

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

**EXHIBIT NO.\_\_(MPG-21)**

**ADJUSTED HADAWAY DCF MODEL**

**June 21, 2013**

# PacifiCorp

## Summary of Adjusted Hadaway DCF

<u>Line</u>	<u>Description</u>	<u>Hadaway (1)</u>	<u>Hadaway Adjusted* (2)</u>
<b><u>Constant Growth DCF</u></b>			
1	Average	9.5%	9.5%
2	Median	9.4%	9.4%
<b><u>Long-Term Constant Growth DCF</u></b>			
3	Average	10.0%	9.2%
4	Median	9.9%	9.1%
<b><u>Multi-Stage Growth DCF</u></b>			
5	Average	9.8%	9.1%
6	Median	9.9%	9.2%

Sources:

Exhibit No. \_\_\_\_ (MPG-21), pages 2-4.

\* The adjustment reflects changing the GDP Growth Rate to 4.9%.

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## Adjusted Hadaway Constant Growth DCF Model (Analysts' Growth Rates)

Line	Company	13-Week	Next	Dividend			EPS Analysts' Growth Rates			Average	Constant
		Stock	Year's	Price	Dividend	Yield	Value Line	Zacks	Thomson	Growth	Growth
		(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)	
1	ALLETE	40.36	1.88	4.66%	9.00%	5.50%	6.00%	6.83%	11.5%		
2	Alliant Energy Co.	44.06	1.88	4.27%	6.50%	6.40%	4.60%	5.83%	10.1%		
3	Avista Corp.	24.67	1.20	4.87%	3.50%	4.30%	4.00%	3.93%	8.8%		
4	Black Hills Corp	35.63	1.50	4.21%	7.00%	6.00%	6.00%	6.33%	10.5%		
5	DTE Energy Co.	60.56	2.52	4.16%	5.00%	5.00%	5.04%	5.01%	9.2%		
6	IDACORP	43.39	1.52	3.50%	2.00%	4.00%	4.00%	3.33%	6.8%		
7	Integrus Energy	53.40	2.72	5.09%	6.00%	5.30%	5.50%	5.60%	10.7%		
8	Portland General	27.00	1.11	4.11%	5.50%	4.10%	1.98%	3.86%	8.0%		
9	Sempra Energy	68.37	2.50	3.66%	4.50%	1.60%	7.00%	4.37%	8.0%		
10	Southern Co.	44.51	2.02	4.54%	5.00%	5.10%	4.94%	5.01%	9.6%		
11	Teco Energy, Inc.	17.20	0.88	5.12%	5.50%	1.70%	4.00%	3.73%	8.9%		
12	Westar Energy	29.04	1.36	4.68%	7.50%	6.20%	6.80%	6.83%	11.5%		
13	Wisconsin Energy	37.55	1.36	3.62%	6.50%	5.50%	5.70%	5.90%	9.5%		
14	Xcel Energy Inc.	27.28	1.11	4.07%	6.00%	4.70%	4.88%	5.19%	9.3%		
15	<b>Average</b>	<b>\$39.50</b>	<b>\$1.68</b>	<b>4.33%</b>	<b>5.68%</b>	<b>4.67%</b>	<b>5.03%</b>	<b>5.13%</b>	<b>9.5%</b>		
16	<b>Median</b>			<b>4.24%</b>				<b>5.10%</b>	<b>9.4%</b>		

Source:

Exhibit No. (SCH-7), Page 2 of 5.

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## Adjusted Hadaway Constant Growth DCF Model (Long-Term GDP Growth)

<u>Line</u>	<u>Company</u>	<u>Recent Stock Price (1)</u>	<u>Next Year's Dividend (2)</u>	<u>Dividend Yield (3)</u>	<u>GDP Growth* (4)</u>	<u>Long-Term Constant Growth DCF (5)</u>
1	ALLETE	\$40.36	\$1.88	4.66%	4.90%	9.6%
2	Alliant Energy Co.	\$44.06	\$1.88	4.27%	4.90%	9.2%
3	Avista Corp.	\$24.67	\$1.20	4.87%	4.90%	9.8%
4	Black Hills Corp	\$35.63	\$1.50	4.21%	4.90%	9.1%
5	DTE Energy Co.	\$60.56	\$2.52	4.16%	4.90%	9.1%
6	IDACORP	\$43.39	\$1.52	3.50%	4.90%	8.4%
7	Integrys Energy	\$53.40	\$2.72	5.09%	4.90%	10.0%
8	Portland General	\$27.00	\$1.11	4.11%	4.90%	9.0%
9	Sempra Energy	\$68.37	\$2.50	3.66%	4.90%	8.6%
10	Southern Co.	\$44.51	\$2.02	4.54%	4.90%	9.4%
11	Teco Energy, Inc.	\$17.20	\$0.88	5.12%	4.90%	10.0%
12	Westar Energy	\$29.04	\$1.36	4.68%	4.90%	9.6%
13	Wisconsin Energy	\$37.55	\$1.36	3.62%	4.90%	8.5%
14	Xcel Energy Inc.	\$27.28	\$1.11	4.07%	4.90%	9.0%
15	<b>Average</b>	<b>\$39.50</b>	<b>\$1.68</b>	<b>4.33%</b>	<b>4.90%</b>	<b>9.2%</b>
16	<b>Median</b>			<b>4.24%</b>		<b>9.1%</b>

