Exhibit No	(SCH-8)
Docket UE-1	3
Witness: San	nuel C. Hadaway

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	5 1 25 10
	P	Docket UE-13
Complainant,)	
	D	
VS.	D	
PACIFICORP dba		
Pacific Power & Light Company		
)	
	þ	
Respondent.	b	

PACIFICORP EXHIBIT OF SAMUEL C. HADAWAY

Risk Premium Analysis

January 2013

PacifiCorp

Risk Premium Analysis

(Based on Projected Interest Rates)

	•	rojected interest Rates)	INDICATED
MOODY'S AVERAGE PUBLIC UTILITY		AUTHORIZED	INDICATED
		ELECTRIC (2)	RISK
1000	BOND YIELD (1)	RETURNS (2)	PREMIUM
1980	13.15%	14.23%	1.08%
1981	15.62%	15.22%	-0.40%
1982	15.33%	15.78%	0.45%
1983	13.31%	15.36%	2.05%
	1984 14.03% 15.32%		1.29%
1985	12.29%	15.20%	2.91%
1986	9.46%	13.93%	4.47%
1987	9.98%	12.99%	3.01%
1988	10.45%	12.79%	2.34%
1989	9.66%	12.97%	3.31%
1990	9.76%	12.70%	2.94%
1991	9.21%	12.55%	3.34%
1992	8.57%	12.09%	3.52%
1993	7.56%	11.41%	3.85%
1994	8.30%	11.34%	3.04%
1995	7.91%	11.55%	3.64%
1996	7.74%	11.39%	3.65%
1997	7.63%	11.40%	3.77%
1998	7.00%	11.66%	4.66%
1999	7.55%	10.77%	3.22%
2000	8.14%	11.43%	3.29%
2001	7.72%	11.09%	3.37%
2002	7.53%	11.16%	3.63%
2003	6.61%	10.97%	4.36%
2004	6.20%	10.75%	4.55%
2005	5.67%	10.54%	4.87%
2006	6.08%	10.36%	4.28%
2007	6.11%	10.36%	4.25%
2008	6.65%	10.46%	3.81%
2009	6.28%	10.48%	4.20%
2010	5.55%	10.34%	4.79%
2011	5.17%	10.22%	5.05%
AVERAGE	8.82%	12.15%	3.33%
AVENAGE	0.02 /0	12.1370	3.3370
INDICATED C	OST OF EQUITY		
	SINGLE-A UTILITY BC	NID VIELD*	4.45%
	G ANNUAL YIELD DUF		8.82%
	ATE DIFFERENCE	RING STODY	-4.37%
INTERESTRA	ALE DIFFERENCE		-4 .37 /0
INITEDECT DA	ATE CHANGE COEFFI	CIENT	// G20/
			-41.62%
ADUS I MEN	T TO AVG RISK PREM	IIUM	1.82%
			0.000/
BASIC RISK F	_		3.33%
	RATE ADJUSTMENT		1.82%
EQUITY RISI	5.15%		
DD 0 17 67 7 7	ONIOLE 4	MB	
	SINGLE-A UTILITY BC	ND YIELD*	4.45%
INDICATED E	QUITY RETURN		9.60%

⁽¹⁾ Moody's Investors Service.

⁽²⁾ Regulatory Focus, Regulatory Research Associates, Inc.

^{*}Projected single-A bond yield is 106 basis points over projected long-term Treasury bond rate of 3.39%.

The single-A spread is for 3 months ended December 2012 from Exhibit No.___(SCH-4), p. 2.

The projected Treasury bond rate is the 30 year rate for 2015 from Exhibit No.___(SCH-4), p. 3.

