

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

Company	Traditional Constant Growth DCF Model	Constant Growth DCF Model Long-Term GDP Growth	Low Near-Term Growth Two-Stage Growth DCF Model
1 Alliant Energy Co.	8.3%	10.8%	10.6%
2 Ameren	8.3%	11.7%	10.9%
3 CH Energy Group	8.1%	11.2%	10.5%
4 Cleco Corporation	8.3%	11.0%	10.3%
5 Con. Edison	9.2%	11.9%	11.2%
6 Empire District	11.2%	12.2%	11.3%
7 Energy East Corp.	8.9%	11.3%	11.2%
8 Entergy Corp.	9.7%	10.1%	10.2%
9 Exelon Corp.	10.3%	10.4%	10.2%
10 FPL Group, Inc.	9.0%	10.6%	10.6%
11 MGE Energy, Inc.	9.9%	10.5%	10.0%
12 NSTAR	9.2%	10.9%	10.6%
13 Progress Energy	9.7%	12.2%	11.4%
14 SCANA Corp.	9.5%	10.9%	10.7%
15 Southern Co.	9.6%	11.2%	10.9%
16 Vectren Corp.	9.7%	11.2%	10.8%
17 Xcel Energy Inc.	9.7%	11.9%	11.8%
GROUP AVERAGE	9.3%	11.2%	10.8%
GROUP MEDIAN	9.5%	11.2%	10.7%

PacifiCorp Washington
Discounted Cash Flow Analysis
Traditional Constant Growth DCF Model

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Company	Recent Price(P0)	Next Year's Div(D1)	Dividend Yield	Projected Growth Rate Analysis									
				Year 2009 "BR" Growth Rate Calculation						Zacks	Value Line	GDP Growth	Average Growth (Cols 9-12)
				DPS	EPS	Retention Rate (B)	NBV	ROE (R)	B*R Growth				
1 Alliant Energy Co.	27.20	1.14	4.19%	1.32	2.10	37.14%	26.30	7.98%	2.97%	4.00%	3.00%	6.60%	4.14%
2 Ameren	49.95	2.54	5.09%	2.54	3.15	19.37%	33.85	9.31%	1.80%	3.90%	0.50%	6.60%	3.20%
3 CH Energy Group	46.53	2.16	4.64%	2.20	3.00	26.67%	33.50	8.96%	2.39%	NA	1.50%	6.60%	3.50%
4 Cleco Corporation	20.36	0.90	4.42%	0.90	1.50	40.00%	13.75	10.91%	4.36%	4.00%	0.50%	6.60%	3.87%
5 Con. Edison	43.00	2.30	5.35%	2.36	2.95	20.00%	32.60	9.05%	1.81%	3.00%	NA	6.60%	3.80%
6 Empire District	22.74	1.28	5.63%	1.28	1.75	26.86%	16.50	10.61%	2.85%	5.00%	8.00%	6.60%	5.61%
7 Energy East Corp.	26.02	1.21	4.65%	1.45	2.00	27.50%	21.50	9.30%	2.56%	5.00%	3.00%	6.60%	4.29%
8 Entergy Corp.	68.78	2.41	3.50%	3.01	5.40	44.26%	49.80	10.84%	4.80%	6.90%	6.50%	6.60%	6.20%
9 Exelon Corp.	44.44	1.68	3.78%	1.92	3.60	46.67%	21.95	16.40%	7.65%	5.40%	6.50%	6.60%	6.54%
10 FPL Group, Inc.	38.77	1.54	3.97%	1.90	2.95	35.59%	26.45	11.15%	3.97%	5.40%	4.00%	6.60%	4.99%
11 MGE Energy, Inc.	35.06	1.38	3.94%	1.44	2.45	41.22%	18.85	13.00%	5.36%	NA	6.00%	6.60%	5.99%
12 NSTAR	55.65	2.42	4.35%	2.70	4.25	36.47%	34.25	12.41%	4.53%	4.80%	3.50%	6.60%	4.86%
13 Progress Energy	43.30	2.44	5.63%	2.50	3.20	21.88%	35.65	8.98%	1.96%	3.70%	NA	6.60%	4.09%
14 SCANA Corp.	38.55	1.66	4.31%	1.90	3.25	41.54%	29.00	11.21%	4.66%	4.50%	5.00%	6.60%	5.19%
15 Southern Co.	32.70	1.52	4.65%	1.70	2.50	32.00%	18.65	13.40%	4.29%	4.50%	4.50%	6.60%	4.97%
16 Vectren Corp.	26.90	1.23	4.57%	1.35	1.95	30.77%	17.25	11.30%	3.48%	5.90%	4.50%	6.60%	5.12%
17 Xcel Energy Inc.	17.65	0.93	5.27%	1.11	1.58	29.89%	15.17	10.44%	3.12%	3.90%	4.00%	6.60%	4.41%
GROUP AVERAGE	37.51	1.69	4.58%	1.86	2.80	32.81%	26.18	10.90%	3.68%	4.66%	4.07%	6.60%	4.75%
GROUP MEDIAN			4.57%										

