

Exh. DCP-4

Dockets UE-230172 and UE-210852

Witness: David C. Parcell

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

**DOCKETS UE-230172 and
UE-210852 (Consolidated)**

In the Matter of

**ALLIANCE OF WESTERN ENERGY
CONSUMERS'**

**Petition for Order Approving Deferral of
Increased Fly Ash Revenues**

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Economic Indicators

September 14, 2023

ECONOMIC INDICATORS

Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index
1975 - 1982 Cycle				
1975	-1.1%	-8.9%	8.5%	7.0%
1976	5.4%	10.8%	7.7%	4.8%
1977	5.5%	5.9%	7.0%	6.8%
1978	5.0%	5.7%	6.0%	9.0%
1979	2.8%	4.4%	5.8%	13.3%
1980	-0.2%	-1.9%	7.0%	12.4%
1981	1.8%	1.9%	7.5%	8.9%
1982	-2.1%	-4.4%	9.5%	3.8%
Cycle Avg.	2.1%	1.7%	7.4%	8.3%
1983 - 1991 Cycle				
1983	4.0%	3.7%	9.5%	3.8%
1984	6.8%	9.3%	7.5%	3.9%
1985	3.7%	1.7%	7.2%	3.8%
1986	3.1%	0.9%	7.0%	1.1%
1987	2.9%	4.9%	6.2%	4.4%
1988	3.8%	4.5%	5.5%	4.4%
1989	3.5%	1.8%	5.3%	4.6%
1990	1.8%	-0.2%	5.6%	6.1%
1991	-0.5%	-2.0%	6.8%	3.1%
Cycle Avg.	3.2%	2.7%	6.7%	3.9%
1992 - 2001 Cycle				
1992	3.0%	3.1%	7.5%	2.9%
1993	2.7%	3.4%	6.9%	2.7%
1994	4.0%	5.5%	6.1%	2.7%
1995	3.7%	4.8%	5.6%	2.5%
1996	4.5%	4.3%	5.4%	3.3%
1997	4.5%	7.3%	4.9%	1.7%
1998	4.2%	5.8%	4.5%	1.6%
1999	3.7%	4.5%	4.2%	2.7%
2000	4.1%	4.0%	4.0%	3.4%
2001	1.1%	-3.4%	4.7%	1.6%
Cycle Avg.	3.6%	3.9%	5.4%	2.5%
2002 - 2009 Cycle				
2002	1.8%	0.2%	5.8%	2.4%
2003	2.8%	1.2%	6.0%	1.9%
2004	3.8%	2.3%	5.5%	3.3%
2005	3.3%	3.2%	5.1%	3.4%
2006	2.7%	2.2%	4.6%	2.5%
2007	1.8%	2.5%	4.6%	4.1%
2008	-0.3%	-3.4%	5.8%	0.1%
2009	-2.8%	-11.3%	9.3%	2.7%
Cycle Avg.	1.6%	-0.4%	5.8%	2.6%
2010 - 2020 Cycle				
2010	2.6%	5.5%	9.6%	1.5%
2011	1.6%	3.1%	8.9%	3.0%
2012	2.2%	3.0%	8.1%	1.7%
2013	1.8%	2.0%	7.4%	1.5%
2014	2.3%	3.0%	6.2%	0.8%
2015	2.7%	-1.4%	5.3%	0.7%
2016	1.7%	-2.2%	4.9%	2.1%
2017	2.2%	1.3%	4.4%	2.1%
2018	2.9%	3.2%	3.9%	1.9%
2019	2.3%	-0.7%	3.7%	2.3%
2020	-2.8%	-7.2%	8.1%	1.4%
Cycle Avg.	1.8%	0.9%	6.4%	1.7%
Current Cycle				
2021	5.9%	4.4%	5.3%	7.0%
2022	2.1%	3.4%	3.6%	6.5%
2023				
Q1	2.0%	0.9%	3.5%	4.0%
Q2	2.4%	0.0%	3.6%	2.8%

*GDP=Gross Domestic Product

Note that economic indices are revised periodically, with prior periods also being revised.

Source: Council of Economic Advisors, Economic Indicators, various issues.

