



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

December 14, 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 4272 PGE Supplemental Finance Application**  
\$500 Million Revolving Credit Agreement

Attention Filing Center:

On July 3, 2012, the Public Utility Commission of Oregon (OPUC or Commission) authorized Portland General Electric Company (PGE or the Company) to enter into a \$400 million revolving credit agreement. PGE entered into a 5-year revolving credit agreement with a group of banks on November 14, 2012 with a scheduled maturity date of November 14, 2017. Commission Order No. 13-379, adopted on October 17, 2013, permitted PGE to extend the revolver credit facility for one year twice during the life of the facility at a fee not to exceed 15 basis points for each extension, plus reasonable legal fees. On February 10, 2015, Commission Order No. 15-041 approved PGE's request to: 1) extend and enlarge its \$400 million credit facility to \$500 million while extending maturity to November 14, 2019, not inclusive of two additional optional one-year extensions and 2) eliminate PGE's \$300 million credit facility implemented in 2011 pursuant to Commission Order 11-105.

PGE has analyzed its revolver needs and concluded that the current \$500 million credit facility will continue to produce the lowest cost of funds for a facility of this type currently available to PGE.

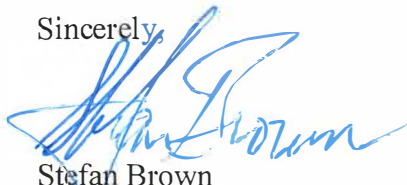
PGE hereby requests Commission authorization to extend the maturity of its existing \$500 million credit agreement to November 2022. PGE requests that it be allowed to implement terms that permit unlimited additional one-year extensions at a fee not to exceed 15 basis points per extension, provided that lenders holding more than 50% of the aggregate outstanding commitment approve the extension. Even with approval of the unlimited one-year extensions, PGE would still be required to provide annual updates to the commission. Furthermore, starting 2022, PGE will seek commission authorization to continue to borrow funds under the credit agreement every two years.

PGE requests that this proposed amendment be considered at the January 15, 2019 OPUC public meeting.

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](mailto:pge.opuc.filings@pgn.com)

Sincerely,



Stefan Brown  
Manager, Regulatory Affairs

Encls

cc: Matthew Muldoon, OPUC  
Katie Trosen

Doug Tingey  
Chris Liddle

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF  
OREGON**

In the Matter of the Application of PORTLAND )  
GENERAL ELECTRIC COMPANY for ) SUPPLEMENTAL APPLICATION  
authority to issue debt pursuant to a revolving )  
credit agreement ) **UF 4272**  
)

Pursuant to ORS 757.400 et seq., and OAR 860-027-0030, Portland General Electric Company (“PGE” or the “Applicant”) submits this financing application requesting authority to extend the maturity of its existing \$500 million revolving credit agreement to November 2022. PGE believes the revolving credit facility set forth in this application will continue to produce the lowest cost of funds for a facility of this type currently available to PGE. In addition, PGE requests that it be allowed to implement terms that permit unlimited additional one-year extensions at a fee not to exceed 15 basis points per extension, provided that lenders holding more than 50% of the aggregate outstanding commitment approve the extension. Even with approval of the unlimited one-year extensions, PGE would still be required to provide annual updates to the commission. Furthermore, starting in 2022, PGE will seek commission authorization to continue to borrow funds under the credit agreement every two years.

In January 2015, PGE entered into a \$500 million revolving credit agreement with a \$100 million accordion feature that allows for a not-to-exceed total amount of \$600 million. The purpose of the revolving credit facility is to support general corporate purposes including, without limitation, to provide back-up liquidity for short-term indebtedness, as a backstop for our commercial paper program, to refinance existing indebtedness, to support seasonal cash requirements such as the payment of property taxes, quarterly dividend and interest payments, and to meet collateral requirements under energy purchase and sale agreements. The facility helps PGE maintain a healthy, evenly distributed debt

maturity profile. All the uses discussed in this paragraph are authorized by ORS 757.415.

During the term of the agreement PGE may borrow, repay and reborrow at any time up until the final termination date. All outstanding obligations need to be paid in full by PGE on the final termination date. PGE is not obligated to draw down upon the facility during the term of the agreement.

