

PacifiCorp Washington (Update)
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.	8.9%	10.5%	10.3%
2 Ameren	8.9%	11.4%	10.6%
3 CH Energy Group	9.3%	11.2%	10.5%
4 Con. Edison	8.3%	11.5%	10.8%
5 Empire District	10.4%	12.5%	11.5%
6 Energy East Corp.	9.4%	11.3%	11.2%
7 FPL Group, Inc.	9.5%	10.0%	10.0%
8 MGE Energy, Inc.	9.9%	10.5%	10.0%
9 NSTAR	8.7%	10.9%	10.6%
10 Progress Energy	10.0%	12.2%	11.4%
11 SCANA Corp.	9.2%	10.7%	10.4%
12 Southern Co.	9.2%	11.0%	10.7%
13 Vectren Corp.	9.2%	11.1%	10.7%
14 Xcel Energy Inc.	10.0%	11.2%	11.2%
GROUP AVERAGE	9.3%	11.2%	10.7%
GROUP MEDIAN	9.3%	11.2%	10.6%

PacifiCorp Washington (Update)
Discounted Cash Flow Analysis
Traditional Constant Growth DCF Model

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Company	Recent Price(P0)	Next Year's Div(D1)	Dividend Yield	Projected Growth Rate Analysis										ROE K=Div Yld+G (Cols 3+13)
				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.	28.29	1.11	3.92%	1.26	2.15	41.40%	26.55	8.10%	3.35%	4.00%	6.00%	6.60%	4.99%	8.9%
2 Ameren	52.81	2.54	4.81%	2.54	3.35	24.18%	35.20	9.52%	2.30%	4.90%	2.50%	6.60%	4.08%	8.9%
3 CH Energy Group	46.85	2.16	4.61%	2.20	3.25	32.31%	34.25	9.49%	3.07%	NA	4.50%	6.60%	4.72%	9.3%
4 Con. Edison	46.61	2.30	4.93%	2.36	3.00	21.33%	32.60	9.20%	1.96%	3.30%	1.50%	6.60%	3.34%	8.3%
5 Empire District	21.71	1.28	5.90%	1.28	1.50	14.67%	16.25	9.23%	1.35%	5.00%	5.00%	6.60%	4.49%	10.4%
6 Energy East Corp.	24.49	1.16	4.74%	1.35	2.00	32.50%	20.75	9.64%	3.13%	4.50%	4.50%	6.60%	4.68%	9.4%
7 FPL Group, Inc.	44.21	1.52	3.44%	1.82	2.95	38.31%	24.60	11.99%	4.59%	5.70%	7.50%	6.60%	6.10%	9.5%
8 MGE Energy, Inc.	35.38	1.38	3.90%	1.44	2.45	41.22%	18.70	13.10%	5.40%	NA	6.00%	6.60%	6.00%	9.9%
9 NSTAR	28.05	1.21	4.31%	1.35	2.00	32.50%	17.25	11.59%	3.77%	4.80%	2.50%	6.60%	4.42%	8.7%
10 Progress Energy	43.68	2.44	5.59%	2.50	3.40	26.47%	35.25	9.65%	2.55%	4.10%	NA	6.60%	4.42%	10.0%
11 SCANA Corp.	40.72	1.66	4.08%	1.90	3.25	41.54%	29.50	11.02%	4.58%	4.70%	4.50%	6.60%	5.09%	9.2%
12 Southern Co.	34.78	1.53	4.40%	1.71	2.45	30.20%	18.15	13.50%	4.08%	4.50%	4.00%	6.60%	4.79%	9.2%
13 Vectren Corp.	27.36	1.23	4.50%	1.35	1.95	30.77%	17.45	11.17%	3.44%	4.60%	4.00%	6.60%	4.66%	9.2%
14 Xcel Energy Inc.	18.99	0.88	4.64%	1.05	1.50	30.00%	15.00	10.00%	3.00%	4.20%	7.50%	6.60%	5.33%	10.0%
GROUP AVERAGE	35.28	1.60	4.55%	1.72	2.51	31.24%	24.39	10.51%	3.33%	4.53%	4.62%	6.60%	4.79%	9.3%
GROUP MEDIAN			4.55%											9.3%

