

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(Dollars in millions, except per share amounts)  
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Revenues</b>	\$ 470	\$ 416	\$ 1,743	\$ 1,520
<b>Operating expenses</b>				
Purchased power and fuel	259	190	879	763
Production and distribution	41	37	150	140
Administrative and other	48	45	184	164
Depreciation and amortization	47	54	181	219
Taxes other than income taxes	20	18	80	75
Income taxes	12	18	71	38
	427	362	1,545	1,399
<b>Income from operations</b>	43	54	198	121
<b>Other income (deductions)</b>				
Allowance for equity funds used during construction	3	5	16	16
Miscellaneous	(2)	-	8	1
Income taxes	-	1	(3)	2
	1	6	21	19
<b>Interest expense</b>	20	20	74	69
<b>Net income</b>	\$ 24	\$ 40	\$ 145	\$ 71
<b>Common Stock</b>				
Weighted-average shares outstanding (in thousands):				
Basic	62,519	62,502	62,512	62,501
Diluted	62,533	62,515	62,534	62,505
 Earnings per share, basic and diluted	\$ 0.40	\$ 0.64	\$ 2.33	\$ 1.14
 Dividends declared per share	\$ 0.235	\$ 0.225	\$ 0.93	\$ 0.675

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In millions, except share amounts)  
(Unaudited)

At December 31	2007	2006
<b><u>ASSETS</u></b>		
<b>Electric utility plant, net:</b>		
Electric utility plant at cost (includes construction work in progress of \$126 and \$412)	\$ 5,024	\$ 4,582
Less: accumulated depreciation and amortization	(1,958)	(1,864)
Electric utility plant, net	<u>3,066</u>	<u>2,718</u>
<b>Other property and investments:</b>		
Nuclear decommissioning trust, at market value	46	42
Non-qualified benefit plan trust	69	70
Miscellaneous	19	26
Total other property and investments	<u>134</u>	<u>138</u>
<b>Current assets:</b>		
Cash and cash equivalents	73	12
Accounts and notes receivable (less allowance for uncollectible accounts of \$5 and \$45)	178	177
Unbilled revenues	92	88
Assets from price risk management activities	64	93
Inventories, at average cost	64	64
Other current assets	67	93
Total current assets	<u>538</u>	<u>527</u>
Regulatory assets	304	351
Other noncurrent assets	66	33
<b>Total assets</b>	<b><u>\$ 4,108</u></b>	<b><u>\$ 3,767</u></b>
<b><u>CAPITALIZATION AND LIABILITIES</u></b>		
<b>Capitalization:</b>		
Common stock, no par value, 80,000,000 shares authorized; 62,529,787 and 62,504,767 shares issued and outstanding at December 31, 2007 and 2006, respectively	\$ 646	\$ 643
Accumulated other comprehensive loss	(4)	(6)
Retained earnings	674	587
Total shareholders' equity	<u>1,316</u>	<u>1,224</u>
Long-term debt	<u>1,313</u>	<u>937</u>
Total capitalization	<u>2,629</u>	<u>2,161</u>
<b>Current liabilities:</b>		
Accounts payable and other accruals	227	212
Liabilities from price risk management activities	101	155
Accrued taxes	23	14
Short-term borrowings	-	81
Long-term debt due within one year	-	66
Other current liabilities	40	34
Total current liabilities	<u>391</u>	<u>562</u>
Regulatory liabilities	574	523
Deferred income taxes	279	251
Non-qualified benefit plan liabilities	86	84
Trojan asset retirement obligation	62	108
Accumulated asset retirement obligation	29	26
Other noncurrent liabilities	58	52
Total liabilities	<u>1,479</u>	<u>1,606</u>
<b>Total capitalization and liabilities</b>	<b><u>\$ 4,108</u></b>	<b><u>\$ 3,767</u></b>

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

(Unaudited)

