Exhibit No. ___(BNW-1T)
Docket No. UE-03_____
2003 PP&L Rate Case
Witness: Bruce N. Williams

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, vs. PACIFICORP dba Pacific Power & Light Company, Respondent.	Docket No. UE-03______

PACIFICORP

DIRECT TESTIMONY OF BRUCE N. WILLIAMS

December 2003

Q. Please state your name, business address and present position with PacifiCorp (the Company).

A. My name is Bruce N. Williams. My business address is PacifiCorp, 825 NE Multnomah, Suite 1900, Portland, Oregon 97232. I was elected Treasurer by the Board of Directors in February, 2000. Prior to my election as Treasurer, I served as Assistant Treasurer for several years.

Qualifications

Q. Mr. Williams, please briefly describe your education and business experience.

A. I received a Bachelor of Science degree in Business Administration with a concentration in Finance from Oregon State University in June 1980. I also received the Chartered Financial Analyst designation upon passing the examination in September 1986. I have been employed by PacifiCorp for 18 years. My business experience has included financing of PacifiCorp's electric operations and non-utility activities, investment management, investor relations and responsibility for certain non-regulated activities.

Q. Please describe your present duties.

A. I am responsible for the Company's treasury, pension and other investment management and certain non-regulated affiliate activities. In this proceeding, I am responsible for the preparation of the Company's embedded cost of debt and preferred equity.

Purpose of Testimony

Q. What is the purpose of your testimony in this proceeding?

A. I will analyze the embedded cost of debt and preferred stock supporting PacifiCorp's electric operations in the State of Washington as of September 30, 2003, updated through the middle of the rate year (April 30, 2005). This analysis includes the use of forward interest rates, historic relationships of securities' trading patterns and known and measurable changes to the debt and preferred stock portfolios.

Financing Overview

Q. How does PacifiCorp finance its electric utility operations?

A. PacifiCorp finances the cash flow requirements of its regulated utility operations utilizing a reasonable mix of debt and equity securities designed to provide a competitive cost of capital and predictable capital market access.

Q. How does PacifiCorp meet its non-common equity financing requirements?

A. PacifiCorp relies on a mix of first mortgage bonds, other secured debt, tax exempt debt, unsecured debt and preferred stock to meet its long-term debt and preferred stock financing requirements.

The Company has concluded the majority of its long-term financing utilizing secured first mortgage bonds issued under the PacifiCorp Mortgage Indenture dated January 9, 1989. Exhibit No. ___(BNW-2) shows that, as of April 30, 2005, PacifiCorp is projected to have approximately $3 billion of first mortgage bonds outstanding, with an average cost of 7.078 percent and average maturity of 11.18 years. Presently, all of PacifiCorp's first mortgage bonds bear interest at fixed rates. Proceeds from the issuance of the first mortgage bonds (and other financing instruments) are used to finance the combined utility operation and are not allocated on a divisional basis.

Prior to the Utah Power & Light and Pacific Power & Light merger in 1989, each company had its own first mortgage indentures. Those indentures were assumed by PacifiCorp and, in addition, a new PacifiCorp indenture was established at the time of the merger. In 1996, PacifiCorp's Treasury Department restructured the mortgage arrangements, which led to the extinguishment of the Pacific Power and Utah Power mortgages. This action reduced administrative requirements and associated expense and greatly simplified the Company's mortgage financing arrangements.

Another important source of financing has been the tax-exempt financing associated with certain qualifying equipment at PacifiCorp's power generation plants. Under arrangements with local counties and other tax-exempt entities, PacifiCorp borrows the proceeds and guarantees the repayment of the long-term debt in order to take advantage of their tax-exempt status in financings. As of April 30, 2005, PacifiCorp's tax-exempt portfolio is projected to be $736 million in principal amount with an average cost of 4.138 percent (which includes the cost of issuance and credit enhancement).

Q. Does the Company have plans to refinance debt at this time?

A. The Company's financing plan is dynamic and is subject to change to reflect market conditions not anticipated at this time. While the Company regularly evaluates its refinancing opportunities, presently the Company has no plans to refinance debt prior to stated maturity.

Calculation Methodologies

Q. How did you determine the amount of debt and preferred stock to be included in your calculation of the Company's embedded costs of debt and preferred stock?

A. For long-term debt, based upon those series outstanding at September 30, 2003, I made a corresponding reduction to the outstanding balances for maturities, principal amortization and sinking fund requirements which are expected to occur during the period ending April 30, 2005. The total long-term debt maturities and principal amortized over this period is $439.8 million. Finally, I assumed that the total amount of long-term debt would remain unchanged from September 30, 2003, and added back a total of $439.8 million of new long-term debt.

