

Exhibit No.\_\_\_\_(SCH-15)  
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**

**Discounted Cash Flow Analysis**

**August 2, 2013**

**PacifiCorp**  
**Discounted Cash Flow Analysis**  
**Summary Of DCF Model Results**

Company	Constant Growth DCF Model Analysts' Growth Rates	Constant Growth DCF Model Long-Term GDP Growth	Low Near-Term Growth Two-Stage Growth DCF Model
1 ALLETE	10.5%	9.6%	9.4%
2 Alliant Energy Co.	9.4%	9.5%	9.3%
3 Avista Corp.	9.0%	10.3%	10.0%
4 Black Hills Corp.	11.2%	9.0%	8.7%
5 DTE Energy Co.	8.4%	9.6%	9.5%
6 IDACORP	6.8%	9.1%	9.0%
7 Integrys Energy	9.4%	10.2%	9.7%
8 Portland General	8.9%	9.3%	9.2%
9 Sempra Energy	8.1%	8.9%	8.7%
10 Southern Co.	9.1%	10.2%	9.9%
11 Teco Energy, Inc.	8.4%	10.6%	10.2%
12 Westar Energy	9.0%	9.9%	9.6%
13 Wisconsin Energy	8.8%	9.2%	9.6%
14 Xcel Energy, Inc.	8.7%	9.5%	9.5%
<b>GROUP AVERAGE</b>	<b>9.0%</b>	<b>9.6%</b>	<b>9.4%</b>
<b>GROUP MEDIAN</b>	<b>9.0%</b>	<b>9.6%</b>	<b>9.5%</b>

Sources: Value Line Investment Survey, Electric Utility (East), May 24, 2013; (Central), June 21, 2013; (West), May 3, 2013.

NOTE: SEE PAGE 5 OF THIS EXHIBIT FOR FURTHER EXPLANATION OF EACH COLUMN.

**PacifiCorp**  
**Constant Growth DCF Model**  
**Analysts' Growth Rates**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Company	Recent Price(P0)	Next Year's Dividend		Analysts' Estimated Growth			Average Growth (Cols 4-6)	ROE K=Div Yld+G (Cols 3+7)
		Div(D1)	Yield	Value Line	Zacks	Thomson		
1 ALLETE	49.36	1.96	3.97%	7.00%	6.50%	6.00%	6.50%	10.5%
2 Alliant Energy Co.	50.46	1.96	3.88%	5.00%	5.70%	5.93%	5.54%	9.4%
3 Avista Corp.	27.21	1.28	4.71%	4.00%	4.30%	4.50%	4.27%	9.0%
4 Black Hills Corp.	46.82	1.56	3.33%	11.50%	6.00%	6.00%	7.83%	11.2%
5 DTE Energy Co.	68.54	2.73	3.98%	4.00%	4.70%	4.67%	4.46%	8.4%
6 IDACORP	47.97	1.68	3.50%	2.00%	4.00%	4.00%	3.33%	6.8%
7 Integrys Energy	59.03	2.72	4.61%	3.50%	5.30%	5.50%	4.77%	9.4%
8 Portland General	31.02	1.15	3.71%	3.50%	6.50%	5.69%	5.23%	8.9%
9 Sempra Energy	81.04	2.64	3.26%	4.50%	5.00%	4.95%	4.82%	8.1%
10 Southern Co.	45.78	2.08	4.54%	4.50%	4.60%	4.67%	4.59%	9.1%
11 Teco Energy, Inc.	17.88	0.88	4.92%	3.50%	3.80%	3.00%	3.43%	8.4%
12 Westar Energy	32.73	1.40	4.28%	6.00%	4.30%	3.90%	4.73%	9.0%
13 Wisconsin Energy	42.25	1.52	3.60%	5.50%	5.20%	4.93%	5.21%	8.8%
14 Xcel Energy, Inc.	29.75	1.15	3.87%	4.50%	4.90%	5.09%	4.83%	8.7%
GROUP AVERAGE	44.99	1.77	4.01%	4.93%	5.06%	4.92%	4.97%	9.0%
GROUP MEDIAN			3.93%					9.0%

Sources: Value Line Investment Survey, Electric Utility (East), May 24, 2013; (Central), June 21, 2013; (West), May 3, 2013.

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**PacifiCorp**  
**Constant Growth DCF Model**  
**Long-Term GDP Growth**

	(9)	(10)	(11)	(12)	(13)
Company	Next			ROE	
	Recent Price(P0)	Year's Div(D1)	Dividend Yield	GDP Growth	K=Div Yld+G (Cols 11+12)
1 ALLETE	49.36	1.96	3.97%	5.63%	9.6%
2 Alliant Energy Co.	50.46	1.96	3.88%	5.63%	9.5%
3 Avista Corp.	27.21	1.28	4.71%	5.63%	10.3%
4 Black Hills Corp.	46.82	1.56	3.33%	5.63%	9.0%
5 DTE Energy Co.	68.54	2.73	3.98%	5.63%	9.6%
6 IDACORP	47.97	1.68	3.50%	5.63%	9.1%
7 Integrys Energy	59.03	2.72	4.61%	5.63%	10.2%
8 Portland General	31.02	1.15	3.71%	5.63%	9.3%
9 Sempra Energy	81.04	2.64	3.26%	5.63%	8.9%
10 Southern Co.	45.78	2.08	4.54%	5.63%	10.2%
11 Teco Energy, Inc.	17.88	0.88	4.92%	5.63%	10.6%
12 Westar Energy	32.73	1.40	4.28%	5.63%	9.9%
13 Wisconsin Energy	42.25	1.52	3.60%	5.63%	9.2%
14 Xcel Energy, Inc.	29.75	1.15	3.87%	5.63%	9.5%
GROUP AVERAGE	44.99	1.77	4.01%	5.63%	9.6%
GROUP MEDIAN			3.93%		9.6%

