

Exhibit No.____(SCH-14)
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

GDP Growth Rate Forecast

August 2, 2013

PacifiCorp GDP Growth Rate Forecast

	Nominal GDP	% Change	GDP Price Deflator	% Change	CPI	% Change
1952	371.4		16.1		26.7	
1953	375.9	1.2%	16.2	0.8%	26.9	0.6%
1954	389.4	3.6%	16.4	0.8%	26.8	-0.4%
1955	426.0	9.4%	16.8	2.6%	26.9	0.4%
1956	448.1	5.2%	17.4	3.3%	27.6	2.8%
1957	461.5	3.0%	17.8	2.7%	28.5	3.0%
1958	485.0	5.1%	18.3	2.5%	29.0	1.8%
1959	513.2	5.8%	18.4	0.9%	29.4	1.5%
1960	523.7	2.0%	18.7	1.4%	29.8	1.4%
1961	562.6	7.4%	18.9	1.1%	30.0	0.7%
1962	593.3	5.5%	19.2	1.3%	30.4	1.2%
1963	633.5	6.8%	19.4	1.4%	30.9	1.6%
1964	675.6	6.6%	19.7	1.5%	31.3	1.2%
1965	747.5	10.6%	20.1	2.0%	31.9	1.9%
1966	806.9	7.9%	20.8	3.5%	32.9	3.4%
1967	852.7	5.7%	21.4	3.1%	34.0	3.3%
1968	936.2	9.8%	22.4	4.6%	35.6	4.7%
1969	1004.5	7.3%	23.6	5.2%	37.7	5.9%
1970	1052.7	4.8%	24.8	5.0%	39.8	5.6%
1971	1151.4	9.4%	25.9	4.7%	41.1	3.3%
1972	1286.6	11.7%	27.1	4.5%	42.5	3.4%
1973	1431.8	11.3%	28.9	6.8%	46.3	8.9%
1974	1552.8	8.5%	32.0	10.7%	51.9	12.1%
1975	1713.9	10.4%	34.5	7.6%	55.6	7.1%
1976	1884.5	10.0%	36.3	5.4%	58.4	5.0%
1977	2110.8	12.0%	38.8	6.7%	62.3	6.7%
1978	2416.0	14.5%	41.6	7.3%	67.9	9.0%
1979	2659.4	10.1%	45.2	8.7%	76.9	13.3%
1980	2915.3	9.6%	49.6	9.7%	86.4	12.4%
1981	3194.7	9.6%	53.7	8.3%	94.1	8.9%
1982	3312.5	3.7%	56.5	5.2%	97.7	3.8%
1983	3688.1	11.3%	58.4	3.3%	101.4	3.8%
1984	4034.0	9.4%	60.5	3.6%	105.5	4.0%
1985	4318.7	7.1%	62.1	2.8%	109.5	3.8%
1986	4543.3	5.2%	63.6	2.3%	110.8	1.2%
1987	4883.1	7.5%	65.5	3.1%	115.6	4.3%
1988	5251.0	7.5%	68.0	3.7%	120.7	4.4%
1989	5581.7	6.3%	70.3	3.5%	126.3	4.6%
1990	5846.0	4.7%	73.2	4.2%	134.2	6.3%
1991	6092.5	4.2%	75.6	3.2%	138.2	3.0%
1992	6493.6	6.6%	77.2	2.2%	142.3	3.0%
1993	6813.8	4.9%	78.9	2.2%	146.3	2.8%
1994	7248.2	6.4%	80.6	2.1%	150.1	2.6%
1995	7542.5	4.1%	82.2	2.0%	153.9	2.5%
1996	8023.0	6.4%	83.7	1.8%	159.1	3.4%
1997	8505.7	6.0%	85.1	1.6%	161.8	1.7%
1998	9027.5	6.1%	86.0	1.1%	164.4	1.6%
1999	9607.7	6.4%	87.3	1.5%	168.8	2.7%
2000	10129.8	5.4%	89.4	2.5%	174.6	3.4%
2001	10373.1	2.4%	91.2	2.0%	177.4	1.6%
2002	10766.9	3.8%	92.9	1.8%	181.8	2.5%
2003	11414.8	6.0%	94.8	2.1%	185.5	2.0%
2004	12123.9	6.2%	97.9	3.2%	191.7	3.3%
2005	12901.4	6.4%	101.3	3.5%	198.1	3.3%
2006	13584.2	5.3%	104.2	2.8%	203.1	2.5%
2007	14253.2	4.9%	107.0	2.7%	211.4	4.1%
2008	14081.7	-1.2%	109.3	2.2%	211.4	0.0%
2009	14133.6	0.4%	109.8	0.5%	217.3	2.8%
2010	14735.9	4.3%	111.8	1.8%	220.4	1.4%
2011	15321.0	4.0%	114.0	2.0%	227.0	3.0%
2012	15829.0	3.3%	116.0	1.8%	231.0	1.7%
10-Year Average		4.0%		2.2%		2.4%
20-Year Average		4.6%		2.1%		2.5%
30-Year Average		5.4%		2.4%		2.9%
40-Year Average		6.5%		3.7%		4.4%
50-Year Average		6.8%		3.7%		4.2%
60-Year Average		6.5%		3.4%		3.7%
Average of Periods		5.6%		2.9%		3.3%

