

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	DOCKET NOS. UE-140762 and
)	UE-140617 (<i>consolidated</i>)
PACIFICORP D/B/A PACIFIC POWER &)	
LIGHT COMPANY,)	
)	
Respondent.)	
_____)	
)	
In the Matter of the Petition of)	
)	
PACIFIC POWER & LIGHT)	DOCKET NO. UE-131384
COMPANY,)	(<i>consolidated</i>)
)	
For an Order Approving Deferral of)	
Costs Related to Colstrip Outage)	
_____)	
)	
In the Matter of the Petition of)	
)	
PACIFIC POWER & LIGHT)	DOCKET NO. UE-140094
COMPANY,)	(<i>consolidated</i>)
)	
For an Order Approving Deferral of)	
Costs Related to Declining Hydro)	
Generation)	
_____)	

EXHIBIT NO.__(MPG-19)

CAPM RETURN

October 10, 2014

Pacific Power & Light Company

CAPM Return

<u>Line</u>	<u>Description</u>	<u>High Market Risk Premium (1)</u>	<u>Low Market Risk Premium (2)</u>
1	Risk-Free Rate ¹	4.30%	4.30%
2	Risk Premium ²	7.10%	6.20%
3	Beta ³	0.73	0.73
4	CAPM	9.48%	8.83%
5	Average		9.16%

Sources:

¹ *Blue Chip Financial Forecasts*; September 1, 2014, at 2.

² Morningstar, Inc. *Ibbotson S&P 500 2014 Classic Yearbook* at 91, 92 and 152.

³ Exhibit No.____(MPG-18).