As proposed above, PGE requests to have an initial term of four years expiring November 14, 2022 with the right each calendar year to extend the agreement termination date by one year. An extension of the credit facility would need to be agreed to by PGE and the lenders and documented in an extension letter. Starting in 2022, PGE would still be required to seek commission authorization every two years by submitting a request for authority to issue debt pursuant to the existing revolving credit agreement. As previously authorized through Commission Order No. 12-279, PGE requests that the reporting requirements for this facility continue to be met annually under this new authorization and that the filing be made no later than 60 days after the end of each calendar year. These reporting requirements include a report addressing all PGE credit facilities and letters of credit (LCs) outstanding for any part of that calendar year. Each report will be accompanied by a single electronic MS Excel workbook, with all cell references and formulas intact and will include quarterly information for the prior year for each outstanding credit facility.

The benefits of perpetual one-year extensions include reducing the number of amendments, legal costs, time pressure, and the reallocation of employee time to other needs within the company. Assuming a 20-year period, if the current revolving credit agreement plus two one-year extensions is renewed in 2019, it would require six additional amendments, making a total of seven amendments. In comparison, having an initial term of four years and unlimited one-year extensions would require a single amendment to the current revolving credit agreement and the potential for additional amendments based on the assumption the credit agreement would need to realign with market conditions. To be conservative, for estimation purposes we assumed an additional four amendments for the unlimited extension scenario.

As seen in Table A below the reduction in amendments would result in a significant cost savings of approximately \$78,000 and 180 PGE employee hours.

**TABLE A**

	Number of Amendments	Legal Costs Associated with 1 Amendment	Total Legal Costs	Employee Hours for 1 Amendment	Total Employee Hours	Dollars/Employee Hours for 1 Amendment	Total Spend on Employee Time	Total Spent Over 20 Years
Current 4+2	7	\$22,000	\$154,000	90	630	\$4,000	\$28,000	\$182,000
Perpetual 1 year Ext	5	\$22,000	\$88,000	90	450	\$4,000	\$16,000	\$104,000
								\$78,000

In addition to reducing the need for additional amendments, saving time and money, PGE’s right to request perpetual one-year extensions, as provided for in the proposed amendment, reduces the time pressure associated with having an imminent termination date. Under the terms of the proposed amendment, an extension request may be made at any time during the calendar year, allowing PGE to select the timing and will avoid placing the company under forced financial stress. PGE will continue to monitor the market for changes in conditions and standard agreement terms and, if this request is approved, will have the opportunity to make changes at the time of each extension.

When selecting the banks to participate in the credit facility, PGE’s goal is to limit exposure to any one particular bank. We continue to maintain conversations with other banks in the event we have one or more banks drop out of the current group of banks participating in the revolver. It is not in PGE’s, investors’, or customers’ best interest to reduce or limit bank diversification. Our current revolver participants are shown in Table B below:

**TABLE B**

Bank	Credit Facility Allocation	Credit Rating		Total Assets (mm)
		S&P	Moody's	
Wells Fargo Bank, National Association	\$83.5M	A+	A2	\$ 1,952,000
Barclays Bank, plc*	\$83.5M	A	A2	\$ 1,438,910
JPMorgan Chase Bank, N.A.	\$83.5M	A+	Aa1	\$ 2,082,000
U.S. Bank National Association	\$83.5M	AA-	Aa1	\$ 456,000
Bank of the West*	\$27.0M	A-	Aa3	\$ 222,300
CoBank, ACB	\$27.0M	AA-	N/A	\$ 129,000
The Northern Trust Company	\$27.0M	AA-	A2	\$ 139,000

\*Assets from parent converted to USD. Barclays PLC is the parent of Barclays Bank and BNP Paribas SA is the parent of Bank of the West.

**Outstanding Authorization:**

On February 10, 2015, Commission Order No. 15-041 authorized PGE to consolidate its \$300 million and \$400 million revolving credit agreements into a single comprehensive \$500 million revolving credit agreement. Under Commission Order Nos. 13-099, 13-354, 13-224, 15-145, and 17-087, PGE also is authorized to enter into agreements with commercial banks for the issuance of up to \$220 million in LC through credit reimbursement agreements.