Table 2-1.

CBO's Economic Projections for Calendar Years 2012 to 2023

	Estimated, 2012	Forecast		Projected Annual Average	
		2013	2014	2015-2018	2019-2023
Fourth Quarter to Fourth Quarter (Percentage change)					
Gross Domestic Product					
Real	1.9	1.4	3.4	3.6	2.2
Nominal	3.7	2.9	5.3	5.7	4.3
Inflation					
PCE price index	1.5	1.3	1.8	1.9	2.0
Core PCE price index ^a	1.5	1.5	1.9	2.0	2.0
Consumer price index ^b	1.9 ^c	1.5	2.0	2.2	2.3
Core consumer price index ^a	1.9 ^c	1.8	2.0	2.2	2.3
GDP price index	1.8	1.5	1.9	2.1	2.0
Employment Cost Index ^d	1.9	2.2	3.3	4.0	3.6
Fourth Quarter Level (Percent)					
Unemployment Rate	7.8 ^c	8.0	7.6	5.5 ^e	5.2 ^f
Year to Year (Percentage change)					
Gross Domestic Product					
Real	2.3	1.4	2.6	3.7	2.3
Nominal	4.1	2.9	4.4	5.9	4.3
Inflation					
PCE price index	1.7	1.3	1.7	1.9	2.0
Core PCE price index ^a	1.7	1.3	1.8	2.0	2.0
Consumer price index ^b	2.1 ^c	1.6	1.9	2.2	2.3
Core consumer price index ^a	2.1 ^c	1.7	2.0	2.2	2.3
GDP price index	1.8	1.5	1.8	2.1	2.0
Employment Cost Index ^d	1.8	2.1	2.9	4.0	3.6
Calendar Year Average					
Unemployment Rate (Percent)	8.1 ^c	7.9	7.8	6.1	5.4
Payroll Employment (Monthly change, in thousands)	157 ^c	105	182	171	75
Interest Rates (Percent)					
Three-month Treasury bills	0.1 ^c	0.1	0.2	2.2	4.0
Ten-year Treasury notes	1.8 ^c	2.1	2.7	4.5	5.2
Tax Bases (Percentage of GDP)					
Wages and salaries	44.1	43.5	43.9	44.2	44.9
Domestic economic profits	9.6	9.3	9.7	9.7	7.7

Source: Congressional Budget Office. (Actual values for 2012 are from Department of Labor, Bureau of Labor Statistics; Federal Reserve.)

Notes: Economic projections for each year from 2012 to 2023 appear in Appendix B.

The numbers shown here do not reflect the values for GDP and related series released by the Commerce Department's Bureau of Economic Analysis on January 30 and the values released by the Labor Department's Bureau of Labor Statistics for the employment cost index on January 31 and for payroll employment on February 1.

PCE = personal consumption expenditures; GDP = gross domestic product.

- a. Excludes prices for food and energy.
- b. The consumer price index for all urban consumers.
- c. Actual value for 2012.
- d. The employment cost index for wages and salaries of workers in private industry.
- e. Value for 2018.
- f. Value for 2023.