



**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	11.5%	10.4%	10.1%
2 Alliant Energy Co.	10.1%	10.0%	9.9%
3 Avista Corp.	8.8%	10.6%	10.2%
4 Black Hills Corp	10.5%	9.9%	9.5%
5 DTE Energy Co.	9.2%	9.9%	9.6%
6 IDACORP	6.8%	9.2%	9.4%
7 Integrys Energy	10.7%	10.8%	10.2%
8 Portland General	8.0%	9.8%	9.6%
9 Sempra Energy	8.0%	9.4%	9.2%
10 Southern Co.	9.6%	10.2%	10.0%
11 Teco Energy, Inc.	8.9%	10.8%	10.4%
12 Westar Energy	11.5%	10.4%	10.0%
13 Wisconsin Energy	9.5%	9.3%	9.7%
14 Xcel Energy Inc.	9.3%	9.8%	9.9%
<b>GROUP AVERAGE</b>	<b>9.5%</b>	<b>10.0%</b>	<b>9.8%</b>
<b>GROUP MEDIAN</b>	<b>9.4%</b>	<b>9.9%</b>	<b>9.9%</b>

Sources: Value Line Investment Survey, Electric Utility (East), Nov 23, 2012; (Central), Dec 21, 2012; (West), Nov 2, 2012.

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

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

Company	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Recent Price(P0)	Next Year's Div(D1)	Dividend Yield	Analysts' Value Line	Analysts' Estimated Growth	Thomson Growth	Average Growth (Cols 4-6)	ROE K=Div Yld+G (Cols 3+7)
1 ALLETE	40.36	1.88	4.66%	9.00%	5.50%	6.00%	6.83%	11.5%
2 Alliant Energy Co.	44.06	1.88	4.27%	6.50%	4.40%	4.60%	5.83%	10.1%
3 Avista Corp.	24.67	1.20	4.87%	3.50%	4.30%	4.00%	3.93%	8.8%
4 Black Hills Corp	35.63	1.50	4.21%	7.00%	6.00%	6.00%	6.33%	10.5%
5 DTE Energy Co.	60.56	2.52	4.16%	5.00%	5.00%	5.04%	5.01%	9.2%
6 IDACORP	43.39	1.52	3.50%	2.00%	4.00%	4.00%	3.33%	6.8%
7 Integrys Energy	53.40	2.72	5.09%	6.00%	5.30%	5.50%	5.60%	10.7%
8 Portland General	27.00	1.11	4.11%	5.50%	4.10%	1.98%	3.86%	8.0%
9 Sempra Energy	68.37	2.50	3.66%	4.50%	1.60%	7.00%	4.37%	8.0%
10 Southern Co.	44.51	2.02	4.54%	5.00%	5.10%	4.94%	5.01%	9.6%
11 Teco Energy, Inc.	17.20	0.88	5.12%	5.50%	1.70%	4.00%	3.73%	8.9%
12 Westar Energy	29.04	1.36	4.68%	7.50%	6.20%	6.80%	6.83%	11.5%
13 Wisconsin Energy	37.55	1.36	3.62%	6.50%	5.50%	5.70%	5.90%	9.5%
14 Xcel Energy Inc.	27.28	1.11	4.07%	6.00%	4.70%	4.88%	5.19%	9.3%
<b>GROUP AVERAGE</b>	<b>39.50</b>	<b>1.68</b>	<b>4.33%</b>	<b>5.68%</b>	<b>4.67%</b>	<b>5.03%</b>	<b>5.13%</b>	<b>9.5%</b>
<b>GROUP MEDIAN</b>			<b>4.24%</b>					<b>9.4%</b>

Sources: Value Line Investment Survey, Electric Utility (East), Nov 23, 2012; (Central), Dec 21, 2012; (West), Nov 2, 2012.