For preferred stock, I started with the balance outstanding at September 30, 2003, and made a reduction of $3.8 million of preferred stock to reflect the sinking fund requirements of the $7.48 Series No Par Serial Preferred stock. This sinking fund payment will occur on June 15, 2004.

Q. Why have you chosen April 30, 2005 as the date for determining cost of debt and preferred stock?

A. Through discussion with Commission Staff it was agreed that the mid-point of the rate year should be used as the date to determine cost of debt and preferred stock. The Company's practice is to calculate the cost of debt and preferred stock as of a month-end date. April 30, 2005, is the closest month-end to that date.

Q. Upon review of the Company's debt portfolio, a portion of those securities bear variable rates. What is the basis for the projected interest rates provided by the Company?

A. The majority of the Company's variable rate debt is in the form of tax-exempt debt. Exhibit No. ___(BNW-3) shows that these securities have been trading at approximately 106 percent of the 30-day LIBOR (London Inter Bank Offer Rate). Therefore, the Company has applied a factor of 106 percent to the forward 30-day LIBOR Rate and added the respective credit enhancement and remarketing fees for each floating rate tax-exempt bond. Credit enhancement and remarketing fees are included in the interest component because these are costs which contribute directly to the interest rate on the securities.

Q. How did you calculate the Company's embedded costs of long-term debt and preferred stock?

A. The embedded costs of debt and preferred stock were calculated utilizing the methodology used in the Company's previous rate case.

Q. Please explain the cost of debt calculation.

A. I calculated the cost of debt by issue, based on each debt series' interest rate and net proceeds at the issuance date, to produce a bond yield to maturity for each series of debt. It should be noted that in the event a bond was issued to refinance a higher cost bond, the pre-tax premium and unamortized costs, if any, associated with the refinancing were subtracted from the net proceeds of the bonds that were issued. The bond yield was then multiplied by the principal amount outstanding of each debt issue resulting in an annualized cost of each debt issue. Aggregating the annual cost of each debt issue produces the total annualized cost of debt which, when divided by the total principal amount of debt outstanding, produces the weighted average cost for all debt issues and is the Company's embedded cost of long-term debt.

Q. Regarding the $439.8 million of replacement debt mentioned above, how did you determine the interest rate for this new long-term debt?

A. I assumed the debt would be issued at the Company's estimated September 30, 2003, credit spreads over the projected twenty-year Treasury rates as of April 30, 2005. Finally, I added in the effect of the issuance costs. This reflects the Company's best estimate of the cost to replace the maturing debt as of the date when new rates become effective, assuming the Company's senior secured long-term debt ratings remain unchanged. Currently the Company's senior secured long-term debt is rated A and A3 by Standard & Poor's and Moody's respectively.

Q. What is the resulting estimated interest rate for this new long-term debt?

A. The Company's estimated September 30, 2003 credit spread for twenty-year notes was 1 percent. The forward twenty-year Treasury rate for April 30, 2005, is 5.71 percent. Issuance costs for this type of note add approximately 8 basis points (i.e., .08 percent) to the all-in cost. Therefore the projected cost of replacement debt is (1.00% + 5.71% + 0.08%) = 6.79 percent.

Q. How does this compare the cost of the maturing debt?

A. The $439.8 million of maturing debt has an average cost of 7.56 percent.

Q. Why did you assume the Company would issue replacement debt with a twenty-year maturity?

A. Approximately $3 billion of the Company's existing long-term debt will mature in the twenty-year period beginning September 30, 2003. However, only $769 million will mature in the ten-year period beginning September 30, 2023. The Company's exposure to refinancing and interest rate risk could be increased if we issued debt with less than a twenty-year maturity. A twenty-year maturity is a reasonable approximation of the average maturity the Company would likely issue to reduce this exposure to refinancing and interest rate risk

Q. How did you calculate the embedded cost of preferred stock?

A. The embedded cost of preferred stock was calculated by first determining the cost of money for each issue. The cost of money for each issue was calculated by dividing the annual dividend rate by the per share net proceeds for each series of preferred stock. The cost associated with each series was then multiplied by the stated value or principal amount outstanding for each issue to yield the annualized cost for each issue. The sum of annualized costs for each issue produces the total annual cost for the entire preferred stock portfolio. I then divided the total annual cost by the total amount of preferred stock outstanding to produce the weighted average cost of all issues. This is the Company's embedded cost of preferred stock.

Forecast Embedded Cost of Long-Term Debt

Q. What is the Company's embedded cost of long-term debt?

A. The embedded cost of long-term debt at April 30, 2005 is 6.507 percent. (See

Exhibit No. ___(BNW-2)).