Sources: Value Line Investment Survey, Electric Utility (East), Mar 4, 2005; (Central), Apr 1, 2005; (West), Feb 11, 2005

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

(14)
ROE K=Div Yld+G (Cols 3+13)
8.3%
8.3%
8.1%
8.3%
9.2%
11.2%
8.9%
9.7%
10.3%
9.0%
9.9%
9.2%
9.7%
9.5%
9.6%
9.7%
9.7%
9.3%
9.5%

PacifiCorp Washington
Discounted Cash Flow Analysis
Constant Growth DCF Model
Long-Term GDP Growth

	(15)	(16)	(17)	(18)	(19)
Company	Next			ROE	
	Recent Price(P0)	Year's Div(D1)	Dividend Yield	GDP Growth	K=Div Yld+G (Cols 17+18)
1 Alliant Energy Co.	27.20	1.14	4.19%	6.60%	10.8%
2 Ameren	49.95	2.54	5.09%	6.60%	11.7%
3 CH Energy Group	46.53	2.16	4.64%	6.60%	11.2%
4 Cleco Corporation	20.36	0.90	4.42%	6.60%	11.0%
5 Con. Edison	43.00	2.30	5.35%	6.60%	11.9%
6 Empire District	22.74	1.28	5.63%	6.60%	12.2%
7 Energy East Corp.	26.02	1.21	4.65%	6.60%	11.3%
8 Entergy Corp.	68.78	2.41	3.50%	6.60%	10.1%
9 Exelon Corp.	44.44	1.68	3.78%	6.60%	10.4%
10 FPL Group, Inc.	38.77	1.54	3.97%	6.60%	10.6%
11 MGE Energy, Inc.	35.06	1.38	3.94%	6.60%	10.5%
12 NSTAR	55.65	2.42	4.35%	6.60%	10.9%
13 Progress Energy	43.30	2.44	5.63%	6.60%	12.2%
14 SCANA Corp.	38.55	1.66	4.31%	6.60%	10.9%
15 Southern Co.	32.70	1.52	4.65%	6.60%	11.2%
16 Vectren Corp.	26.90	1.23	4.57%	6.60%	11.2%
17 Xcel Energy Inc.	17.65	0.93	5.27%	6.60%	11.9%
GROUP AVERAGE	37.51	1.69	4.58%	6.60%	11.2%
GROUP MEDIAN			4.57%		11.2%

Sources: Value Line Investment Survey, Electric Utility (East), Mar 4, 2005; (Central), Apr 1, 2005; (West), Feb 11, 2005

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

PacifiCorp Washington
Discounted Cash Flow Analysis
Low Near-Term Growth
Two-Stage Growth DCF Model

	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Company	Next Year's Div	2009 Div	Annual Change to 2009	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 Alliant Energy Co.	1.14	1.32	0.06	-27.20	1.14	1.20	1.26	1.32	1.41	6.60%	10.6%
2 Ameren	2.54	2.54	0.00	-49.95	2.54	2.54	2.54	2.54	2.71	6.60%	10.9%
3 CH Energy Group	2.16	2.20	0.01	-46.53	2.16	2.17	2.19	2.20	2.35	6.60%	10.5%
4 Cleco Corporation	0.90	0.90	0.00	-20.36	0.90	0.90	0.90	0.90	0.96	6.60%	10.3%
5 Con. Edison	2.30	2.36	0.02	-43.00	2.30	2.32	2.34	2.36	2.52	6.60%	11.2%
6 Empire District	1.28	1.28	0.00	-22.74	1.28	1.28	1.28	1.28	1.36	6.60%	11.3%
7 Energy East Corp.	1.21	1.45	0.08	-26.02	1.21	1.29	1.37	1.45	1.55	6.60%	11.2%
8 Entergy Corp.	2.41	3.01	0.20	-68.78	2.41	2.61	2.81	3.01	3.21	6.60%	10.2%
9 Exelon Corp.	1.68	1.92	0.08	-44.44	1.68	1.76	1.84	1.92	2.05	6.60%	10.2%
10 FPL Group, Inc.	1.54	1.90	0.12	-38.77	1.54	1.66	1.78	1.90	2.03	6.60%	10.6%
11 MGE Energy, Inc.	1.38	1.44	0.02	-35.06	1.38	1.40	1.42	1.44	1.54	6.60%	10.0%
12 NSTAR	2.42	2.70	0.09	-55.65	2.42	2.51	2.61	2.70	2.88	6.60%	10.6%
13 Progress Energy	2.44	2.50	0.02	-43.30	2.44	2.46	2.48	2.50	2.67	6.60%	11.4%
14 SCANA Corp.	1.66	1.90	0.08	-38.55	1.66	1.74	1.82	1.90	2.03	6.60%	10.7%
15 Southern Co.	1.52	1.70	0.06	-32.70	1.52	1.58	1.64	1.70	1.81	6.60%	10.9%
16 Vectren Corp.	1.23	1.35	0.04	-26.90	1.23	1.27	1.31	1.35	1.44	6.60%	10.8%
17 Xcel Energy Inc.	0.93	1.11	0.06	-17.65	0.93	0.99	1.05	1.11	1.18	6.60%	11.8%
GROUP AVERAGE	1.69	1.86	0.06	-37.51							10.8%
GROUP MEDIAN											10.7%