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

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

	(9)	(10)	(11)	(12)	(13)
Company	Recent Price(P0)	Next Year's Div(D1)	Dividend Yield	GDP Growth	K=Div Yld+G (Cols 11+12)
1 ALLETE	40.36	1.88	4.66%	5.70%	10.4%
2 Alliant Energy Co.	44.06	1.88	4.27%	5.70%	10.0%
3 Avista Corp.	24.67	1.20	4.87%	5.70%	10.6%
4 Black Hills Corp	35.63	1.50	4.21%	5.70%	9.9%
5 DTE Energy Co.	60.56	2.52	4.16%	5.70%	9.9%
6 IDACORP	43.39	1.52	3.50%	5.70%	9.2%
7 Integrys Energy	53.40	2.72	5.09%	5.70%	10.8%
8 Portland General	27.00	1.11	4.11%	5.70%	9.8%
9 Sempra Energy	68.37	2.50	3.66%	5.70%	9.4%
10 Southern Co.	44.51	2.02	4.54%	5.70%	10.2%
11 Teco Energy, Inc.	17.20	0.88	5.12%	5.70%	10.8%
12 Westar Energy	29.04	1.36	4.68%	5.70%	10.4%
13 Wisconsin Energy	37.55	1.36	3.62%	5.70%	9.3%
14 Xcel Energy Inc.	27.28	1.11	4.07%	5.70%	9.8%
GROUP AVERAGE	39.50	1.68	4.33%	5.70%	10.0%
GROUP MEDIAN			4.24%		9.9%

Sources: Value Line Investment Survey, Electric Utility (East), Nov 23, 2012; (Central), Dec 21, 2012; (West), Nov 2, 2012.

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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)
	2013	2016	Annual Change to 2016	Recent Price	Year 1 Div	Year 2 Div	Year 3 Div	Year 4 Div	Year 5 Div	Year 5-150 Div Growth	ROE=Internal Rate of Return (Yrs 0-150)
	Div	Div			Year 1 Div	Year 2 Div	Year 3 Div	Year 4 Div	Year 5 Div	Year 5-150 Div Growth	
1 ALLETE	1.88	2.10	0.07	-40.36	1.88	1.95	2.03	2.10	2.22	5.70%	10.1%
2 Alliant Energy Co.	1.88	2.20	0.11	-44.06	1.88	1.99	2.09	2.20	2.33	5.70%	9.9%
3 Avista Corp.	1.20	1.30	0.03	-24.67	1.20	1.23	1.27	1.30	1.37	5.70%	10.2%
4 Black Hills Corp	1.50	1.60	0.03	-35.63	1.50	1.53	1.57	1.60	1.69	5.70%	9.5%
5 DTE Energy Co.	2.52	2.80	0.09	-60.56	2.52	2.61	2.71	2.80	2.96	5.70%	9.6%
6 IDACORP	1.52	1.90	0.13	-43.39	1.52	1.65	1.77	1.90	2.01	5.70%	9.4%
7 Integrys Energy	2.72	2.80	0.03	-53.40	2.72	2.75	2.77	2.80	2.96	5.70%	10.2%
8 Portland General	1.11	1.25	0.05	-27.00	1.11	1.16	1.20	1.25	1.32	5.70%	9.6%
9 Sempra Energy	2.50	2.80	0.10	-68.37	2.50	2.60	2.70	2.80	2.96	5.70%	9.2%
10 Southern Co.	2.02	2.25	0.08	-44.51	2.02	2.10	2.17	2.25	2.38	5.70%	10.0%
11 Teco Energy, Inc.	0.88	0.95	0.02	-17.20	0.88	0.90	0.93	0.95	1.00	5.70%	10.4%
12 Westar Energy	1.36	1.48	0.04	-29.04	1.36	1.40	1.44	1.48	1.56	5.70%	10.0%
13 Wisconsin Energy	1.36	1.80	0.15	-37.55	1.36	1.51	1.65	1.80	1.90	5.70%	9.7%
14 Xcel Energy Inc.	1.11	1.35	0.08	-27.28	1.11	1.19	1.27	1.35	1.43	5.70%	9.9%
GROUP AVERAGE											9.8%
GROUP MEDIAN											9.9%

Sources: Value Line Investment Survey, Electric Utility (East), Nov 23, 2012; (Central), Dec 21, 2012; (West), Nov 2, 2012.

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

Column 1: Three-month Average Price per Share (Oct 2012-Dec 2012)	Column 13: Column 11 Plus Column 12
Column 2: Estimated 2013 Div per Share from Value Line	Column 14: Estimated 2013 Div per Share from Value Line
Column 3: Column 2 Divided by Column 1	Column 15: Estimated 2016 Div per Share from Value Line
Column 4: "Est'd '09-'11 to '15-'17" 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-6)	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