Forecast Embedded Cost of Preferred Stock

Q. What is the Company's embedded cost of preferred stock?

A. The embedded cost of preferred stock at April 30, 2005 is 6.715 percent. (See Exhibit No. ___(BNW-4)).

Q. Does this conclude your testimony?

A. Yes.

Exhibit No. ___(BNW-2)
Docket No. UE-03_____
2003 PP&L Rate Case
Witness: Bruce N. Williams

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, vs. PACIFICORP dba Pacific Power & Light Company, Respondent.	Docket No. UE-03______

PACIFICORP

EXHIBIT OF BRUCE N. WILLIAMS

Cost of Long-Term Debt, as of Pro Forma April 30, 2005

December 2003

Cost of Debt Summary

As of Pro Forma April 30, 2005

DESCRIPTION	AMOUNT CURRENTLY OUTSTANDING	ISSUANCE EXPENSES	REDEMPTION EXPENSES	NET PROCEEDS TO COMPANY	ANNUAL DEBT SERVICE COST	SEGMENT	Coupon	Weighted Average Maturity
Subtotal - First Mortgage Bonds	$1,965,317,000	($22,763,964)	($11,935,639)	$1,930,617,397	$133,783,209	6.807%	6.540%	12.13
Subtotal - Medium-Term Notes	$1,085,224,000	($12,142,277)	($31,242,748)	$1,041,838,975	$82,139,880	7.569%	7.135%	9.46
Total First Mortgage Bonds	$3,050,541,000	($34,906,240)	($43,178,387)	$2,972,456,373	$215,923,090	7.078%	6.752%	11.18
Subtotal - Pollution Control Obligations secured by First Mortgage Bonds	$398,411,475	($10,560,810)	($9,550,194)	$378,300,472	$17,163,776	4.308%	3.626%	16.80
Subtotal - Pollution Control Revenue Bonds	$337,900,000	($4,213,027)	($7,621,229)	$326,065,743	$13,306,304	3.938%	3.015%	11.30
Total PCRB	$736,311,475	($14,773,837)	($17,171,423)	$704,366,215	$30,470,080	4.138%	3.346%	14.28
Total Cost of Long Term Debt	$3,786,852,475	($49,680,077)	($60,349,810)	$3,676,822,588	$246,393,170	6.507%	6.090%	11.78

PACIFICORP
Electric Operations
Cost of Long-Term Debt
Pro Forma April 30, 2005

LINE NO.	BOND INTEREST RATE	DESCRIPTION	MATURITY DATE	ORIGINAL LIFE	PRINCIPAL AMOUNT ORIGINAL ISSUE	PRINCIPAL AMOUNT CURRENTLY OUTSTANDING	ISSUANCE EXPENSES	REDEMPTION EXPENSES	NET PROCEEDS TO COMPANY TOTAL DOLLAR AMOUNT	NET PROCEEDS TO COMPANY PER $100 PRINCIPAL AMOUNT	COST OF MONEY TO COMPANY (BOND TABLE BASIS)	ANNUAL DEBT SERVICE COST	LINE NO.
	(1)	(2)		(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)	
		First Mortgage Bonds											
1	5.650%	Series due November 2006	11/01/06	8	$200,000,000	$200,000,000	($6,855,966)	$0	$193,144,034	96.572%	6.200%	$12,400,000	1
2	6.900%	Series due Nov 2011	11/15/11	10	$500,000,000	$500,000,000	($5,338,849)	$0	$494,661,151	98.932%	7.051%	$35,255,000	2
3	7.700%	Series due Nov 2031	11/15/31	30	$300,000,000	$300,000,000	($3,701,310)	$0	$296,298,690	98.766%	7.807%	$23,421,000	3
4	4.300%	Series due Sep 2008	09/15/08	5	$200,000,000	$200,000,000	($1,488,000)	($5,967,819)	$192,544,181	96.272%	5.155%	$10,310,000	4
5	5.450%	Series due Sep 2013	09/15/13	10	$200,000,000	$200,000,000	($1,532,000)	($5,967,819)	$192,500,181	96.250%	5.953%	$11,906,000	5
6	8.271%	C-U Series due Oct 2010 (a)	10/01/10	18	$48,972,000	$23,599,000	$0	$0	$23,599,000	100.000%	8.271%	$1,951,873	6
7	7.978%	C-U Series due Oct 2011 (a)	10/01/11	19	$4,422,000	$2,308,000	$0	$0	$2,308,000	100.000%	7.978%	$184,132	7
8	8.493%	C-U Series due Oct 2012 (a)	10/01/12	20	$19,772,000	$11,430,000	$0	$0	$11,430,000	100.000%	8.493%	$970,750	8
9	8.797%	C-U Series due Oct 2013 (a)	10/01/13	21	$16,203,000	$10,099,000	$0	$0	$10,099,000	100.000%	8.797%	$888,409	9
10	8.734%	C-U Series due Oct 2014 (a)	10/01/14	22	$28,218,000	$18,529,000	$0	$0	$18,529,000	100.000%	8.734%	$1,618,323	10
11	8.294%	C-U Series due Oct 2015 (a)	10/01/15	23	$46,946,000	$31,821,000	$0	$0	$31,821,000	100.000%	8.294%	$2,639,234	11
12	8.635%	C-U Series due Oct 2016 (a)	10/01/16	24	$18,750,000	$13,373,000	$0	$0	$13,373,000	100.000%	8.635%	$1,154,759	12
13	8.470%	C-U Series due Oct 2017 (a)	10/01/17	25	$19,609,000	$14,405,000	$0	$0	$14,405,000	100.000%	8.470%	$1,220,104	13
14	6.710%	Proforma due April 2015	04/30/25	20	$439,753,000	$439,753,000	($3,847,839)	$0	$435,905,161	99.125%	6.791%	$29,863,626	14
15	6.540%	Subtotal - First Mortgage Bonds				**$1,965,317,000**	**($22,763,964)**	**($11,935,639)**	**$1,930,617,397**		6.807%	**$133,783,209**	15
16													16
17		(a) Principal amortizes every October.											17

