

PacifiCorp Washington (Update)
Risk Premium Analysis

	MOODY'S AVERAGE PUBLIC UTILITY BOND YIELD (1)	AUTHORIZED ELECTRIC RETURNS (2)	INDICATED RISK PREMIUM
1980	13.15%	14.23%	1.08%
1981	15.62%	15.22%	-0.40%
1982	15.33%	15.78%	0.45%
1983	13.31%	15.36%	2.05%
1984	14.03%	15.32%	1.29%
1985	12.29%	15.20%	2.91%
1986	9.46%	13.93%	4.47%
1987	9.98%	12.99%	3.01%
1988	10.45%	12.79%	2.34%
1989	9.66%	12.97%	3.31%
1990	9.76%	12.70%	2.94%
1991	9.21%	12.55%	3.34%
1992	8.57%	12.09%	3.52%
1993	7.56%	11.41%	3.85%
1994	8.30%	11.34%	3.04%
1995	7.91%	11.55%	3.64%
1996	7.74%	11.39%	3.65%
1997	7.63%	11.40%	3.77%
1998	7.00%	11.66%	4.66%
1999	7.55%	10.77%	3.22%
2000	8.14%	11.43%	3.29%
2001	7.72%	11.09%	3.37%
2002	7.53%	11.16%	3.63%
2003	6.61%	10.97%	4.36%
2004	6.20%	10.73%	4.53%
9/2005	5.65%	10.41%	4.76%
AVERAGE	9.48%	12.56%	3.08%

INDICATED COST OF EQUITY

PROJECTED SINGLE-A UTILITY BOND YIELD*	6.60%
MOODY'S AVG ANNUAL YIELD DURING STUDY	9.48%
INTEREST RATE DIFFERENCE	-2.88%

INTEREST RATE CHANGE COEFFICIENT	-42.32%
ADJUSTMENT TO AVG RISK PREMIUM	1.22%

BASIC RISK PREMIUM	3.08%
INTEREST RATE ADJUSTMENT	1.22%
EQUITY RISK PREMIUM	4.30%

PROJECTED SINGLE-A UTILITY BOND YIELD*	6.60%
INDICATED EQUITY RETURN	10.9%

Sources:

(1) Moody's Investors Service

(2) Regulatory Focus, Regulatory Research Associates, Inc.

*Projected single-A utility bond yield is 100 basis points over projected long-term Treasury from Exhibit No.____(SCH-13).

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