

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	<b>Docket No. UE-050684</b>
Complainant,	)	
	)	<b>Docket No. UE-050412</b>
vs.	)	
	)	<i>(consolidated)</i>
PACIFICORP d/b/a PACIFIC POWER &	)	
LIGHT COMPANY	)	
	)	
Respondent.	)	

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**EXHIBIT NO. \_\_\_\_ (MPG-11)**

**EQUITY RISK PREMIUM – UTILITY BOND**

**November 3, 2005**

# PacifiCorp Washington

## Equity Risk Premium - Utility Bond

<u>Line</u>	<u>Date</u>	<u>Average "A" Rating Utility Bond Yield<sup>1</sup></u> (1)	<u>Authorized Electric Returns<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)
1	1986	9.58%	13.93%	4.35%
2	1987	10.10%	12.99%	2.89%
3	1988	10.49%	12.79%	2.30%
4	1989	9.77%	12.97%	3.20%
5	1990	9.86%	12.70%	2.84%
6	1991	9.36%	12.55%	3.19%
7	1992	8.69%	12.09%	3.40%
8	1993	7.59%	11.41%	3.82%
9	1994	8.31%	11.34%	3.03%
10	1995	7.89%	11.55%	3.66%
11	1996	7.75%	11.39%	3.64%
12	1997	7.60%	11.40%	3.80%
13	1998	7.04%	11.66%	4.62%
14	1999	7.62%	10.77%	3.15%
15	2000	8.24%	11.43%	3.19%
16	2001	7.78%	11.09%	3.31%
17	2002	7.36%	11.16%	3.80%
18	2003	6.57%	10.97%	4.40%
19	2004	6.01%	10.73%	4.72%
20	Jan, 05-June, 05	5.63%	10.36%	4.73%
21	<b>Average</b>	<b>8.16%</b>	<b>11.76%</b>	<b>3.60%</b>

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Sources:

<sup>1</sup> Mergent Public Utility Manual, Mergent weekly News Reports, 2003.

<sup>2</sup> Regulatory Research Associates, Inc., Regulatory Focus, Jan.90-Dec.04.