**Current Credit Authorization:**

<u>Order No. 15-041:</u>	\$500 million (Docket No. UF 4272(2))*
	\$500 million <i>Comprehensive Revolving Credit</i>
Order No. 13-099	\$25 million (Docket No. UF 4277)
Order No. 13-354	\$5 Million (Docket No. UF 4277(1))
Order No. 13-224	\$30 million (Docket No. UF 4279)
Order No. 15-145	\$100 million (Docket No. UF 4292)
<u>Order No. 17-087</u>	\$60 million (Docket No. UF 4301)
	\$220 million <i>Restricted to LCs</i>

\* With Accordion Feature expansion to \$600 million

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**Proposed Credit Authorization:**

<b><u>Pending:</u></b>	\$500 million (Docket No. UF 4272(3))*
	\$500 million <i>Comprehensive Revolving Credit</i>
Order No. 13-099	\$25 million (Docket No. UF 4277)
Order No. 13-354	\$5 Million (Docket No. UF 4277(1))
Order No. 13-224	\$30 million (Docket No. UF 4279)
Order No. 15-145	\$100 million (Docket No. UF 4292)
<u>Order No. 17-087</u>	<u>\$60 million (Docket No. UF 4301)</u>
	\$220 million <i>Restricted to LCs</i>

\* With Accordion Feature expansion to \$600 million

**Attachment 1** provides a glossary of terms and abbreviations used in the enclosed finance application.

**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	Doug Tingey
Rates & Regulatory Affairs	Associate General Counsel
Portland General Electric Company	Portland General Electric Company
121 SW Salmon Street, 1WTC-0306	121 SW Salmon Street, 1WTC-1301
Portland, OR 97204	Portland, OR 97204
(503) 464-7805 (telephone)	(503) 464-8926 (telephone)
(503) 464-7651 (fax)	(503) 464-2200 (fax)
<a href="mailto:pge.opuc.filings@pgn.com">pge.opuc.filings@pgn.com</a>	<a href="mailto:doug.tingey@pgn.com">doug.tingey@pgn.com</a>

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](mailto: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, 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, 2018 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>
	<b>2,090,000</b>	<b>2,090,000</b>

\*Bond issuance agreement date December 13, 2018

Pollution Control Bonds:		
City of Forsyth, MT		
5.45% series B due 5-1-2033 <sup>(1)</sup>	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% <sup>(2)</sup>	0	0
<sup>(1)</sup> This debt instrument, purchased by the Company on May 1, 2009, is currently held for possible remarketing	(21,000)	(21,000)
<sup>(2)</sup> This debt instrument, was redeemed early, effective October 31, 2018		
<b>Total Pollution Control Bonds outstanding</b>	<b><u>97,800</u></b>	<b><u>97,800</u></b>

Long-Term Contracts	69	69
Unamortized Debt Discount and Other	<u>(498)</u>	<u>(498)</u>
Unamortized Debt Expense	<u>(9,294)</u>	<u>(9,294)</u>
<b>Total Other Long-Term Debt</b>	<b><u>(9,723)</u></b>	<b><u>(9,723)</u></b>
<b>Total Classified as Short-Term</b>	<b>300,000</b>	<b>300,000</b>
<b>Net Long-Term Debt</b>	<b><u>2,478,077</u></b>	<b><u>2,478,077</u></b>

None of the long-term debt is pledged or held as reacquired securities, by affiliated corporations, or in any fund, except as 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:*

(1) *Type and nature of securities*

PGE proposes to amend its outstanding \$500 million credit facility (as so amended, the “Credit Agreement”). The Credit Agreement expires in November 2022 and contains a provision that allows it to be extended annually for an additional year. The Credit Agreement also contains a provision that allows it to be increased in size by up to \$100 million (“accordion feature”). PGE may issue individual notes to each bank in the Credit Agreement for amounts equal to their commitment level.

The Credit Agreement will allow the Applicant to borrow at its option a minimum amount of \$5 million up to the total amount of the commitments under the Credit Agreement. PGE may also have the ability to issue letters of credit under the facility up to \$500 million. In addition to this credit facility PGE also has access to separate letter of credit facilities, now totaling \$220 million, which increases our liquidity and lowers fees for customers.

The Applicant can repay loans and re-borrow under the Credit Agreement so long as the total outstanding amount of all borrowings and letters of credit issued at any one-time does not exceed the commitments under the facility at the time of borrowing and all other representations and covenants are met.

