

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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|----------------------------------|---|----------------------|
| WASHINGTON UTILITIES AND |) | |
| TRANSPORTATION COMMISSION, |) | |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | Docket No. UE-130043 |
| |) | |
| PACIFICORP D/B/A PACIFIC POWER & |) | |
| LIGHT COMPANY, |) | |
| |) | |
| Respondent. |) | |
| _____ |) | |

EXHIBIT NO.__(MPG-15)

EQUITY RISK PREMIUM – UTILITY BOND

June 21, 2013

PacifiCorp

Equity Risk Premium - Utility Bond

| <u>Line</u> | <u>Year</u> | <u>Authorized Electric Returns¹</u> (1) | <u>Average "A" Rated Utility Bond Yield²</u> (2) | <u>Indicated Risk Premium</u> (3) |
|-------------|----------------|---|--|--|
| 1 | 1986 | 13.93% | 9.58% | 4.35% |
| 2 | 1987 | 12.99% | 10.10% | 2.89% |
| 3 | 1988 | 12.79% | 10.49% | 2.30% |
| 4 | 1989 | 12.97% | 9.77% | 3.20% |
| 5 | 1990 | 12.70% | 9.86% | 2.84% |
| 6 | 1991 | 12.55% | 9.36% | 3.19% |
| 7 | 1992 | 12.09% | 8.69% | 3.40% |
| 8 | 1993 | 11.41% | 7.59% | 3.82% |
| 9 | 1994 | 11.34% | 8.31% | 3.03% |
| 10 | 1995 | 11.55% | 7.89% | 3.66% |
| 11 | 1996 | 11.39% | 7.75% | 3.64% |
| 12 | 1997 | 11.40% | 7.60% | 3.80% |
| 13 | 1998 | 11.66% | 7.04% | 4.62% |
| 14 | 1999 | 10.77% | 7.62% | 3.15% |
| 15 | 2000 | 11.43% | 8.24% | 3.19% |
| 16 | 2001 | 11.09% | 7.76% | 3.33% |
| 17 | 2002 | 11.16% | 7.37% | 3.79% |
| 18 | 2003 | 10.97% | 6.58% | 4.39% |
| 19 | 2004 | 10.75% | 6.16% | 4.59% |
| 20 | 2005 | 10.54% | 5.65% | 4.89% |
| 21 | 2006 | 10.36% | 6.07% | 4.29% |
| 22 | 2007 | 10.36% | 6.07% | 4.29% |
| 23 | 2008 | 10.46% | 6.53% | 3.93% |
| 24 | 2009 | 10.48% | 6.04% | 4.44% |
| 25 | 2010 | 10.34% | 5.46% | 4.88% |
| 26 | 2011 | 10.22% | 5.04% | 5.18% |
| 27 | 2012 | 10.01% | 4.13% | 5.88% |
| 28 | Average | 11.40% | 7.51% | 3.89% |

Sources:

¹ Regulatory Research Associates, Inc., *Regulatory Focus*, Jan. 85 - Dec. 06, and January 17, 2013, excluding the VA cases, which are subject to a 200 basis point adjustment for certain generation assets.

² Mergent Public Utility Manual, Mergent Weekly News Reports, 2003. The utility yields for the period 2001-2009 were obtained from the Mergent Bond Record. The utility yields from 2010-2012 were obtained from <http://credittrends.moodys.com/>.