PACIFICORP
Electric Operations
Cost of Long-Term Debt
Pro Forma April 30, 2005

LINE NO.	BOND INTEREST RATE	DESCRIPTION	MATURITY DATE	ORIGINAL LIFE	PRINCIPAL AMOUNT ORIGINAL ISSUE	PRINCIPAL AMOUNT CURRENTLY OUTSTANDING	ISSUANCE EXPENSES	REDEMPTION EXPENSES	NET PROCEEDS TO COMPANY TOTAL DOLLAR AMOUNT	NET PROCEEDS TO COMPANY PER $100 PRINCIPAL AMOUNT	MONEY TO COMPANY (BOND TABLE BASIS)	ANNUAL DEBT SERVICE COST	LINE NO.
	(1)	(2)		(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)	
1		**Series C MTNs**											1
2	7.670%	Series C due Jan 2007	01/10/07	15	$5,724,000	$5,724,000	($36,625)	($783,776)	$4,903,598	85.667%	9.480%	$542,635	2
3	9.150%	Series C due Aug 2011	08/09/11	20	$8,000,000	$8,000,000	($75,327)	$0	$7,924,673	99.058%	9.254%	$740,320	3
4	8.950%	Series C due Sep 2011	09/01/11	20	$20,000,000	$20,000,000	($132,118)	$0	$19,867,882	99.339%	9.022%	$1,804,400	4
5	8.920%	Series C due Sep 2011	09/01/11	20	$20,000,000	$20,000,000	($188,318)	$0	$19,811,682	99.058%	9.023%	$1,804,600	5
6	8.950%	Series C due Sep 2011	09/01/11	20	$25,000,000	$25,000,000	($175,398)	$0	$24,824,602	99.298%	9.026%	$2,256,500	6
7	8.290%	Series C due Dec 2011	12/30/11	20	$3,000,000	$3,000,000	($23,040)	($410,784)	$2,566,175	85.539%	9.972%	$299,160	7
8	8.260%	Series C due Jan 2012	01/10/12	20	$1,000,000	$1,000,000	($7,649)	($136,928)	$855,423	85.542%	9.938%	$99,380	8
9	8.280%	Series C due Jan 2012	01/10/12	20	$2,000,000	$2,000,000	($13,297)	($273,856)	$1,712,847	85.642%	9.947%	$198,940	9
10	8.250%	Series C due Feb 2012	02/01/12	20	$3,000,000	$3,000,000	($22,946)	($410,784)	$2,566,270	85.542%	9.927%	$297,810	10
11	8.530%	Series C due Dec 2021	12/16/21	30	$15,000,000	$15,000,000	($115,202)	($2,053,922)	$12,830,877	85.539%	10.066%	$1,509,900	11
12	8.375%	Series C due Dec 2021	12/31/21	30	$5,000,000	$5,000,000	($38,400)	($684,641)	$4,276,959	85.539%	9.889%	$494,450	12
13	8.260%	Series C due Jan 2022	01/07/22	30	$5,000,000	$5,000,000	($33,243)	($684,641)	$4,282,117	85.642%	9.745%	$487,250	13
14	8.270%	Series C due Jan 2022	01/10/22	30	$4,000,000	$4,000,000	($30,594)	($547,712)	$3,421,693	85.542%	9.768%	$390,720	14
15		**Sub-Total Series C**				**$116,724,000**	**($892,158)**	**($5,987,044)**	**$109,844,798**			**$10,926,065**	15
16													16
17		**Series E MTNs**											17
18	7.340%	Series E due Oct 2005	10/17/05	13	$5,000,000	$5,000,000	($33,788)	($335,843)	$4,630,369	92.607%	8.279%	$413,950	18
19	7.360%	Series E due Oct 2005	10/17/05	13	$5,000,000	$5,000,000	($33,788)	($335,843)	$4,630,369	92.607%	8.300%	$415,000	19
20	7.430%	Series E due Sep 2007	09/11/07	15	$2,000,000	$2,000,000	($15,530)	($226,075)	$1,758,395	87.920%	8.905%	$178,100	20
21	7.220%	Series E due Sep 2007	09/18/07	15	$2,500,000	$2,500,000	($19,412)	($282,594)	$2,197,994	87.920%	8.675%	$216,875	21
22	7.270%	Series E due Sep 2007	09/24/07	15	$4,000,000	$4,000,000	($31,059)	($452,151)	$3,516,790	87.920%	8.730%	$349,200	22
23	8.130%	Series E due Jan 2013	01/22/13	20	$10,000,000	$10,000,000	($75,827)	($671,687)	$9,252,486	92.525%	8.939%	$893,900	23
24	8.050%	Series E due Sep 2022	09/01/22	30	$15,000,000	$15,000,000	($131,471)	($1,695,566)	$13,172,963	87.820%	9.258%	$1,388,700	24
25	8.070%	Series E due Sep 2022	09/09/22	30	$8,000,000	$8,000,000	($70,118)	($904,302)	$7,025,580	87.820%	9.280%	$742,400	25
26	8.110%	Series E due Sep 2022	09/09/22	30	$12,000,000	$12,000,000	($105,177)	($1,356,453)	$10,538,370	87.820%	9.325%	$1,119,000	26
27	8.120%	Series E due Sep 2022	09/09/22	30	$50,000,000	$50,000,000	($438,238)	($5,651,887)	$43,909,875	87.820%	9.336%	$4,668,000	27
28	8.050%	Series E due Sep 2022	09/14/22	30	$10,000,000	$10,000,000	($87,648)	($1,130,377)	$8,781,975	87.820%	9.258%	$925,800	28
29	8.080%	Series E due Oct 2022	10/14/22	30	$25,000,000	$25,000,000	($200,190)	($2,061,627)	$22,738,182	90.953%	8.953%	$2,238,250	29
30	8.080%	Series E due Oct 2022	10/14/22	30	$26,000,000	$26,000,000	($208,198)	($2,938,981)	$22,852,821	87.895%	9.283%	$2,413,580	30
31	8.230%	Series E due Jan 2023	01/20/23	30	$4,000,000	$4,000,000	$51,229	($88,989)	$3,962,241	99.056%	8.316%	$332,640	31
32	8.230%	Series E due Jan 2023	01/20/23	30	$5,000,000	$5,000,000	($37,914)	($335,843)	$4,626,243	92.525%	8.951%	$447,550	32
33		**Sub-Total Series E**				**$183,500,000**	**($1,437,129)**	**($18,468,219)**	**$163,594,651**			**$16,742,945**	33
34													34