The Applicant will have the option to borrow under the Credit Agreement at either a Eurodollar based fixed-rate option or a floating rate option. The Eurodollar based option would allow PGE to borrow for a fixed period of 1, 2, 3 or 6 months at a fixed rate based on the

applicable Eurodollar rate for such maturity on the date of borrowing plus a margin based on the PGE's unsecured debt rating (see table below). The floating rate also referred to as Adjustable Base Rate (ARB) is estimated to be at a rate reset daily equal to the higher of (i) the rate of interest in effect for such day as publicly announced from time to time by Wells Fargo as its "prime rate", (ii) the sum of Federal Funds Effective Rate<sup>1</sup> for such day plus 0.50% per annum and (iii) subject to the implementation of a Replacement Rate, the sum of (a) the quotient of (x) LIBOR<sup>2</sup> applicable for a one month U.S. dollar deposit on such day (or if such day is not a Business Day, the immediately preceding Business Day) divided by (y) one minus the Reserve Requirement (expressed as a decimal) applicable to a Eurodollar Advance with a one-month Interest Period plus (b) 1.00%. The 1.00% is based on the difference between the Base Rate and LIBOR spread in the pricing. Typically, that spread is 1.00%, so the 3<sup>rd</sup> prong of the Base Rate is LIBOR + 1.00% to ensure that the Base Rate pricing is never less than the LIBOR pricing.

The "prime rate" is a rate set by Wells Fargo based on various factors including Wells Fargo's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate. Any change in such "prime rate" announced by Wells Fargo shall take place at the opening of business on the day specified in the public announcement of such change.

Published daily, LIBOR is an interest rate benchmark representing the amount that banks pay to borrow unsecured from one another. LIBOR is going to be phased out in three years beginning in 2021. A likely alternative to LIBOR is the Secured Overnight Financing Rate (SOFR), which is published each business day by the Federal Reserve Bank of New York in cooperation with the U.S. Treasury Department's Office of Financial Research. PGE's

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<sup>1</sup> See definition in Attachment 1.

<sup>2</sup> London Interbank Offered Rate.

Corporate Finance and Legal teams are fully committed to finding a suitable alternative and will work with our banking partners to do so.

In addition to the borrowing rates, PGE will be required to pay an annual facility fee as shown on Table B, not to exceed 0.35% of their average commitment amount based on the Applicant's unsecured debt rating in effect during the period (see Table C below). These fees are the standard fees currently required by banks for this type of facility. Listed below are the maximum Eurodollar margin and facility fee rates that PGE would be required to pay under the Credit Agreement based on different unsecured PGE debt ratings in effect at the time. In the event PGE is split rated, the higher rating will apply. Each rating agency has unique rating methodologies, placing a different emphasis on various factors which can lead to split ratings. Moody's uses the expended loss approach to credit risk while S&P uses likelihood of default. The differences in approaches to analyzing credit risk could result in different credit ratings assigned to the same corporation. On July 18, 2018, S&P upgraded PGE's issuer credit rating one notch from BBB to BBB+ and kept PGE on positive outlook.<sup>3</sup> PGE will continue to pursue upgrades to our credit rating which would lower associated fees and provide benefit to our customers and investors.

**TABLE C**

Standard & Poors (S&P) and Moody's (M) Credit Ratings															
S&P AA- or Above	M Aa3 or Above	S&P A-	M A1	S&P A	M A2	S&P A-	M A3	S&P BBB+	M Baa1	S&P BBB	M Baa2	S&P BBB-	M Baa3	S&P Ba1 or Below	M BB+ or Below
<b>Applicable Margin for Eurodollar Loans</b>															
100.0 bps		100.0 bps		100.0 bps		100.0 bps		107.5 bps		127.5 bps		147.5 bps		165.0 bps	
<b>Annual Facility Fees</b>															
12.5 bps		12.5 bps		12.5 bps		12.5 bps		17.5 bps		22.5 bps		27.5 bps		35.0 bps	
<b>Applicable Margins for ABR Loans</b>															
0.0 bps		0.0 bps		0.0 bps		0.0 bps		7.5 bps		27.5 bps		47.5 bps		65.0 bps	
<b>Letters of Credit Fee</b>															
100 bps		100 bps		100 bps		100 bps		107.5 bps		127.5 bps		147.5 bps		165.0 bps	

<sup>3</sup> S&P Global Ratings Research Update Paper. Dated July 18, 2018

The Margin for Eurodollar Loans is not All-In Drawn. The All-In Drawn is the Margin plus the Facility Fee.