Sources: Value Line Investment Survey, Electric Utility (East), May 24, 2013; (Central), June 21, 2013; (West), May 3, 2013.

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**PacifiCorp**  
**Low Near-Term Growth**  
**Two-Stage Growth DCF Model**

Company	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	2014 Div	2017 Div	Annual Change to 2017	CASH FLOWS							ROE=Internal Rate of Return (Yrs 0-150)
				Recent Price	Year 1 Div	Year 2 Div	Year 3 Div	Year 4 Div	Year 5 Div	Year 5-150 Div Growth	
1 ALLETE	1.96	2.20	0.08	-49.36	1.96	2.04	2.12	2.20	2.32	5.63%	9.4%
2 Alliant Energy Co.	1.96	2.20	0.08	-50.46	1.96	2.04	2.12	2.20	2.32	5.63%	9.3%
3 Avista Corp.	1.28	1.40	0.04	-27.21	1.28	1.32	1.36	1.40	1.48	5.63%	10.0%
4 Black Hills Corp.	1.56	1.70	0.05	-46.82	1.56	1.61	1.65	1.70	1.80	5.63%	8.7%
5 DTE Energy Co.	2.73	3.15	0.14	-68.54	2.73	2.87	3.01	3.15	3.33	5.63%	9.5%
6 IDACORP	1.68	1.90	0.07	-47.97	1.68	1.75	1.83	1.90	2.01	5.63%	9.0%
7 Integrys Energy	2.72	2.80	0.03	-59.03	2.72	2.75	2.77	2.80	2.96	5.63%	9.7%
8 Portland General	1.15	1.30	0.05	-31.02	1.15	1.20	1.25	1.30	1.37	5.63%	9.2%
9 Sempra Energy	2.64	3.00	0.12	-81.04	2.64	2.76	2.88	3.00	3.17	5.63%	8.7%
10 Southern Co.	2.08	2.30	0.07	-45.78	2.08	2.15	2.23	2.30	2.43	5.63%	9.9%
11 Teco Energy, Inc.	0.88	0.95	0.02	-17.88	0.88	0.90	0.93	0.95	1.00	5.63%	10.2%
12 Westar Energy	1.40	1.52	0.04	-32.73	1.40	1.44	1.48	1.52	1.61	5.63%	9.6%
13 Wisconsin Energy	1.52	2.00	0.16	-42.25	1.52	1.68	1.84	2.00	2.11	5.63%	9.6%
14 Xcel Energy, Inc.	1.15	1.35	0.07	-29.75	1.15	1.22	1.28	1.35	1.43	5.63%	9.5%
GROUP AVERAGE											9.4%
GROUP MEDIAN											9.5%

Sources: Value Line Investment Survey, Electric Utility (East), May 24, 2013; (Central), June 21, 2013; (West), May 3, 2013.

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**PacifiCorp**  
**Discounted Cash Flow Analysis**  
**Column Descriptions**

Column 1: Three-month Average Price per Share (Apr 2013-Jun 2013)	Column 13: Column 11 Plus Column 12
Column 2: Estimated 2014 Div per Share from Value Line	Column 14: Estimated 2014 Div per Share from Value Line
Column 3: Column 2 Divided by Column 1	Column 15: Estimated 2017 Div per Share from Value Line
Column 4: "Est'd '10-'12 to '16-'18" Earnings Growth Reported by Value Line	Column 16: (Column 15 Minus Column 14) Divided by Three
Column 5: "Next 5 Years" Company Growth Estimate as Reported by Zacks.com	Column 17: See Column 1
Column 6: "Next 5 Years (per annum) Growth Estimate Reported by Thomson Financial Network (at Yahoo Finance)	Column 18: See Column 14
Column 7: Average of Columns 4-6	Column 19: Column 18 Plus Column 16
Column 8: Column 3 Plus Column 7	Column 20: Column 19 Plus Column 16
Column 9: See Column 1	Column 21: Column 20 Plus Column 16
Column 10: See Column 2	Column 22: Column 21 Increased by the Growth Rate Shown in Column 23
Column 11: Column 10 Divided by Column 9	Column 23: See Column 12
Column 12: Average of GDP Growth During the Last 10 year, 20 year, 30 year, 40 year, 50 year, and 60 year growth periods. See Exhibit No.____(SCH-14).	Column 24: The Internal Rate of Return of the Cash Flows in Columns 17-22 along with the Dividends for the Years 6-150 Implied by the Growth Rates shown in Column 23