PacifiCorp

Risk Premium Analysis

(Based on Current Interest Rates)

MOODY'S AVERAGE		AUTHORIZED	INDICATED		
PUBLIC UTILITY		ELECTRIC	RISK		
	BOND YIELD (1)	RETURNS (2)	PREMIUM		
1980	13.15%	14.23%	1.08%		
1981	15.62%	15.22%	-0.40%		
1982	15.33%	15.78%	0.45%		
1983	13.31%	15.36%	2.05%		
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2010	5.55%	10.34%	4.79%		
2011	5.17%	10.22%	5.05%		
AVERAGE	8.82%	12.15%	3.33%		
INDICATED CO					
	SLE-A UTILITY BOND '		3.92%		
	ANNUAL YIELD DURII	NG STUDY	8.82%		
INTEREST RAT	E DIFFERENCE		-4.90%		
INITEDEOT DAT	E 0114NOE 00EEE101	ENIT	44.000/		
_	E CHANGE COEFFICI		<u>-41.62%</u>		
ADUSTMENT	TO AVG RISK PREMIU	JM	2.04%		
BASIC RISK PR	FMII IM		3.33%		
	TE ADJUSTMENT		2.04%		
EQUITY RISK			5.37%		
LGOITTINION	I INCIVILOIVI		<u> </u>		
CURRENT SING	GLE-A UTILITY BOND	YIELD*	3.92%		
INDICATED EQ	UITY RETURN		9.29%		

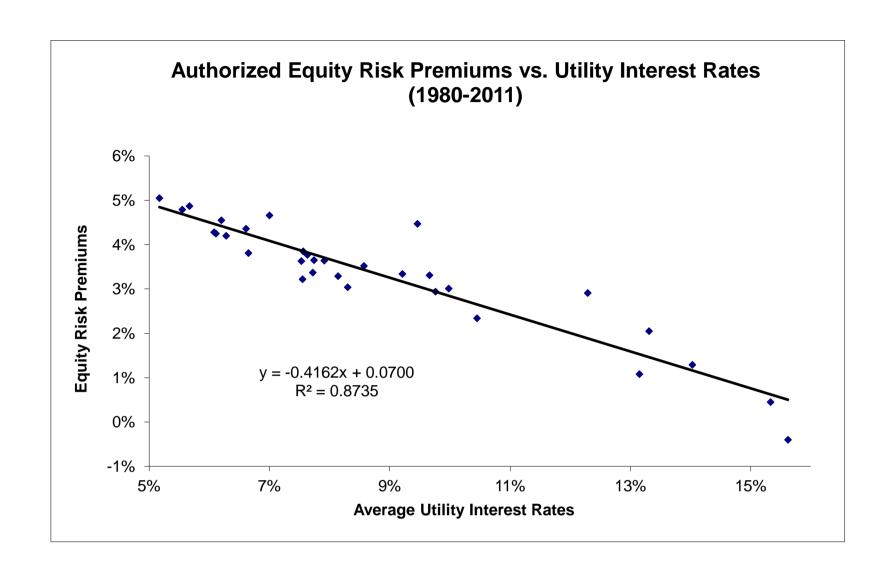
⁽¹⁾ Moody's Investors Service.

 $[\]begin{tabular}{ll} \end{tabular} \begin{tabular}{ll} \end{tabular} \beg$

^{*}Current single-A utility bond yield is three month average of Moody's Single-A Public Utility Bond Yield Average through December 2012 from Exhibit No.___(SCH-4), p. 2.

PacifiCorp

Risk Premium Analysis
Regression Analysis & Interest Rate Change Coefficient



SUMMARY OUTPUT

Regression Statistics						
Multiple R	0.934607488					
R Square	0.873491157					
Adjusted R Square	0.869274196					
Standard Error	0.004645908					
Observations	32					

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.004470953	0.004470953	207.1375734	5.236E-15
Residual	30	0.000647534	2.15845E-05		
Total	31	0.005118487			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.070011757	0.002679133	26.13224684	3.388E-22	0.064540238	0.075483276	0.064540238	0.075483276
X Variable 1	-0.41615627	0.028915253	-14.39227478	5.236E-15	-0.475209095	-0.357103445	-0.475209095	-0.357103445