(2) Amount of securities

The amount of the Credit Agreement and the amount of borrowings and letters of credit issued under the Credit Agreement will not exceed \$600 million inclusive of accordion feature at any one time.

(3) Interest rate

The interest rate on loans under the Credit Agreement will depend on the type of loan and the applicable rate and spread in effect from time to time as described in paragraph (1) above. The cost for letters of credit will be the same as the Applicable Eurodollar Margin in paragraph (1) above, in Table C.

(4) Date of issuance and maturity

PGE expects to close the Credit Agreement by January 2019 and borrowings could occur on the day of closing up to the final maturity date. The facility is expected to have an initial maturity of not more than five years but may be extended annually for an additional year if the Applicant and the participating banks agree.

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

The Credit Agreement will not require a rating. However, as discussed above, the fees are based on the PGE's unsecured rating. PGE's unsecured debt is currently rated:

**TABLE D**

	<b>Standard &amp; Poor's</b>	<b>Moody's</b>
First Mortgage Bonds	A	A1
Senior Unsecured	BBB+	A3
Commercial Paper	A-2	P-2
Outlook	Positive	Stable

(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) 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 borrowings under the Credit Facility 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 Credit Agreement is a standard form of primary liquidity maintained by most utilities across the country to ensure they have access to working capital to meet current obligations. A facility of this type is also required by the rating agencies to permit companies to issue commercial paper and to support long-term credit ratings. Should PGE experience unexpected changes in cash flow or liquidity and an inability to execute a prudent transaction in the debt capital markets or repay outstanding commercial paper, the current revolving credit facility



agreement includes an accordion feature in which PGE can increase its revolver capacity by \$100 million to \$600 million providing additional liquidity. The commercial paper program gives PGE the ability to issue short-term debt to finance current transactions, which include the funding of operating expenses and the funding of current assets such as accounts receivable and inventories. The commercial paper is required to be issued in a minimum amount of \$100,000 and in multiples of \$1,000 in excess thereof, and have a maturity not exceeding 270 days from issuance. As stated above, if PGE is unable to repay its outstanding commercial paper obligations, the revolving credit facility may be used as a backstop.

(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 entering into the Credit Agreement or the borrowings or letters of credit issued pursuant to the Credit Agreement. 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:* The Applicant will select a bank to act as administrative agent for the facility and will pay the agent an arrangement fee, an annual agent fee and an extension fee. These fees are standard for this type of agreement. PGE provides an indicative estimate of all expected costs below. Please note that the estimated costs below might change significantly at the time when revolver funds are drawn due to changing financial environment:

**TABLE E**

<b>Fees</b>	<b>Estimated Cost</b>	<b>Percent of Total (Initial \$300 million)</b>
Extension Fee	\$250,000	0.083%
Administrative Agent Fee	\$30,000	0.010%
Arrangement Fees	\$100,000	0.033%
Legal Costs to Agent	\$7,000	0.002%
Counsel Fees	\$15,000	0.005%
Miscellaneous Expenses & Out of Pocket (e.g. freight, postages, travel)	\$2,000	0.001%
<b>Total Fees and Expenses</b>	<b>\$404,000</b>	<b>0.135%</b>

There is also a Fronting Fee of 0.20% paid to Wells Fargo per annum of the amount available to be drawn under each Letter of Credit, if issued and outstanding, payable quarterly

(k) *A statement showing both in total amount and per unit the price to the public, underwriting commission and net proceeds to the applicant:* Not Applicable.

(l) *Purposes for which the securities are to be issued:* 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, such obligations 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.

(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.

(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, the Applicant is obligated to secure sufficient generating, transmission, and distribution capacity to serve its customers reliably at the lowest reasonable cost. Applicant believes the loans made 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.

(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.*** *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:* See attached. [Electronic format]

***EXHIBIT D.*** *Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction:* Not applicable.

***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 12-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: Not Applicable.*

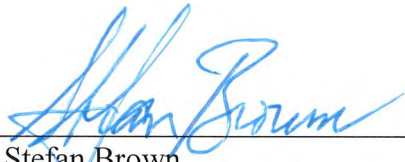
**EXHIBIT J.** *A copy of each proposed and of the published invitation of proposals for the purchase of underwriting of the securities to be issued; of each proposal received; and of each contract, underwriting, and other arrangement entered into for the sale or marketing of securities: Not Applicable.*

**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 the Applicant to issue debt pursuant to a revolving credit facility.

