

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

EXHIBIT NO. ____ (MPG-14)

CAPM RETURN ESTIMATE

November 3, 2005

PacifiCorp Washington

CAPM Return Estimate

<u>Line</u>	<u>Description</u>	<u>Historical Premium</u>
1	Risk Free Rate ¹	5.2%
2	Risk Premium ²	6.6%
3	Beta ³	0.77
4	CAPM	10.3%
		<u>Prospective Premium</u>
5	Risk Free Rate ¹	5.2%
6	Risk Premium ²	6.6%
7	Beta ³	0.77
8	CAPM	10.3%
9	CAPM Average	10.3%

Sources:

¹ Blue Chip Financial Forecasts; October 1, 2005, at pp. 2.

² SBI; 2005 at pp. 33 & 118.

³ Value Line Investment Survey, August 12, September 2, September 30, 2005.