PACIFICORP
Electric Operations
Cost of Long-Term Debt
Pro Forma April 30, 2005

LINE NO.	BOND INTEREST RATE	DESCRIPTION	MATURITY DATE	ORIGINAL LIFE	PRINCIPAL AMOUNT ORIGINAL ISSUE	PRINCIPAL AMOUNT CURRENTLY OUTSTANDING	ISSUANCE EXPENSES	REDEMPTION EXPENSES	NET PROCEEDS TO COMPANY TOTAL DOLLAR AMOUNT	NET PROCEEDS TO COMPANY PER $100 PRINCIPAL AMOUNT	MONEY TO COMPANY (BOND TABLE BASIS)	ANNUAL DEBT SERVICE COST	LINE NO.
	(1)	(2)		(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)	
35		Series F MTNs											35
36	7.260%	Series F due Jul 2023	07/21/23	30	$11,000,000	$11,000,000	($100,622)	($589,062)	$10,310,316	93.730%	7.804%	$858,440	36
37	7.260%	Series F due Jul 2023	07/21/23	30	$27,000,000	$27,000,000	($246,981)	($1,445,880)	$25,307,139	93.730%	7.804%	$2,107,080	37
38	7.230%	Series F due Aug 2023	08/16/23	30	$15,000,000	$15,000,000	($137,211)	($268,624)	$14,594,165	97.294%	7.457%	$1,118,550	38
39	7.240%	Series F due Aug 2023	08/16/23	30	$30,000,000	$30,000,000	($274,423)	($537,248)	$29,188,329	97.294%	7.467%	$2,240,100	39
40	6.750%	Series F due Sep 2023	09/14/23	30	$2,000,000	$2,000,000	($15,300)	$0	$1,984,700	99.235%	6.810%	$136,200	40
41	6.720%	Series F due Sep 2023	09/14/23	30	$2,000,000	$2,000,000	($15,300)	$0	$1,984,700	99.235%	6.780%	$135,600	41
42	6.750%	Series F due Sep 2023	09/14/23	30	$5,000,000	$5,000,000	($38,250)	($34,169)	$4,927,581	98.552%	6.865%	$343,250	42
43	6.750%	Series F due Oct 2023	10/26/23	30	$12,000,000	$12,000,000	($91,396)	$0	$11,908,604	99.238%	6.810%	$817,200	43
44	6.750%	Series F due Oct 2023	10/26/23	30	$16,000,000	$16,000,000	($121,861)	$0	$15,878,139	99.238%	6.810%	$1,089,600	44
45	6.750%	Series F due Oct 2023	10/26/23	30	$20,000,000	$20,000,000	($152,326)	$0	$19,847,674	99.238%	6.810%	$1,362,000	45
46	8.625%	Series F due Dec 2024	12/13/24	30	$20,000,000	$20,000,000	($649,625)	$0	$19,350,375	96.752%	8.938%	$1,787,600	46
47		**Sub-Total Series F**				**$160,000,000**	**($1,843,295)**	**($2,874,983)**	**$155,281,722**			**$11,995,620**	47
48													48
49		Series G MTNs											49
50	6.120%	Series G due Jan 2006	01/15/06	10	$100,000,000	$100,000,000	($679,467)	($3,030,806)	$96,289,728	96.290%	6.633%	$6,633,000	50
51	6.625%	Series G due Jun 2007	06/01/07	12	$100,000,000	$100,000,000	($1,897,428)	($881,696)	$97,220,876	97.221%	6.971%	$6,971,000	51
52	6.710%	Series G due Jan 2026	01/15/26	30	$100,000,000	$100,000,000	($904,467)	$0	$99,095,533	99.096%	6.781%	$6,781,000	52
53		**Sub-Total Series G**				**$300,000,000**	**($3,481,361)**	**($3,912,502)**	**$292,606,137**			**$20,385,000**	53
54													54
55		Series H MTNs											55
56	6.375%	Series H due May 2008	05/15/08	10	$200,000,000	$200,000,000	($2,060,179)	$0	$197,939,821	98.970%	6.517%	$13,034,000	56
57	7.000%	Series H due Jul 2009	07/15/09	12	$125,000,000	$125,000,000	($2,428,154)	$0	$122,571,846	98.057%	7.245%	$9,056,250	57
58		**Sub-Total Series H**				**$325,000,000**	**($4,488,333)**	**$0**	**$320,511,667**			**$22,090,250**	58
59													59
60													60
61													61
62													62

[redacted]