Dated this 14<sup>th</sup> day of December, 2018.

**PORTLAND GENERAL ELECTRIC COMPANY**

By  \_\_\_\_\_  
Stefan Brown,  
Manager, Regulatory Affairs  
On Behalf of Portland General Electric Company  
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**Exhibit "E"**  
**UF\_\_**

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

	<u>September 30, 2018</u>	<u>Adjustments <sup>(1)</sup></u>	<u>Adjusted Total</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
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	<u>7,122</u>		<u>7,122</u>
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>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
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)	-		-
<b>Equity</b>			
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>

<sup>(1)</sup> 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"**  
**UF\_\_**

**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
<b>Revenues</b>	\$1,467		\$1,467
<b>Operating Expenses:</b>			
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	<u>1,196</u>		<u>1,196</u>
<b>Income from Operations</b>	271	-	271
<b>Other Income:</b>			
Allowance for equity funds used during construction	8		8
Miscellaneous income, net	-		-
Other Income, net	<u>8</u>	-	<u>8</u>
<b>Interest Expense</b>	<u>93</u>		<u>93</u>
Income before income taxes	186	-	186
<b>Income Taxes</b>	<u>23</u>		<u>23</u>
<b>Net Income</b>	<u>\$163</u>	-	<u>\$163</u>
Other comprehensive income	-		-
<b>Comprehensive Income</b>	<u>\$163</u>	<u>\$0</u>	<u>\$163</u>

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

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



# **Attachment 1**

## **Glossary of Terms and Abbreviations**

## ATTACHMENT 1

“Adjusted Eurodollar Rate” means, with respect to a Eurodollar Advance for the relevant Interest Period, the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period.

“Affiliate” of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person.

“Agent” means Wells Fargo, in its capacity as administrative agent for and contractual representative of the Lenders and not in its individual capacity as a Lender, and any successor Agent appointed

“Agreement” AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 6, 2015

“Applicable Margin” means, for any day, (i) with respect to the Eurodollar Rate, the percentage rate per annum opposite the heading “Applicable Eurodollar Margin” in the Pricing Schedule which is applicable at such time, (ii) with respect to the Floating Rate, the percentage rate per annum opposite the heading “Applicable ABR Margin” in the Pricing Schedule which is applicable at such time and (iii) with respect to Letter of Credit Fees, the percentage rate per annum opposite the heading “Letter of Credit Fees” in the Pricing Schedule which is applicable at such time.

“Business Day” means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day that is also a London Banking Day and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in California for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

“Commitment” means, for each Lender, the obligation of such Lender (a) to make Loans to the Borrower and (b) to purchase participations in L/C Obligations and Swing Line Loans, in an aggregate amount

“Debt” means any liability that constitutes “debt” or “Debt” under Section 101(11) of the United States Bankruptcy Code or under the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any analogous applicable law, rule or regulation, Governmental Approval, order, writ, injunction or decree of any court or Governmental Authority.

“Eurodollar Advance” means an Advance which bears interest at a Eurodollar Rate requested by the Borrower.

“Eurodollar Base Rate” means, with respect to a Eurodollar Advance for the relevant Interest Period, LIBOR quoted two (2) London Banking Days prior to the first day of such Interest Period, applicable to dollar deposits with a maturity equal to such Interest Period. If such rate is not available at such time for any reason, then “LIBOR” for such Interest Period shall be the rate per annum determined by the Agent to be the rate at which deposits in U.S. dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Advance being made, continued or converted by the Agent and with a term equivalent to such Interest Period would be offered by the Agent’s London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; provided that, if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Eurodollar Loan” means a Loan which bears interest at a Eurodollar Rate requested by the Borrower pursuant

“Eurodollar Rate” means, with respect to a Eurodollar Advance for the relevant Interest Period, the sum of (i) Adjusted Eurodollar Rate applicable to such Interest Period, plus (ii) the Applicable Margin.

“Facility” means the credit facility established under the Credit Agreement.

“Facility Fee Rate” means, at any time, the percentage rate per annum opposite the heading “Facility Fee Rate” in the Pricing Schedule which is applicable at such time.

“Federal Funds Effective Rate” means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 a.m. (New York time) on such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent in its sole discretion.