Sources: Value Line Investment Survey, Electric Utility (East), Sep 2, 2005; (Central), Sep 30, 2005; (West), Nov 11, 2005

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

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

	(15)	(16)	(17)	(18)	(19)
Company	Next			GDP Growth	ROE K=Div Yld+G (Cols 17+18)
	Recent Price(P0)	Year's Div(D1)	Dividend Yield		
1 Alliant Energy Co.	28.29	1.11	3.92%	6.60%	10.5%
2 Ameren	52.81	2.54	4.81%	6.60%	11.4%
3 CH Energy Group	46.85	2.16	4.61%	6.60%	11.2%
4 Con. Edison	46.61	2.30	4.93%	6.60%	11.5%
5 Empire District	21.71	1.28	5.90%	6.60%	12.5%
6 Energy East Corp.	24.49	1.16	4.74%	6.60%	11.3%
7 FPL Group, Inc.	44.21	1.52	3.44%	6.60%	10.0%
8 MGE Energy, Inc.	35.38	1.38	3.90%	6.60%	10.5%
9 NSTAR	28.05	1.21	4.31%	6.60%	10.9%
10 Progress Energy	43.68	2.44	5.59%	6.60%	12.2%
11 SCANA Corp.	40.72	1.66	4.08%	6.60%	10.7%
12 Southern Co.	34.78	1.53	4.40%	6.60%	11.0%
13 Vectren Corp.	27.36	1.23	4.50%	6.60%	11.1%
14 Xcel Energy Inc.	18.99	0.88	4.64%	6.60%	11.2%
GROUP AVERAGE	35.28	1.60	4.55%	6.60%	11.2%
GROUP MEDIAN			4.55%		11.2%

Sources: Value Line Investment Survey, Electric Utility (East), Sep 2, 2005; (Central), Sep 30, 2005; (West), Nov 11, 2005

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PacifiCorp Washington (Update)
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	Annual	Recent	CASH FLOWS							ROE=Internal Rate of Return (Yrs 0-150)
	Year's Div	2009 Div		Change to 2009	Year 1 Div	Year 2 Div	Year 3 Div	Year 4 Div	Year 5 Div	Year 5-150 Div Growth	
1 Alliant Energy Co.	1.11	1.26	0.05	28.29	1.11	1.16	1.21	1.26	1.34	6.60%	10.3%
2 Ameren	2.54	2.54	0.00	52.81	2.54	2.54	2.54	2.54	2.71	6.60%	10.6%
3 CH Energy Group	2.16	2.20	0.01	46.85	2.16	2.17	2.19	2.20	2.35	6.60%	10.5%
4 Con. Edison	2.30	2.36	0.02	46.61	2.30	2.32	2.34	2.36	2.52	6.60%	10.8%
5 Empire District	1.28	1.28	0.00	21.71	1.28	1.28	1.28	1.28	1.36	6.60%	11.5%
6 Energy East Corp.	1.16	1.35	0.06	24.49	1.16	1.22	1.29	1.35	1.44	6.60%	11.2%
7 FPL Group, Inc.	1.52	1.82	0.10	44.21	1.52	1.62	1.72	1.82	1.94	6.60%	10.0%
8 MGE Energy, Inc.	1.38	1.44	0.02	35.38	1.38	1.40	1.42	1.44	1.54	6.60%	10.0%
9 NSTAR	1.21	1.35	0.05	28.05	1.21	1.26	1.30	1.35	1.44	6.60%	10.6%
10 Progress Energy	2.44	2.50	0.02	43.68	2.44	2.46	2.48	2.50	2.67	6.60%	11.4%
11 SCANA Corp.	1.66	1.90	0.08	40.72	1.66	1.74	1.82	1.90	2.03	6.60%	10.4%
12 Southern Co.	1.53	1.71	0.06	34.78	1.53	1.59	1.65	1.71	1.82	6.60%	10.7%
13 Vectren Corp.	1.23	1.35	0.04	27.36	1.23	1.27	1.31	1.35	1.44	6.60%	10.7%
14 Xcel Energy Inc.	0.88	1.05	0.06	18.99	0.88	0.94	0.99	1.05	1.12	6.60%	11.2%
GROUP AVERAGE	1.60	1.72	0.04	35.28							10.7%
GROUP MEDIAN											10.6%