LINE NO.	BOND INTEREST RATE	DESCRIPTION	MATURITY DATE	ORIGINAL LIFE	PRINCIPAL AMOUNT ORIGINAL ISSUE	PRINCIPAL AMOUNT CURRENTLY OUTSTANDING	ISSUANCE EXPENSES	REDEMPTION EXPENSES	NET PROCEEDS TO COMPANY TOTAL DOLLAR AMOUNT	NET PROCEEDS TO COMPANY PER $100 PRINCIPAL AMOUNT	COST OF MONEY TO COMPANY (BOND TABLE BASIS)	ANNUAL DEBT SERVICE COST	LINE NO.
	(1)	(2)		(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)	
		[redacted]											
1	5.650%	Emery County due Nov 2023	11/01/23	30	$46,500,000	$46,500,000	($1,624,793)	($2,842,053)	$42,033,154	90.394%	6.372%	$2,962,980	1
2	5.625%	Emery County due Nov 2023	11/01/23	30	$16,400,000	$16,400,000	($1,015,051)	($819,557)	$14,565,392	88.813%	6.475%	$1,061,900	2
3	5.625%	Lincoln County due Nov 2021	11/01/21	28	$8,300,000	$8,300,000	($426,105)	($414,778)	$7,459,117	89.869%	6.634%	$550,622	3
4	3.900%	Converse 88 due Jan 2014	01/01/14	30	$17,000,000	$17,000,000	($155,970)	($579,849)	$16,264,181	95.672%	4.246%	$721,820	4
5	3.900%	Sweetwater 84C due Dec 2014	12/01/14	30	$15,000,000	$15,000,000	($227,887)	$0	$14,772,113	98.481%	4.378%	$656,700	5
6	3.400%	Lincoln 91 due Jan 2016	01/01/16	25	$45,000,000	$45,000,000	($771,836)	($2,578,602)	$41,649,562	92.555%	3.991%	$1,795,950	6
7	4.125%	Forsyth 86A due Dec 2016 (a)	12/01/16	30	$8,500,000	$8,500,000	($304,824)	$0	$8,195,176	96.414%	4.407%	$374,595	7
8	4.125%	Converse 95 due Nov 2025 (a)	11/01/25	30	$5,300,000	$5,300,000	($132,043)	$0	$5,167,957	97.509%	4.700%	$249,100	8
9	4.125%	Lincoln 95 due Nov 2025 (a) (b)	11/01/25	30	$22,000,000	$19,941,475	($404,262)	$0	$19,537,214	97.973%	4.337%	$864,862	9
10	2.892%	Carbon County due Nov 2024	11/01/24	30	$9,365,000	$9,365,000	($206,519)	($58,574)	$9,099,907	97.169%	3.517%	$329,367	10
11	2.892%	Converse County due Nov 2024	11/01/24	30	$8,190,000	$8,190,000	($209,778)	($86,323)	$7,893,899	96.385%	3.561%	$291,646	11
12	2.892%	Emery County due Nov 2024	11/01/24	30	$121,940,000	$121,940,000	($3,274,246)	($1,925,767)	$116,739,987	95.736%	3.751%	$4,573,969	12
13	2.892%	Lincoln County due Nov 2024	11/01/24	30	$15,060,000	$15,060,000	($422,858)	($81,427)	$14,555,715	96.651%	3.631%	$546,829	13
14	2.892%	Moffat County due May 2013	05/01/13	19	$40,655,000	$40,655,000	($874,159)	($74,912)	$39,705,929	97.666%	3.532%	$1,435,935	14
15	2.892%	Sweetwater County due Nov 2024	11/01/24	30	$21,260,000	$21,260,000	($510,479)	($88,352)	$20,661,169	97.183%	3.516%	$747,502	15