“Final Termination Date” means the latest Scheduled Termination Date for any Lender (without giving effect to any extension any Lender may elect to agree to unless and until such extension shall have become effective) or any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

“Floating Rate” means, for any day, a rate per annum equal to (i) the Alternate Base Rate for such day, changing when and as the Alternate Base Rate changes plus (ii) the Applicable Margin.

“Floating Rate Advance” means an Advance which bears interest at the Floating Rate.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Indebtedness” of a Person means such Person’s (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, bankers’ acceptances, or other instruments, (v) obligations of such Person to purchase accounts, securities or other Property arising out of or in connection with the sale of the same or substantially similar accounts, securities or Property, (vi) Capitalized Lease Obligations, (vii) any other obligation for borrowed money or other financial accommodation which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person, (viii) net liabilities under interest rate swap, exchange or cap agreements, obligations or other liabilities with respect to accounts or notes, (ix) sale and leaseback transactions which do not create a liability on the consolidated balance sheet of such Person, (x) other transactions which are the functional equivalent, or take the place, of borrowing but which do not constitute a liability on the consolidated balance sheet of such Person and (xi) Guaranties of Indebtedness; provided that there shall be excluded from this definition (1) Interest Deferral Obligations up to an amount outstanding at any one time equal to 15% of the amount described in clause (a) of the definition of “Total Capitalization,” excluding in the calculation thereof for the purposes of this proviso, however, preferred and preference stock, and (2) the agreements listed on Schedule 3 and similar agreements entered into for the operation and maintenance of power plants or the purchase of power or transmission services (provided, for the avoidance of doubt, that this Agreement shall not be deemed to be such an agreement as a result of it being available to support collateral requirements under the Borrower’s energy purchase and sale agreements).

“Interest Period” means with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter, provided that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, provided that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day. Notwithstanding any other provision of this Agreement the Borrower may not select any Interest Period that would extend beyond the Scheduled Termination Date of any Lender.

“Lenders” means the financial institutions from time to time parties hereto as lenders, together with their respective successors and assigns, and including, as the context requires, the L/C Issuers and/or the Swing Line Lender.

“Letter of Credit” means any standby letter of credit issued hereunder and shall include the Existing Letters of Credit.

“LIBOR” means, subject to the implementation of a Replacement Rate in accordance with Section 3.3(b), the rate of interest per annum determined on the basis of the rate for deposits in Dollars for a period equal to the applicable Interest Period as published by the ICE Benchmark Administration Limited, a United Kingdom company, or a comparable or successor quoting service approved by the Agent, at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period. If, for any reason, such rate is not so published, then “LIBOR” shall be determined by the Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Agent at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period. Each calculation by the Agent of LIBOR shall be conclusive and binding for all purposes, absent manifest error. Notwithstanding the foregoing, (x) in no event shall LIBOR (including any Replacement Rate with respect thereto) be less than 0%, and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 3.3(b), in the event that a Replacement Rate with respect to LIBOR is implemented, then all references herein to LIBOR shall be deemed references to such Replacement Rate

“LIBOR Market Index Rate” means, for any day, the one month rate of interest per annum as published by the ICE Benchmark Administration Limited, a United Kingdom company, or a comparable or successor quoting service approved by the Agent, as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) on such day, or if such day is not a London Banking Day, then the immediately preceding London Banking Day (or if not so published, then as determined by the Agent from another recognized source or interbank quotation), or another rate as agreed to by the Agent and the Borrower. Notwithstanding the foregoing, (x) in no event shall the LIBOR Market Index Rate (including any Replacement Rate with respect thereto) be less than 0%, and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 3.3(b), in the event that a Replacement Rate with respect to the LIBOR Market Index Rate is implemented, then all references herein to the LIBOR Market Index Rate shall be deemed references to such Replacement Rate.

“Loan” means, with respect to a Lender, any loan (including any Swing Line Loan) made by such Lender pursuant to Article II (including, in the case of a loan made pursuant to Section 2.2, any conversion or continuation thereof).

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Obligations” means all unpaid principal of and accrued and unpaid interest with respect to any Loan or Letter of Credit, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Agent or any indemnified party arising under the Loan Documents.

“Payment Date” means the last Business Day of each March, June, September and December.

“Person” means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof

“Property” of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned or leased by such Person.

“Scheduled Termination Date” means, for any Lender, November 14, 2022 or such later date as may be established for such Lender in accordance with Section 2.18.

“Type” means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.