

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.)
PACIFICORP d/b/a PACIFIC POWER &)
LIGHT COMPANY,)
Respondent.)

Docket No. UE-100749

EXHIBIT NO.__(MPG-18)

CAPM RETURN

October 5, 2010

PacifiCorp

CAPM Return

<u>Line</u>	<u>Description</u>	<u>CAPM Range</u>	
		<u>Low</u>	<u>High</u>
1	Risk-Free Rate ¹	4.70%	4.70%
2	Risk Premium ²	5.20%	6.70%
3	Beta ³	0.69	0.69
4	CAPM	8.28%	9.31%
5	CAPM Average		8.80%

Sources:

¹ *Blue Chip Financial Forecasts*; September 1, 2010, at 2.

² Morningstar, Inc. *Ibbotson SBBI 2010 Valuation Yearbook*, at 54 and 66.

³ *The Value Line Investment Survey*, June 25, August 6, and August 27, 2010.