16	3.626%	**Total - Secured Pollution Control Revenue Bonds**			**$400,470,000**	**$398,411,475**	**($10,560,810)**	**($9,550,194)**	**$378,300,472**			**$17,163,776**	16
17													17
18		[redacted]											18
19	2.892%	Sweetwater 88B due Jan 2014	01/01/14	30	$11,500,000	$11,500,000	($84,822)	($392,250)	$11,022,928	95.852%	3.989%	$458,735	19
20	2.892%	Sweetwater 90A due Jul 2015	07/01/15	25	$70,000,000	$70,000,000	($660,750)	($795,122)	$68,544,128	97.920%	3.650%	$2,555,000	20
21	2.892%	Emery 91 due Jan 2015	01/01/16	25	$45,000,000	$45,000,000	($872,505)	($2,568,859)	$41,558,636	92.353%	4.192%	$1,886,400	21
22	2.892%	Sweetwater 88A due Jan 2017	01/01/17	30	$50,000,000	$50,000,000	($422,443)	($882,101)	$48,695,456	97.391%	4.095%	$2,047,500	22
23	2.892%	Forsyth 88B due Jan 2018	01/01/18	30	$45,000,000	$45,000,000	($380,198)	($1,013,283)	$43,606,519	96.903%	3.927%	$1,767,150	23
24	2.892%	Gillette 88 due Jan 2018	01/01/18	30	$63,000,000	$41,200,000	($351,905)	($1,006,013)	$39,842,082	96.704%	3.680%	$1,516,160	24
25	2.892%	Converse 92 due Jul 2006	07/01/06	14	$22,485,000	$22,485,000	($194,271)	($303,303)	$21,987,426	97.787%	3.417%	$768,312	25
26	2.892%	Sweetwater 92A due Apr 2005	04/01/05	13	$9,335,000	$9,335,000	($147,642)	($134,094)	$9,053,264	96.982%	3.507%	$327,378	26
27	2.892%	Sweetwater 92B due Dec 2005	12/01/05	13	$6,305,000	$6,305,000	($138,478)	($97,735)	$6,068,787	96.254%	3.579%	$225,656	27
28	2.892%	Sweetwater 95 due Nov 2025 (a)	11/01/25	30	$24,400,000	$24,400,000	($225,000)	($428,469)	$23,746,531	97.322%	3.771%	$920,124	28
29	6.150%	Emery 96 due Sep 2030	09/30/30	34	$12,675,000	$12,675,000	($735,013)	$0	$11,939,987	94.201%	6.579%	$833,888	29
30	3.015%	**Total - Unsecured Pollution Control Revenue Bonds**			**$359,700,000**	**$337,900,000**	**($4,213,027)**	**($7,621,229)**	**$326,065,743**			**$13,306,304**	30
31													31
32		(a) Subject to Alternative Minimum Tax.											32
33		Annual Debt Service (column 10) includes remarketing fees and credit enhancement fees.											33
34		(b) Currently outstanding amounts are shown net of construction fund balances.											34
35													35

Exhibit No. ___(BNW-3)
Docket No. UE-03_____
2003 PP&L Rate Case
Witness: Bruce N. Williams

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, vs. PACIFICORP dba Pacific Power & Light Company, Respondent.	Docket No. UE-03______

