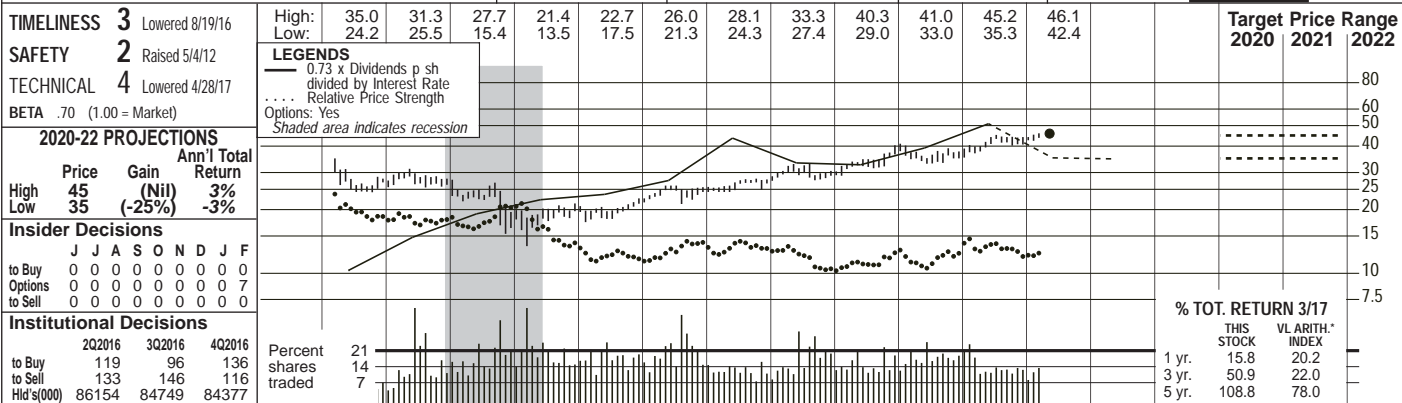


# PORTLAND GENERAL NYSE-POR

RECENT PRICE **45.87** P/E RATIO **20.6** (Trailing: 21.2 Median: 15.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **3.0%** VALUE LINE



2001	2002	2003	2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
--	--	--	--	23.14	24.32	27.87	27.89	23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	<b>22.40</b>	<b>23.20</b>	Revenues per sh	<b>25.50</b>
--	--	--	--	4.75	4.64	5.21	4.71	4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	<b>6.05</b>	<b>6.45</b>	"Cash Flow" per sh	<b>7.75</b>
--	--	--	--	1.02	1.14	2.33	1.39	1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	<b>2.20</b>	<b>2.30</b>	Earnings per sh <sup>A</sup>	<b>3.00</b>
--	--	--	--	--	.68	.93	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	<b>1.34</b>	<b>1.42</b>	Div'd Decl'd per sh <sup>B</sup> = †	<b>1.70</b>
--	--	--	--	4.08	5.94	7.28	6.12	9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	<b>7.00</b>	<b>4.90</b>	Cap'l Spending per sh	<b>3.25</b>
--	--	--	--	19.15	19.58	21.05	21.64	20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	<b>27.15</b>	<b>27.95</b>	Book Value per sh <sup>C</sup>	<b>31.00</b>
--	--	--	--	62.50	62.50	62.53	62.58	75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	<b>89.20</b>	<b>89.40</b>	Common Shs Outst'g <sup>D</sup>	<b>90.00</b>
--	--	--	--	23.4	11.9	16.3	14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	19.1	<b>19.1</b>	<b>19.1</b>	Avg Ann'l P/E Ratio	<b>13.5</b>
--	--	--	--	1.26	.63	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.00	<b>1.00</b>	<b>1.00</b>	Relative P/E Ratio	<b>.85</b>
--	--	--	--	2.5%	3.3%	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.3%	3.1%	<b>3.3%</b>	<b>3.1%</b>	Avg Ann'l Div'd Yield	<b>4.2%</b>