Years Ended December 31	2007	2006
<b>Cash flows from operating activities:</b>		
Net income	\$ 145	\$ 71
Reconciliation of net income to net cash provided by operating activities		
Depreciation and amortization	181	219
Net assets from price risk management activities	(26)	132
Regulatory deferrals - price risk management activities	26	(132)
Deferred income taxes	22	(38)
Allowance for equity funds used during construction	(16)	(16)
Senate Bill 408 deferrals	(16)	42
Power cost deferrals	(9)	-
Other non-cash income and expenses, net	1	-
Changes in working capital:		
Net margin deposit activity	21	(94)
(Increase) decrease in receivables	(4)	17
Increase (decrease) in payables	19	(88)
Other working capital items, net	(2)	(11)
Other, net	<u>2</u>	<u>4</u>
<b>Net cash provided by operating activities</b>	<u>344</u>	<u>106</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(455)	(371)
Purchases of nuclear decommissioning trust securities	(23)	(37)
Sales of nuclear decommissioning trust securities	21	21
Proceeds from sale of assets	-	6
Other, net	<u>6</u>	<u>1</u>
<b>Net cash used in investing activities</b>	<u>(451)</u>	<u>(380)</u>
<b>Cash flows from financing activities:</b>		
Issuance of long-term debt	381	275
Short-term borrowings, net	(81)	81
Repayment of long-term debt	(71)	(162)
Dividends paid	(58)	(28)
Debt issuance costs	<u>(3)</u>	<u>(2)</u>
<b>Net cash provided by financing activities</b>	<u>168</u>	<u>164</u>
<b>Increase (decrease) in cash and cash equivalents</b>	61	(110)
<b>Cash and cash equivalents, beginning of year</b>	<u>12</u>	<u>122</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 73</u>	<u>\$ 12</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year:		
Interest, net of amounts capitalized	\$ 58	\$ 55
Income taxes	46	101
Non-cash investing and operating activities:		
Accrued capital additions	27	20
Common stock dividends declared but not paid	15	14

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES  
SUPPLEMENTAL OPERATING STATISTICS

	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenues (in millions)</b>				
Retail sales:				
Residential	\$ 215	\$ 180	\$ 716	\$ 628
Commercial	153	141	593	547
Industrial	40	53	159	206
Total retail sales	<u>408</u>	<u>374</u>	<u>1,468</u>	<u>1,381</u>
Direct access customers:				
Commercial	-	(1)	-	(6)
Industrial	(3)	(2)	(12)	(6)
Tariff revenues	<u>405</u>	<u>371</u>	<u>1,456</u>	<u>1,369</u>
Accrued revenues	(1)	1	-	3
Regional Power Act credits	-	26	42	35
Provision for collection (refund) - SB 408	<u>7</u>	<u>(10)</u>	<u>18</u>	<u>(40)</u>
Total retail revenues	<u>411</u>	<u>388</u>	<u>1,516</u>	<u>1,367</u>
Wholesale revenues	52	21	201	135
Other operating revenues	<u>7</u>	<u>7</u>	<u>26</u>	<u>18</u>
Total revenues	<u>\$ 470</u>	<u>\$ 416</u>	<u>\$ 1,743</u>	<u>\$ 1,520</u>
<b>Energy sold and delivered - MWhs (in thousands)</b>				
Retail energy sales:				
Residential	2,183	2,125	7,688	7,573
Commercial	1,847	1,860	7,289	7,319
Industrial	<u>610</u>	<u>899</u>	<u>2,485</u>	<u>3,541</u>
Total retail energy sales	<u>4,640</u>	<u>4,884</u>	<u>17,462</u>	<u>18,433</u>
Delivered to direct access customers:				
Commercial	116	99	492	430
Industrial	<u>437</u>	<u>137</u>	<u>1,673</u>	<u>569</u>
Total retail energy deliveries	<u>5,193</u>	<u>5,120</u>	<u>19,627</u>	<u>19,432</u>
Wholesale sales	882	684	4,042	3,312
Total energy sold and delivered	<u>6,075</u>	<u>5,804</u>	<u>23,669</u>	<u>22,744</u>
<b>Retail customers – end of period</b>				
Residential			706,444	696,779
Commercial			97,088	95,734
Industrial			<u>256</u>	<u>259</u>
Total retail customers			<u>803,788</u>	<u>792,772</u>

PORTLAND GENERAL ELECTRIC COMPANY AND SUBSIDIARIES  
SUPPLEMENTAL OPERATING STATISTICS (CONTINUED)

**Degree Days**

	<b>Heating</b>		<b>Cooling</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
1st Quarter	1,852	1,814	-	-
<i>Average</i>	<i>1,840</i>	<i>1,840</i>	-	-
2nd Quarter	698	572	56	116
<i>Average</i>	<i>664</i>	<i>664</i>	<i>67</i>	<i>67</i>
3rd Quarter	123	79	344	424
<i>Average</i>	<i>82</i>	<i>82</i>	<i>385</i>	<i>385</i>
4th Quarter	1,701	1,624	-	1
<i>Average</i>	<i>1,575</i>	<i>1,575</i>	<i>2</i>	<i>2</i>
<b>Annual Total</b>	<b>4,374</b>	<b>4,089</b>	<b>400</b>	<b>541</b>
<i>Average</i>	<i>4,161</i>	<i>4,161</i>	<i>454</i>	<i>454</i>

Note: Average represents a 15 year average (1993 – 2007) of degree day data provided by the National Weather Service (Portland Airport).