INTEREST RATES

Year	Prime Rate	US Treasury T Bills 3 Month	US Treasury T Bonds 10 Year	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
1975 - 1982 Cycle						
1975	7.86%	5.84%	7.99%	9.44%	10.09%	10.96%
1976	6.84%	4.99%	7.61%	8.92%	9.29%	9.82%
1977	6.83%	5.27%	7.42%	8.43%	8.61%	9.06%
1978	9.06%	7.22%	8.41%	9.10%	9.29%	9.62%
1979	12.67%	10.04%	9.44%	10.22%	10.49%	10.96%
1980	15.27%	11.51%	11.46%	13.00%	13.34%	13.95%
1981	18.89%	14.03%	13.93%	15.30%	15.95%	16.60%
1982	14.86%	10.69%	13.00%	14.79%	15.86%	16.45%
Cycle Avg.	11.54%	8.70%	9.91%	11.15%	11.62%	12.18%
1983 - 1991 Cycle						
1983	10.79%	8.63%	11.10%	12.83%	13.66%	14.20%
1984	12.04%	9.58%	12.44%	13.66%	14.03%	14.53%
1985	9.93%	7.48%	10.62%	12.06%	12.47%	12.96%
1986	8.33%	5.98%	7.68%	9.30%	9.58%	10.00%
1987	8.21%	5.82%	8.39%	9.77%	10.10%	10.53%
1988	9.32%	6.69%	8.85%	10.26%	10.49%	11.00%
1989	10.87%	8.12%	8.49%	9.56%	9.77%	9.97%
1990	10.01%	7.51%	8.55%	9.65%	9.86%	10.06%
1991	8.46%	5.42%	7.86%	9.09%	9.36%	9.55%
Cycle Avg.	9.77%	7.25%	9.33%	10.69%	11.04%	11.42%
1992 - 2001 Cycle						
1992	6.25%	3.45%	7.01%	8.55%	8.69%	8.86%
1993	6.00%	3.02%	5.87%	7.44%	7.59%	7.91%
1994	7.15%	4.29%	7.09%	8.21%	8.31%	8.63%
1995	8.83%	5.51%	6.57%	7.77%	7.89%	8.29%
1996	8.27%	5.02%	6.44%	7.57%	7.75%	8.16%
1997	8.44%	5.07%	6.35%	7.54%	7.60%	7.95%
1998	8.35%	4.81%	5.26%	6.91%	7.04%	7.26%
1999	8.00%	4.66%	5.65%	7.51%	7.62%	7.88%
2000	9.23%	5.85%	6.03%	8.06%	8.24%	8.36%
2001	6.91%	3.44%	5.02%	7.59%	7.78%	8.02%
Cycle Avg.	7.74%	4.51%	6.13%	7.72%	7.85%	8.13%
2002 - 2009 Cycle						
2002	4.67%	1.62%	4.61%	7.19%	7.37%	8.02%
2003	4.12%	1.01%	4.01%	6.40%	6.58%	6.84%
2004	4.34%	1.38%	4.27%	6.04%	6.16%	6.40%
2005	6.19%	3.16%	4.29%	5.44%	5.65%	5.93%
2006	7.96%	4.73%	4.80%	5.84%	6.07%	6.32%
2007	8.05%	4.41%	4.63%	5.94%	6.07%	6.33%
2008	5.09%	1.48%	3.66%	6.18%	6.53%	7.25%
2009	3.25%	0.16%	3.26%	5.75%	6.04%	7.06%
Cycle Avg.	5.46%	2.24%	4.19%	6.10%	6.31%	6.77%
2010 - 2020 Cycle						
2010	3.25%	0.14%	3.22%	5.24%	5.46%	5.96%
2011	3.25%	0.06%	2.78%	4.78%	5.04%	5.57%
2012	3.25%	0.09%	1.80%	3.83%	4.13%	4.86%
2013	3.25%	0.06%	2.35%	4.24%	4.47%	4.98%
2014	3.25%	0.03%	2.54%	4.19%	4.28%	4.80%
2015	3.26%	0.06%	2.14%	4.00%	4.12%	5.03%
2016	3.51%	0.33%	1.84%	3.73%	3.93%	4.69%
2017	4.10%	0.94%	2.33%	3.82%	4.00%	4.38%
2018	4.91%	1.94%	2.91%	4.09%	4.25%	4.67%
2019	5.28%	2.08%	2.14%	3.61%	3.77%	4.19%
2020	3.54%	0.38%	0.89%	2.79%	3.02%	3.39%
Cycle Avg.	3.71%	0.56%	2.27%	4.03%	4.22%	4.77%
Current Cycle						
2021	3.25%	0.04%	1.45%	2.97%	3.11%	3.36%
2022	4.86%	2.04%	2.95%	4.53%	4.72%	5.03%
2023						
Jan	7.50%	4.53%	3.53%	4.98%	5.20%	5.49%
Feb	7.75%	4.65%	3.75%	5.12%	5.29%	5.54%
Mar	8.00%	4.72%	3.66%	5.24%	5.39%	5.68%
Apr	8.00%	4.98%	3.46%	5.00%	5.13%	5.47%
May	8.25%	5.14%	3.57%	5.24%	5.36%	5.71%
June	8.25%	5.20%	3.75%	5.26%	5.38%	5.73%
July	8.50%	5.25%	3.90%	5.30%	5.41%	5.73%