CAPITAL STRUCTURE as of 12/31/16				2001	2002	2003	2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
Total Debt \$2350 mill. Due in 5 Yrs \$610 mill.				1743.0	1745.0	1804.0	1783.0	1813.0	1805.0	1810.0	1900.0	1898.0	1923.0	<b>2000</b>	<b>2075</b>	Revenues (\$mill)	<b>2300</b>						
LT Debt \$2200 mill. LT Interest \$106 mill.				145.0	87.0	95.0	125.0	147.0	141.0	137.0	175.0	172.0	193.0	<b>195</b>	<b>205</b>	Net Profit (\$mill)	<b>265</b>						
Incl. \$51 mill. capitalized leases. (LT interest earned: 2.8x)				33.8%	28.7%	28.8%	30.5%	28.3%	31.4%	23.2%	26.0%	20.7%	20.6%	<b>21.0%</b>	<b>21.0%</b>	Income Tax Rate	<b>21.0%</b>						
Leases, Uncapitalized Annual rentals \$10 mill.				17.9%	17.2%	31.6%	17.6%	5.4%	7.1%	14.6%	33.7%	19.8%	16.6%	<b>8.0%</b>	<b>5.0%</b>	AFUDC % to Net Profit	<b>2.0%</b>						
Pension Assets-12/16 \$559 mill. Oblig \$797 mill.				49.9%	46.2%	50.3%	53.0%	49.6%	47.1%	51.3%	52.7%	47.8%	48.4%	<b>51.5%</b>	<b>49.0%</b>	Long-Term Debt Ratio	<b>50.5%</b>						
Pfd Stock None				50.1%	53.8%	49.7%	47.0%	50.4%	52.9%	48.7%	47.3%	52.2%	51.6%	<b>48.5%</b>	<b>51.0%</b>	Common Equity Ratio	<b>49.5%</b>						
Common Stock 88,946,932 shs. as of 2/3/17				2629.0	2518.0	3100.0	3390.0	3298.0	3264.0	3735.0	4037.0	4329.0	4544.0	<b>4995</b>	<b>4925</b>	Total Capital (\$mill)	<b>5650</b>						
MARKET CAP: \$4.1 billion (Mid Cap)				3066.0	3301.0	3858.0	4133.0	4285.0	4392.0	4880.0	5679.0	6012.0	6434.0	<b>6715</b>	<b>6780</b>	Net Plant (\$mill)	<b>6450</b>						
ELECTRIC OPERATING STATISTICS				6.9%	5.0%	4.5%	5.4%	6.2%	5.9%	5.1%	5.8%	5.4%	5.6%	<b>5.0%</b>	<b>5.5%</b>	Return on Total Cap'l	<b>6.0%</b>						
% Change Retail Sales (KWH)				11.0%	6.4%	6.2%	7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	<b>8.0%</b>	<b>8.0%</b>	Return on Shr. Equity	<b>9.5%</b>						
Avg. Indust. Use (MWH)				11.0%	6.4%	6.2%	7.9%	8.8%	8.2%	7.5%	9.2%	7.6%	8.2%	<b>8.0%</b>	<b>8.0%</b>	Return on Com Equity <sup>E</sup>	<b>9.5%</b>						
Avg. Indust. Revs. per KWH (c)				6.6%	2.0%	1.5%	3.0%	4.1%	3.5%	2.9%	4.6%	3.3%	3.5%	<b>3.0%</b>	<b>3.0%</b>	Retained to Com Eq	<b>4.0%</b>						
Capacity at Peak (Mw)				40%	69%	76%	62%	54%	57%	61%	50%	56%	57%	<b>61%</b>	<b>62%</b>	All Div'ds to Net Prof	<b>58%</b>						
Peak Load, Winter (Mw) <sup>G</sup>				<p><b>BUSINESS:</b> Portland General Electric Company (PGE) provides electricity to 863,000 customers in 52 cities in a 4,000-square-mile area of Oregon, including Portland and Salem. The company is in the process of decommissioning the Trojan nuclear plant, which it closed in 1993. Electric revenue breakdown: residential, 47%; commercial, 35%; industrial, 11%; other, 7%. Generating sources: gas, 27%; coal, 16%; wind, 9%; hydro, 8%; purchased, 40%. Fuel costs: 32% of revenues. '16 reported depreciation rate: 3.5%. Has 2,800 employees. Chairman: Jack E. Davis. President and Chief Executive Officer: James J. Piro. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, Oregon 97204. Telephone: 503-464-8000. Internet: www.portlandgeneral.com.</p>																			
Annual Load Factor (%)				<p><b>Portland General Electric has filed a rate case.</b> PGE is seeking an increase of \$100 million (5.6%), based on a return of 9.75% on a common-equity ratio of 50%. An order is expected in December, in time for new tariffs to take effect at the start of 2018.</p>																			
% Change Customers (yr-end)				<p><b>We estimate that earnings will rise moderately in 2017 and 2018.</b> We base our estimates on normal weather patterns; mild weather hurt the bottom line by \$0.22 a share in 2016. On the other hand, weather-adjusted kilowatt-hour sales might well decline this year due to weakness in certain industrial sectors in PGE's service area. Our earnings estimate is at the low end of the company's targeted range of \$2.20-\$2.35 a share. (Note: First-quarter earnings were scheduled to be released shortly after this report went to press.) Our 2018 forecast is based on the assumption that the utility receives a reasonable ruling in the pending rate case.</p>																			