PACIFICORP

EXHIBIT OF BRUCE N. WILLIAMS

Projected Interest Rate for Variable-Rate Debt

December 2003

Washington Rate Case
Indicative Forward PCRB Variable Rates
For April 30, 2005

	30 Day LIBOR	Floating Rate PCRBs	PCRB / LIBOR
	(a)	(b)	(b)/(a)
Feb-02	1.85%	1.57%	85%
Mar-02	1.89%	1.69%	90%
Apr-02	1.86%	1.83%	98%
May-02	1.84%	1.86%	101%
Jun-02	1.84%	1.77%	96%
Jul-02	1.83%	1.70%	93%
Aug-02	1.80%	1.70%	95%
Sep-02	1.82%	1.87%	102%
Oct-02	1.80%	2.02%	112%
Nov-02	1.44%	1.86%	129%
Dec-02	1.42%	1.75%	123%
Jan-03	1.36%	1.59%	117%
Feb-03	1.34%	1.61%	120%
Mar-03	1.30%	1.53%	118%
Apr-03	1.31%	1.68%	128%
May-03	1.32%	1.72%	130%
Jun-03	1.16%	1.38%	119%
Jul-03	1.11%	1.12%	101%
Aug-03	1.11%	1.16%	105%
Sep-03	1.12%	1.21%	108%
Average (24 mo)			106%

	Forward 30 Day LIBOR*	Historical Floating Rate PCRB / 30 Day LIBOR	Forecast Floating Rate PCRB
	(1)	(2)	(1) * (2)
April 29, 2005	2.74%	106%	2.89%

Exhibit No. ___(BNW-4)
Docket No. UE-03_____
2003 PP&L Rate Case
Witness: Bruce N. Williams

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, vs. PACIFICORP dba Pacific Power & Light Company, Respondent.	)))))))))))	Docket No. UE-03______

PACIFICORP

EXHIBIT OF BRUCE N. WILLIAMS

Cost of Preferred Stock, as of Pro Forma April 30, 2005

December 2003

PACIFICORP
Electric Operations
Cost of Preferred Stock
April 30, 2005 Pro Forma Base

Line No.	Description of Issue	Issuance Date	Shares Issued and Outstanding	Total Book Value	Net Premium and (Expense)	Net Proceeds to Company	Annual Dividend Requirement	Cost of Money to Company	Annualized Cost	Line No.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	**5% Preferred Stock, $100 Par Value**	(a)	126,243	$12,624,300	($98,049)	$12,526,251	$631,215	5.04%	636,156	1
2										2
3	**Serial Preferred, $100 Par Value**									3
4	4.52% Series	Nov-55	2,065	$206,500	($9,676)	$196,824	$9,334	4.74%	9,793	4
5	7.00% Series	(b)	18,046	$1,804,600	(c)	$1,804,600	$126,322	7.00%	126,322	5
6	6.00% Series	(b)	5,930	$593,000	(c)	$593,000	$35,580	6.00%	35,580	6
7	5.00% Series	(b)	41,908	$4,190,800	(c)	$4,190,800	$209,540	5.00%	209,540	7
8	5.40% Series	(b)	65,959	$6,595,900	(c)	$6,595,900	$356,179	5.40%	356,179	8
9	4.72% Series	Aug-63	69,890	$6,989,000	($30,349)	$6,958,651	$329,881	4.74%	331,320	9
10	4.56% Series	Feb-65	84,592	$8,459,200	($49,071)	$8,410,129	$385,740	4.59%	387,990	10
11										11
12	**No Par Serial Preferred, $25 Stated Value**									12
13	Unamortized expense (e)	May-95							67,955	13
14	Unamortized expense (f)	1995							84,019	14
15										15
16	**No Par Serial Preferred, $100 Stated Value**									16
17	$7.48 Series (d)	Jun-92	562,500	56,250,000	(630,324)	$55,619,676	$4,207,500	7.67%	4,316,153	17
18										18
19	**TOTAL**			$97,713,300	($817,470)	$96,895,830	$6,291,290		6,561,006	19
20										20
21										21
22						**Cost of Preferred Stock =**		**6.715%**		22
23										23
24										24

25 (a) Issue replaced 6% and 7% preferred stock of Pacific Power & Light Company and Northwestern Electric Company 25
26 and 5% preferred stock of Mountain States Power Company, most of which sold in the 1920's and 1930's. 26
27 (b) These issues replaced an issue of The California Oregon Power Company as a result of the merger of that Company into Pacific Power & Light Co. 27
28 (c) Original issue expense/premium has been fully amortized or expensed. 28
29 (d) Annual 5% sinking fund begins June 15, 2002. 29
30 (e) Column 10 is the after-tax annual unamortized debt expense related to the 8 3/8% QUIDS redeemed November 2000 assuming a 37% tax rate. 30
31 (f) Column 10 is the after-tax annual unamortized debt expense related to the 8.55% QUIDS redeemed November 2000. 31
32 32