Sources: Value Line Investment Survey, Electric Utility (East), Sep 2, 2005; (Central), Sep 30, 2005; (West), Nov 11, 2005

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

PacifiCorp Washington (Update)
Discounted Cash Flow Analysis
DCF Analysis Column Descriptions

Column 1: Three-month Average Price per Share (Sep-Nov 2005)	Column 16: See Column 2
Column 2: Estimated 2006 Dividends per Share from Value Line	Column 17: Column 16 Divided by Column 15
Column 3: Column 2 Divided by Column 1	Column 18: See Column 12
Column 4: Estimated 2009 Dividends per Share from Value Line	Column 19: Column 17 Plus Column 18
Column 5: Estimated 2009 Earnings per Share from Value Line	Column 20: See Column 2
Column 6: One Minus (Column 4 Divided by Column 5)	Column 21: See Column 4
Column 7: Estimated 2009 Net Book Value per Share from Value Line	Column 22: (Column 21 Minus Column 20) Divided by Three
Column 8: Column 5 Divided by Column 7	Column 23: See Column 1
Column 9: Column 6 Multiplied by Column 8	Column 24: See Column 20
Column 10: "Next 5 Years" Company Growth Estimate as Reported by Zacks.com	Column 25: Column 24 Plus Column 22
Column 11: "Est'D 02-04 To 08-10" Earnings Growth as Reported by Value Line.	Column 26: Column 25 Plus Column 22
Column 12: Average of GDP Growth During the Last 10 year, 20 year, 30 year, 40 year, 50 year, and 57 year growth periods.	Column 27: Column 26 Plus Column 22
Column 13: Average of Columns 9-12	Column 28: Column 27 Increased by the Growth Rate Shown in Column 29
Column 14: Column 3 Plus Column 13	Column 29: See Column 12
Column 15: See Column 1	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	2005 P0	2006 D1	2007 D2	2008 D3	2009 D4	Long-Term Growth 6.60%	
	2006 Div	2009 Div	Growth							2010 D5	2011 D6
1 Alliant Energy Co.	1.11	1.26	4.32%	10.27%	-28.29	1.11	1.16	1.21	1.26	1.34	1.43
2 Ameren	2.54	2.54	0.00%	10.61%	-52.81	2.54	2.54	2.54	2.54	2.71	2.89
3 CH Energy Group	2.16	2.20	0.61%	10.51%	-46.85	2.16	2.17	2.19	2.20	2.35	2.50
4 Con. Edison	2.30	2.36	0.86%	10.82%	-46.61	2.30	2.32	2.34	2.36	2.52	2.68
5 Empire District	1.28	1.28	0.00%	11.55%	-21.71	1.28	1.28	1.28	1.28	1.36	1.45
6 Energy East Corp.	1.16	1.35	5.19%	11.16%	-24.49	1.16	1.22	1.29	1.35	1.44	1.53
7 FPL Group, Inc.	1.52	1.82	6.19%	9.97%	-44.21	1.52	1.62	1.72	1.82	1.94	2.07
8 MGE Energy, Inc.	1.38	1.44	1.43%	9.96%	-35.38	1.38	1.40	1.42	1.44	1.54	1.64
9 NSTAR	1.21	1.35	3.72%	10.58%	-28.05	1.21	1.26	1.30	1.35	1.44	1.53
10 Progress Energy	2.44	2.50	0.81%	11.39%	-43.68	2.44	2.46	2.48	2.50	2.67	2.84
11 SCANA Corp.	1.66	1.90	4.60%	10.45%	-40.72	1.66	1.74	1.82	1.90	2.03	2.16
12 Southern Co.	1.53	1.71	3.78%	10.67%	-34.78	1.53	1.59	1.65	1.71	1.82	1.94
13 Vectren Corp.	1.23	1.35	3.15%	10.69%	-27.36	1.23	1.27	1.31	1.35	1.44	1.53
14 Xcel Energy Inc.	0.88	1.05	6.06%	11.16%	-18.99	0.88	0.94	0.99	1.05	1.12	1.19
Average			<u>2.91%</u>	<u>10.70%</u>	Average						
					10.64%	Median					

Prices