
<b>Other Income:</b>			
Allowance for equity funds used during construction	15		15
Miscellaneous income, net	-		-
Other Income, net	<u>15</u>	-	<u>15</u>
<b>Interest Expense</b>	<u>48</u>		<u>48</u>
Income before income taxes	123	-	123
<b>Income Taxes</b>	30		30
<b>Net Income</b>	<u>93</u>	-	<u>93</u>
Less: net loss attributable to noncontrolling interests	-		-
<b>Net Income attributable to Portland General Electric Company</b>	<u>\$93</u>	<u>\$ -</u>	<u>\$93</u>

**Portland General Electric Company and Subsidiaries**  
**Consolidated Statement of Retained Earnings**  
**Six Months Ended**  
**June 30, 2014**  
**(In Millions)**

	<u>Retained Earnings</u>	<u>Adjustments <sup>(1)</sup></u>	<u>Adjusted Total</u>
<b>Balance at Beginning of Period, January 1, 2014</b>	\$913		\$913
<b>Net Income</b>	<u>93</u>		<u>93</u>
	1,006		1,006
<b>Dividends Declared</b>			
Common stock	<u>(44)</u>		<u>(44)</u>
<b>Balance at End of Period, June 30, 2014</b>	<u><u>\$962</u></u>	<u><u>\$0</u></u>	<u><u>\$962</u></u>

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