Exhibit No	(SCH-7)
Docket No. 1	UE-10
Witness: Sar	nuel C. Hadaway

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	
Complainant,	Docket No. UE-10
VS.	
PACIFICORP dba Pacific Power	
Respondent	

PACIFICORP

EXHIBIT OF SAMUEL C. HADAWAY

Risk Premium Analysis

May 2010

PacifiCorp

Risk Premium Analysis

(Based on Projected Interest Rates)

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MOODY'S AVERAGE		AUTHORIZED	INDICATED			
	PUBLIC UTILITY	ELECTRIC	RISK			
	BOND YIELD (1)	RETURNS (2)	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%	10.75%	4.55%			
2005	5.67%	10.54%	4.87%			
2006	6.08%	10.36%	4.28%			
2007	6.11%	10.36%	4.25%			
2008	6.65%	10.46%	3.81%			
2009	6.28%	10.48%	4.20%			
AVERAGE	9.05%	12.28%	3.23%			
AVERAGE	9.00%	12.20%	3.2370			
INDICATED	COST OF EQUITY					
	SINGLE-A UTILITY E	SOND VIELD*	6.21%			
	/G ANNUAL YIELD D		9.05%			
	ATE DIFFERENCE	OKING STODT	-2.84%			
INTERESTR	ATE DITTERLINGE		-2.04 /0			
INTEREST R	ATE CHANGE COEF	FICIENT	-41.13%			
_	IT TO AVG RISK PRE	-	1.17%			
ADOUTMEN	TI TO AVO KIOKT KE	iviiOivi	1.17 /0			
BASIC RISK	PREMIUM		3.23%			
	RATE ADJUSTMENT		1.17%			
	EQUITY RISK PREMIUM					
	J. C. INEIWIIOIVI		4.39%			
PROJECTED	SINGLE-A UTILITY E	BOND YIELD*	6.21%			
	EQUITY RETURN		10.60%			
			1310070			

⁽¹⁾ Moody's Investors Service

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

^{*}Projected single-A bond yield is 121 basis points over projected long-term Treasury bond rate of 5.0% from Exhibit No.__(SCH-4), p. 3. The single-A spread is for 3 months ended Mar 2010 from Exhibit No.__(SCH-4), p. 2.

PacifiCorp

Risk Premium Analysis

(Based on Current Interest Rates)

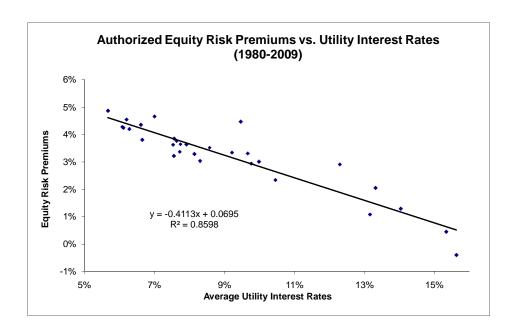
	(Daooa on	ourion intoroot reacos				
	MOODY'S AVERAGE	AUTHORIZED	INDICATED			
	PUBLIC UTILITY	ELECTRIC	RISK			
	BOND YIELD (1)	RETURNS (2)	PREMIUM			
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2007		10.46%	3.81%			
2009		10.48%	4.20%			
AVERAGE		12.28%	3.23%			
		12.2070	3.23/6			
	OCOST OF EQUITY	ND VIELD*	E 000/			
	SINGLE-A UTILITY BO		5.83%			
	AVG ANNUAL YIELD D	URING STUDY	9.05%			
INTEREST	RATE DIFFERENCE		-3.22%			
INTEREST	RATE CHANGE COEF	FICIENT	-41.13%			
ADUSTME	ENT TO AVG RISK PRE	MIUM	1.32%			
BASIC RISI	K PREMIUM		3.23%			
INTERES ⁻	Γ RATE ADJUSTMENT		1.32%			
EQUITY R	EQUITY RISK PREMIUM					
CLIDDENT	SINGLE-A UTILITY BO	ND VIELD*	E 000/			
	SINGLE-A UTILITY BO DEQUITY RETURN	וזט זובנט	5.83% 10.38%			
INDICATEL	EQUIT RETURN		10.38%			

⁽¹⁾ Moody's Investors Service

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

^{*}Current single-A utility bond yield is three month average of Moody's Single-A Public Utility Bond Yield Average through Mar 2010 from Exhibit No.__(SCH-4), p. 2.

PacifiCorp
Risk Premium Analysis
Regression Analysis & Interest Rate Change Coefficient



SUMMARY OUTPUT

Regression Statistics						
Multiple R	0.927242552					
R Square	0.85977875					
Adjusted R Square	0.854770848					
Standard Error	0.0047873					
Observations	30					

ANOVA

	df		SS	MS	F	Significance F
Regression		1	0.003934704	0.003934704	171.6844276	1.82118E-13
Residual		28	0.000641711	2.29182E-05		
Total		29	0.004576415			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.069475479	0.002972433	23.373272	6.55788E-20	0.063386727	0.075564232	0.063386727	0.075564232
X Variable 1	-0.411331263	0.031392526	-13.10284044	1.82118E-13	-0.475635937	-0.347026589	-0.475635937	-0.347026589