Sources: Value Line Investment Survey, Electric Utility (East), Mar 4, 2005; (Central), Apr 1, 2005; (West), Feb 11, 2005

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

PacifiCorp Washington
Discounted Cash Flow Analysis
DCF Analysis Column Descriptions

- Column 1: Three-month Average Price per Share (Jan-Mar 2005)
- Column 2: Estimated 2006 Dividends per Share from Value Line
- Column 3: Column 2 Divided by Column 1
- Column 4: Estimated 2009 Dividends per Share from Value Line
- Column 5: Estimated 2009 Earnings per Share from Value Line
- Column 6: One Minus (Column 4 Divided by Column 5)
- Column 7: Estimated 2009 Net Book Value per Share from Value Line
- Column 8: Column 5 Divided by Column 7
- Column 9: Column 6 Multiplied by Column 8
- Column 10: "Next 5 Years" Company Growth Estimate as Reported by Zacks.com
- Column 11: "Est'D 02-04 To 08-10" Earnings Growth as Reported by Value Line.
- Column 12: Average of GDP Growth During the Last 10 year, 20 year, 30 year, and 40 year growth periods.
- Column 13: Average of Columns 9-12
- Column 14: Column 3 Plus Column 13
- Column 15: See Column 1
- Column 16: See Column 2
- Column 17: Column 16 Divided by Column 15
- Column 18: See Average Growth Rate shown at the Bottom of Column 12
- Column 19: Column 17 Plus Column 18
- Column 20: See Column 2
- Column 21: See Column 4
- Column 22: (Column 21 Minus Column 20) Divided by Three
- Column 23: See Column 1
- Column 24: See Column 20
- Column 25: Column 24 Plus Column 22
- Column 26: Column 25 Plus Column 22
- Column 27: Column 26 Plus Column 22
- Column 28: Column 27 Increased by the Growth Rate Shown in Column 29
- Column 29: See Average Growth Rate shown at the Bottom of Column 12
- Column 30: The Internal Rate of Return of the Cash Flows in Columns 23-28 along with the Dividends for the Years 6-150 Implied by the Growth Rates shown in Column 29

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

Company	Near-Term Growth			IRR	Long-Term Growth 6.60%							
	2006	2009	Growth		2005	2006	2007	2008	2009	2010	2011	
	Div	Div			P0	D1	D2	D3	D4	D5	D6	
1 Alliant Energy Co.	1.14	1.32	5.01%	10.60%	-27.20	1.14	1.20	1.26	1.32	1.41	1.50	
2 Ameren	2.54	2.54	0.00%	10.85%	-49.95	2.54	2.54	2.54	2.54	2.71	2.89	
3 CH Energy Group	2.16	2.20	0.61%	10.54%	-46.53	2.16	2.17	2.19	2.20	2.35	2.50	
4 Cleco Corporation	0.90	0.90	0.00%	10.28%	-20.36	0.90	0.90	0.90	0.90	0.96	1.02	
5 Con. Edison	2.30	2.36	0.86%	11.19%	-43.00	2.30	2.32	2.34	2.36	2.52	2.68	
6 Empire District	1.28	1.28	0.00%	11.32%	-22.74	1.28	1.28	1.28	1.28	1.36	1.45	
7 Energy East Corp.	1.21	1.45	6.22%	11.20%	-26.02	1.21	1.29	1.37	1.45	1.55	1.65	
8 Entergy Corp.	2.41	3.01	7.69%	10.18%	-68.78	2.41	2.61	2.81	3.01	3.21	3.42	
9 Exelon Corp.	1.68	1.92	4.55%	10.15%	-44.44	1.68	1.76	1.84	1.92	2.05	2.18	
10 FPL Group, Inc.	1.54	1.90	7.25%	10.63%	-38.77	1.54	1.66	1.78	1.90	2.03	2.16	
11 MGE Energy, Inc.	1.38	1.44	1.43%	9.99%	-35.06	1.38	1.40	1.42	1.44	1.54	1.64	
12 NSTAR	2.42	2.70	3.72%	10.61%	-55.65	2.42	2.51	2.61	2.70	2.88	3.07	
13 Progress Energy	2.44	2.50	0.81%	11.43%	-43.30	2.44	2.46	2.48	2.50	2.67	2.84	
14 SCANA Corp.	1.66	1.90	4.60%	10.67%	-38.55	1.66	1.74	1.82	1.90	2.03	2.16	
15 Southern Co.	1.52	1.70	3.80%	10.91%	-32.70	1.52	1.58	1.64	1.70	1.81	1.93	
16 Vectren Corp.	1.23	1.35	3.15%	10.76%	-26.90	1.23	1.27	1.31	1.35	1.44	1.53	
17 Xcel Energy Inc.	0.93	1.11	6.08%	11.80%	-17.65	0.93	0.99	1.05	1.11	1.18	1.26	
Average			<u>3.28%</u>	<u>10.77%</u>	Average							
					10.67%	Median						

