

PGE's Insurance Policies

Insurance Policy	Description
All Risk Property	PGE's main property insurance program insures power plants, substations, office buildings, etc. from "all-risks" of direct physical loss or damage (including boiler and machinery), subject to policy exclusions, caused by perils such as fire, explosion, lightning, wind, ice, hail, flood, earthquake, and certain acts of terrorism. This policy specifically excludes coverage for PGE's transmission and distribution property
Biglow Canyon Wind Farm	Insurance for Biglow Canyon Wind Farm consists of two policies: 1) Operational All-Risk coverage for Biglow 1 and 2 wind turbine projects are insured to their full replacement values; 2) Biglow 3, which is currently under construction, is insured under a Builders' Risk policy. The Builders Risk coverage will cease upon completion of Biglow 3, expected in September 2010.
Solar Projects	PGE is currently a managing member and operates two solar project; Sunway 1 and Sunway 2. Sunway 3 is under development and will be finished in 2010. PGE maintains separate insurance coverage for its two operating solar projects each consisting of a Package policy (Property and General Liability) covering the physical assets and liability associated with its operation. Also, there is Automobile Liability and Umbrella Liability for each. Sunway 3's construction phase is currently insured by the contractor.
Directo's and Officers Insurance	Directors and Officers (D&O) Liability Insurance shields PGE's directors and officers against the normal risks associated with managing the business. The lack of an appropriate level of D&O insurance would make it difficult for PGE to hire and retain qualified and competent people for positions at the director and officer level. PGE's D&O insurance protects the Company's balance sheet from losses incurred due to lawsuits against the Company and its directors and officers for wrongful acts. This protects shareholders and ratepayers alike from the consequences of financial distress.
Auto and General Liability	Excess General and Auto Liability insurance covers PGE's legal liability from claims resulting from bodily injury or property damage arising out of PGE's operations, including the use of company vehicles. Given PGE's contact with its customer's premises and the dangerous nature of its operations, this insurance is of paramount importance.
Nuclear	PGE is required by the United States Nuclear Regulatory Commission to maintain nuclear liability coverage for the on-site storage of its spent fuel until such time that the radioactive materials have been removed from the Trojan site.
Fiduciary	Fiduciary Liability insurance provides protection for officers and employees for both breach of fiduciary duties and other wrongful acts in the administration of employee benefits programs.

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Pelton Auto Policy	The Pelton Round Butte Primary Automobile Liability only covers PGE’s vehicles at the Pelton Round Butte hydro electric projects. The Confederated Tribes of the Warm Springs Reservation of Oregon (Tribes), as a project co-owner, did not feel comfortable with the \$2 million deductible maintained on PGE’s General and Auto Liability coverage. Therefore PGE agreed to maintain a separate primary auto liability policy with no deductible.
Aviation	This policy insures the helicopters’ hull values from physical damage and provides liability coverage in operating the aircrafts during PGE’s line patrol operations.
Network Security & Privacy Liability (Cyber)	The policy has several components insuring risks such as (1) broad privacy liability where there is a breach of personal identifiable information, personal health information and corporate confidential information, (2) network security liability protecting against damage to 3 rd party data, software or programs caused by malicious code or denial of service attacks, and (3) media liability protecting against publishing or other content risks (copyright, trademark).
Crime	Insures losses incurred by PGE or its employee benefit plans as a result of the dishonest acts of employees, including embezzlement, forgery or the theft of money or securities. This coverage is typically excluded under most All-Risk Property policies and must therefore be purchased under separate cover.
Excess Worker's Comp	The State of Oregon requires PGE to maintain excess coverage to protect itself from catastrophic losses to employees arising out of and in the course of employment.
WIES	The WIES program functions as a joint venture program providing a single mechanism to respond to inter-utility incidents. This coverage minimizes claim and legal expenses and assists in maintaining customer goodwill. The current insurance program is the result of a risk pooling effort among a group of western utilities for spreading the risk of liability incidents that involve more than one electric system.
Surety Bonds	In the course of doing business PGE must procure and maintain various surety bonds throughout the year. These bonds allow PGE to do work for various state and city governments and agencies as well as a requirement for maintaining a form of collateral for self-insuring its workers’ compensation obligations.
Liquor Liability	This policy is related to one of PGE’s subsidiaries, Salmon Springs Hospitality Group, which provides catering services including the sale and serving of alcohol. In order to maintain its alcohol license the Oregon Liquor Control Commission requires Salmon Springs to maintain Liquor Liability insurance coverage in order to serve alcohol.