Sources:

Exhibit No. (SCH-7), Page 3 of 5.

\* Blue Chip Financial Forecasts, June 1, 2013 at 14.

# PacifiCorp

## Adjusted Hadaway Low Near-Term Growth Two-Stage Growth DCF Model

Line	Company	Recent Stock Price (1)	2013 Dividend (2)	2016 Dividend (3)	Annual Change to 2016 (4)	Cash Flows					GDP Growth* (10)	Two-Stage Growth DCF (11)
						2013 Dividend (5)	2014 Dividend (6)	2015 Dividend (7)	2016 Dividend (8)	2017 Dividend (9)		
1	ALLETE	\$40.36	\$1.88	\$2.10	\$0.07	\$1.88	\$1.95	\$2.03	\$2.10	\$2.20	4.90%	9.4%
2	Alliant Energy Co.	\$44.06	\$1.88	\$2.20	\$0.11	\$1.88	\$1.99	\$2.09	\$2.20	\$2.31	4.90%	9.2%
3	Avista Corp.	\$24.67	\$1.20	\$1.30	\$0.03	\$1.20	\$1.23	\$1.27	\$1.30	\$1.36	4.90%	9.5%
4	Black Hills Corp	\$35.63	\$1.50	\$1.60	\$0.03	\$1.50	\$1.53	\$1.57	\$1.60	\$1.68	4.90%	8.8%
5	DTE Energy Co.	\$60.56	\$2.52	\$2.80	\$0.09	\$2.52	\$2.61	\$2.71	\$2.80	\$2.94	4.90%	8.9%
6	IDACORP	\$43.39	\$1.52	\$1.90	\$0.13	\$1.52	\$1.65	\$1.77	\$1.90	\$1.99	4.90%	8.7%
7	Integrus Energy	\$53.40	\$2.72	\$2.80	\$0.03	\$2.72	\$2.75	\$2.77	\$2.80	\$2.94	4.90%	9.5%
8	Portland General	\$27.00	\$1.11	\$1.25	\$0.05	\$1.11	\$1.16	\$1.20	\$1.25	\$1.31	4.90%	8.9%
9	Sempra Energy	\$68.37	\$2.50	\$2.80	\$0.10	\$2.50	\$2.60	\$2.70	\$2.80	\$2.94	4.90%	8.4%
10	Southern Co.	\$44.51	\$2.02	\$2.25	\$0.08	\$2.02	\$2.10	\$2.17	\$2.25	\$2.36	4.90%	9.3%
11	Teco Energy, Inc.	\$17.20	\$0.88	\$0.95	\$0.02	\$0.88	\$0.90	\$0.93	\$0.95	\$1.00	4.90%	9.7%
12	Westar Energy	\$29.04	\$1.36	\$1.48	\$0.04	\$1.36	\$1.40	\$1.44	\$1.48	\$1.55	4.90%	9.3%
13	Wisconsin Energy	\$37.55	\$1.36	\$1.80	\$0.15	\$1.36	\$1.51	\$1.65	\$1.80	\$1.89	4.90%	9.0%
14	Xcel Energy Inc.	\$27.28	\$1.11	\$1.35	\$0.08	\$1.11	\$1.19	\$1.27	\$1.35	\$1.42	4.90%	9.2%
15	<b>Average</b>	<b>\$39.50</b>	<b>\$1.68</b>	<b>\$1.90</b>	<b>\$0.07</b>	<b>\$1.68</b>	<b>\$1.75</b>	<b>\$1.83</b>	<b>\$1.90</b>	<b>\$1.99</b>	<b>4.90%</b>	<b>9.1%</b>
16	<b>Median</b>											<b>9.2%</b>

### Sources:

Exhibit No. (SCH-7), Page 4 of 5.  
\* Blue Chip Financial Forecasts, June 1, 2013 at 14.