EXTRACT RANGE

Name	Ticker	S&P_Rating	Moody_Rating	Price	EPS03	EPS04	EPS08	DPS04	DPS05	DPS08	NBV08	AvgPE	VL_Growth	Zacks_Growth	% Gas Revs	Elec Revs	% Water	R3-Mo Avg f
1 Alliant Energy Co.	LNT	7	6	\$26.51	1.85	1.95	2.10	1.08	1.14	\$1.32	\$26.30		3.00%	4.00%		87.2%		\$27.20
2 Ameren	AEE	7	6	\$48.09	2.84	3.00	3.15	2.54	2.54	\$2.54	\$33.85		0.50%	3.90%		99.9%		\$49.95
3 CH Energy Group	CHG	6	6	\$45.89	2.69	2.55	3.00	2.16	2.16	\$2.20	\$33.50		1.50%	NA		70.2%		\$46.53
4 Cleco Corporation	CNL	8	7	\$21.05	1.32	1.35	1.50	0.90	0.90	\$0.90	\$13.75		0.50%	4.00%		93.7%		\$20.36
5 Con. Edison	ED	6	5	\$42.36	2.55	2.85	2.95	2.28	2.30	\$2.36	\$32.60		-0.50%	3.00%		83.6%		\$43.00
6 Empire District	EDE	7	8	\$23.10	0.86	1.35	1.75	1.28	1.28	\$1.28	\$16.50		8.00%	5.00%		93.0%		\$22.74
7 Energy East Corp.	EAS	8	7	\$25.60	1.62	1.75	2.00	1.13	1.21	\$1.45	\$21.50		3.00%	5.00%		91.0%		\$26.02
8 Entergy Corp.	ETR	7	9	\$69.27	3.74	4.60	5.40	2.21	2.41	\$3.01	\$49.80		6.50%	6.90%		80.4%		68.78
9 Exelon Corp.	EXC	7	6	\$43.89	2.81	3.00	3.60	1.60	1.68	\$1.92	\$21.95		6.50%	5.40%		70.9%		\$44.44
10 FPL Group, Inc.	FPL	6	4	\$38.48	2.46	2.55	2.95	1.42	1.54	1.90	\$26.45		4.00%	5.40%		83.1%		\$38.77
11 MGE Energy, Inc.	MGEE	4	4	\$34.10	1.77	1.90	2.45	1.37	1.38	\$1.44	\$18.85		6.00%	NA		99.4%		35.06
12 NSTAR	NST	6	5	\$55.10	3.51	3.65	4.25	2.34	2.42	\$2.70	\$34.25		3.50%	4.80%		96.3%		55.65
13 Progress Energy	PGN	9	6	\$41.87	3.00	3.20	3.20	2.38	2.44	2.50	\$35.65		-2.00%	3.70%		73.2%		43.30
14 SCANA Corp.	SCG	7	5	\$38.02	2.67	2.85	3.25	1.56	1.66	\$1.90	\$29.00		5.00%	4.50%		72.4%		38.55
15 Southern Co.	SO	5	5	\$31.84	2.04	2.07	2.50	1.46	1.52	\$1.70	\$18.65		4.50%	4.50%		81.8%		32.70
16 Vectren Corp.	VVC	7	7	\$26.25	1.44	1.75	1.95	1.19	1.23	\$1.35	\$17.25		4.50%	5.90%		88.6%		26.90
17 Xcel Energy Inc.	XEL	7	7	\$18.13	1.27	1.25	1.58	0.87	0.93	\$1.11	\$15.17		4.00%	3.90%		98.1%		17.65
	Average	6.7	6.1													Average	86.0%	

Prices