Averages for public utility bond yields reflect annual averages of monthly figures.

Sources: Council of Economic Advisors, Economic Indicators; Mergent Bond Record; Federal Reserve Bulletin; various issues.

STOCK PRICE INDICATORS

	S&P Composite [1]	NASDAQ Composite [1]	DJIA	S&P E/P
1975 - 1982 Cycle				
1975			802.49	9.15%
1976			974.92	8.90%
1977			894.63	10.79%
1978			820.23	12.03%
1979			844.40	13.46%
1980			891.41	12.66%
1981			932.92	11.96%
1982			884.36	11.60%
Cycle Average			880.67	11.32%
1983 - 1991 Cycle				
1983			1,190.34	8.03%
1984			1,178.48	10.02%
1985			1,328.23	8.12%
1986			1,792.76	6.09%
1987			2,275.99	5.48%
1988	[1]	[1]	2,060.82	8.01%
1989	322.84		2,508.91	7.41%
1990	334.59		2,678.94	6.47%
1991	376.18	491.69	2,929.33	4.79%
Cycle Average			1,993.76	7.16%
1992 - 2001 Cycle				
1992	415.74	599.26	3,284.29	4.22%
1993	451.41	715.16	3,522.06	4.46%
1994	460.33	751.65	3,793.77	5.83%
1995	541.64	925.19	4,493.76	6.09%
1996	670.83	1,164.96	5,742.89	5.24%
1997	872.72	1,469.49	7,441.15	4.57%
1998	1,085.50	1,794.91	8,625.52	3.46%
1999	1,327.33	2,728.15	10,464.88	3.17%
2000	1,427.22	2,783.67	10,734.90	3.63%
2001	1,194.18	2,035.00	10,189.13	2.95%
Cycle Average	844.69	1,496.74	6,829.24	4.36%
2002 - 2009 Cycle				
2002	993.94	1,539.73	9,226.43	2.92%
2003	965.23	1,647.17	8,993.59	3.84%
2004	1,130.65	1,986.53	10,317.39	4.89%
2005	1,207.06	2,099.03	10,547.67	5.36%
2006	1,310.67	2,265.17	11,408.67	5.78%
2007	1,476.66	2,577.12	13,169.98	5.29%
2008	1,220.89	2,162.46	11,252.62	3.54%
2009	946.73	1,841.03	8,876.15	1.86%
Cycle Average	1,156.48	2,014.78	10,474.06	4.19%
2010 - 2020 Cycle				
2010	1,139.31	2,347.70	10,662.80	6.04%
2011	1,268.89	2,680.42	11,966.36	6.77%
2012	1,379.56	2,965.77	12,967.08	6.20%
2013	1,462.51	3,537.69	14,999.67	5.57%
2014	1,930.67	4,374.31	16,773.99	5.25%
2015	2,061.20	4,943.49	17,590.61	4.59%
2016	2,092.39	4,982.49	17,908.08	4.17%
2017	2,448.22	6,231.28	21,741.91	4.22%
2018	2,744.68	7,419.27	25,045.75	4.66%
2019	2,912.50	7,936.85	26,378.41	4.53%
2020	3,218.50	10,192.67	26,906.89	3.26%
Cycle Average	2,059.86	5,237.45	18,449.23	5.02%
Current cycle				
2021	4,266.80	14,358.18	34,009.89	3.79%
2022	4,100.70	12,242.17	32,911.74	4.79%
2023				
Q1	3,912.97	11,478.72	33,262.58	4.26%
Q2	4,204.34	12,661.26	22,462.53	

[1] Note: this source did not publish the S&P Composite prior to 1988 and t Composite prior to 1991.

Source: Council of Economic Advisors, Economic Indicators, various issue