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2014	493.0	423.0	484.0	500.0	1900.0
2015	473.0	450.0	476.0	499.0	1898.0
2016	487.0	428.0	484.0	524.0	1923.0
2017	<b>525</b>	<b>445</b>	<b>505</b>	<b>525</b>	<b>2000</b>
2018	<b>545</b>	<b>460</b>	<b>525</b>	<b>545</b>	<b>2075</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2014	.73	.43	.47	.55	2.18
2015	.62	.44	.40	.57	2.04
2016	.68	.42	.38	.68	2.16
2017	<b>.75</b>	<b>.40</b>	<b>.40</b>	<b>.65</b>	<b>2.20</b>
2018	<b>.78</b>	<b>.42</b>	<b>.42</b>	<b>.68</b>	<b>2.30</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup> = †				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year
2013	.27	.27	.275	.275	1.09
2014	.275	.275	.28	.28	1.11
2015	.28	.28	.30	.30	1.16
2016	.30	.30	.32	.32	1.24
2017	.32	.32			

**tractor (now in bankruptcy protection) in default of the construction agreement in December of 2015. The utility is suing the insurers to collect a performance bond of \$145.6 million, plus additional damages. The insurers have denied liability. PGE estimates that resolving this matter will take two to four years.**

**The Carty dispute is causing a drag on profits.** The plant's cost was \$640 million, but just \$514 million is reflected in rates. Costs associated with the unrecovered portion, as well as legal fees, reduced earnings by \$0.06 a share in 2016. This drag is estimated at \$0.07 this year.

**We expect a dividend hike at the board meeting in the second quarter.** We think the directors will raise the quarterly disbursement by two cents a share (6.25%), the same increase as in each of the past two years. PGE is targeting a payout ratio of 50%-70%.

**We continue to believe this stock is expensively priced.** The dividend yield is somewhat below the utility mean, and the recent price is above the upper level of our 2020-2022 Target Price Range.

*Paul E. Debbas, CFA* April 28, 2017

(A)	(B)	(C)	(D)	(E)	(F)	(G)	Company's Financial Strength	B++
Diluted EPS. Excl. nonrecurring loss: '13, 42c. '15 EPS don't sum due to rounding. Next earnings report due late July.	Div'ds paid mid-Jan., Apr., July, and Oct. = Div'd reinvest-	Incl. deferred chgs. In '16: \$5.60/sh.	In mill. Rate base: Net orig. cost. Rate allowed on com. eq. in '16: 9.6%; earned on	avg. com. eq., '16: 8.3%. Regulatory Climate: Average. '05 per-share data are pro forma, based on shs. outstanding when stock began trading in '06. (G) Summer peak in '15 & '16.	Price Growth Persistence	Earnings Predictability	95	70