

Exhibit No.\_\_\_\_(SCH-12)  
Docket UE-130043  
Witness: Samuel C. Hadaway

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a  
Pacific Power & Light Company

Respondent.

Docket UE-130043

**PACIFICORP**

**EXHIBIT OF SAMUEL C. HADAWAY**

**Capital Market Data**

**August 2, 2013**

**PacifiCorp**  
**Long-Term Interest Rate Trends**

Month	Single-A Utility Rate	30-Year Treasury Rate	Single-A Utility Spread
Jul-10	5.26	3.99	1.27
Aug-10	5.01	3.80	1.21
Sep-10	5.01	3.77	1.24
Oct-10	5.10	3.87	1.23
Nov-10	5.37	4.19	1.18
Dec-10	5.56	4.42	1.14
Jan-11	5.57	4.52	1.05
Feb-11	5.68	4.65	1.03
Mar-11	5.56	4.51	1.05
Apr-11	5.55	4.50	1.05
May-11	5.32	4.29	1.03
Jun-11	5.26	4.23	1.03
Jul-11	5.27	4.27	1.00
Aug-11	4.69	3.65	1.04
Sep-11	4.48	3.18	1.30
Oct-11	4.52	3.13	1.39
Nov-11	4.25	3.02	1.23
Dec-11	4.33	2.98	1.35
Jan-12	4.34	3.03	1.31
Feb-12	4.36	3.11	1.25
Mar-12	4.48	3.28	1.20
Apr-12	4.40	3.18	1.22
May-12	4.20	2.93	1.27
Jun-12	4.08	2.70	1.38
Jul-12	3.93	2.59	1.34
Aug-12	4.00	2.77	1.23
Sep-12	4.02	2.88	1.14
Oct-12	3.91	2.90	1.01
Nov-12	3.84	2.80	1.04
Dec-12	4.00	2.88	1.12
Jan-13	4.15	3.08	1.07
Feb-13	4.18	3.17	1.01
Mar-13	4.20	3.16	1.04
Apr-13	4.00	2.93	1.07
May-13	4.17	3.11	1.06
Jun-13	4.53	3.40	1.13
3-Mo Avg	<b>4.23</b>	<b>3.15</b>	<b>1.09</b>
12-Mo Avg	<b>4.08</b>	<b>2.97</b>	<b>1.11</b>

Sources: Mergent Bond Record (Utility Rates); [www.federalreserve.gov](http://www.federalreserve.gov) (Treasury Rates).  
Monthly averages are for the respective periods ending June 2013.

# PacifiCorp

## Moody's Daily Long-Term Corporate Bond Yields

### Daily Bond Yields and Key Indicators

Updated by 11 am ET with data from the previous business day.

Contact Us

Data as of 12-JUL-13

#### Moody's Daily Long-term Corporate Bond Yield Averages

	Utilities	Industrial	Corporate
Aaa	NA	4.37	4.37
Aa	4.50	4.50	4.50
A	4.76	4.74	4.75
Baa	5.28	5.47	5.38
Avg	4.85	4.77	4.81

#### Moody's Daily Treasury Yield Averages

Short-Term (3-5 yrs)	0.93
Medium-Term (5-10 yrs)	1.98
Long-Term (10+ yrs)	3.29

#### Moody's Daily Public Utility Common Stock Yield Averages

Price	309.45
Yield	4.27
New Dividend	13.20

#### Moody's Commodity and Scrap Price Indexes

Spot Commodity Index	5978.51
Industrial Metals Index	1748.27

\* Moody's "Aaa" Utilities Index was suspended on 12/10/01. Since 2000, TVA was the only issuer left in the index as a decade of deregulation, debt growth, competition, and consolidation eliminated the rest of the Aaa universe.

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PacifiCorp  
Interest Rate Forecast from Forward Price Curves

<HELP> for explanation.

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US Treasury Actives Curve				5) Export	6) Graph	5) Feedback	Forward Analysis
Curve Date		09-Jul-2013	Market	Mid	Back Test	09-Jul-2013	<< Curve List
7) Horizon Curve		8) Implied Forwards					
Horizon Curve Dates							
31-Dec-2014	Dt	Projected		3Mo	Projected		
09-Feb-2014	Dt	Projected		9Mo	Projected		
US Treasury Actives Curve (REF)							
Tenor	Spot		12/31/2014 (P)				
1 Yr	0.1249		0.9490				
10 Yr	2.6287		3.1170				
20 Yr	3.1161		3.4833				
30 Yr	3.6036		3.8829				
Zoom 100%							
<small>           Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000            Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2013 Bloomberg Finance L.P.            SN 840957 PDT GMT-7:00 G641-477-0 09-Jul-2013 12:43:01         </small>							

**PacifiCorp**  
**Sector Commentary from Standard & Poor's**

07/19/2013

S&P Capital IQ recommends underweighting the S&P 500 Utilities sector. Year to date through June 21, the S&P Utilities Index, which represented 3.2% of the S&P 500 Index, rose 4.6%, versus an 11.7% gain for the S&P 500. In 2012, this sector index fell 2.9%, versus a 13.4% gain for the 500. There are four sub-industry indices in this sector, with Electric Utilities being the largest at 56.7% of the sector's market value.

S&P has a neutral fundamental outlook for the S&P 500 Utilities sector. With only modest improvement expected in the housing and power markets for 2013, the sector's EPS outlook is below average. However, we still expect the sector's high dividend yield (recently at 4.1%) to at least be maintained, if not rise slightly, and think electric utility revenues and gas utility gross margins will increase. According to Capital IQ, the sector trades at a P/E on estimated 2013 consensus earnings of 15.1X, above the 14.4X of the S&P 500, despite the weakest 2013 EPS outlook in the S&P 500, an estimated year-over-year EPS decline of 0.4%. Its P/E-to- projected five-year EPS growth rate (PEG) ratio of 3.6X is well above the market's PEG ratio of 1.3X. This sector's S&P STARS average of 3.0 (out of 5.0) is well below the 3.7 average for the S&P 500.

The S&P 500 Utilities Index has pulled back sharply since the beginning of May after a strong move during the first four months of this year. Prices have dropped all the way to trendline support off the lows since August 2011 so the sector could see a bounce. However, the sector is below both the declining 17-week exponential moving average as well as the 43-week exponential average. The shorter average is not far from crossing below the longer average, which would result in a moving average crossover sell signal. Relative strength versus the S&P 500 remains in a long-term downtrend, and the RS line recently dropped sharply to its weakest level since late 2004. Our technical opinion on Utilities remains bearish.

In summary, we believe this high-yielding, interest rate-sensitive sector will underperform as markets accelerate the expected Fed QE tapering timeline and interest rates head higher, reducing the appeal of equity income.