

COMPARISON OF PAST AND CURRENT RECOMMENDATIONS  
DPU Exhibit 6.1  
DPU Witness: Artie Powell  
Docket No. 01-035-01

The Division's estimates of the cost of equity capital are consistent with the trend in interest rates. Over the twelve months preceding the last rate case (Docket No. 99-035-10) interest rates were trending upward. Higher interest rates, in general, would imply a higher cost of capital for the utility.

**Table 1: Average DCF Model Estimates (%)**

Constant Growth DCF Estimates

	'97 Rate Case	'99 Rate Case	'01 Rate Case
Division	8.58	10.76	9.61 <sup>3</sup>
PacifiCorp	9.50	10.20	11.20
Committee	9.50 <sup>1</sup>	10.50 <sup>2</sup>	NA

Non-Constant Growth DCF Estimates

	'97 Rate Case	'99 Rate Case	'01 Rate Case
Division	9.90	11.18	11.16 <sup>3</sup>
PacifiCorp	10.60	11.40	11.60
Committee	NA	NA	NA

Recommendations

	'97 Rate Case	'99 Rate Case	'01 Rate Case
Division	10.00	11.00	11.00
PacifiCorp	11.25	11.25	11.50
Committee	10.25	10.50	NA

<sup>1</sup> Approximate midpoint of the DCF analysis performed by Committee witness Dr. Legler.

<sup>2</sup> Average excluding historical growth rates of the DCF analysis performed by Committee witness Dr. Legler.

<sup>3</sup> Division estimates are based on the average results from earnings and dividends.

Accordingly, the Division's estimates and recommendations increased from the 1997 case to the 1999 case. In the present case, the Division's recommendation is the same as it was in the previous case. However, estimates for this case have on average decreased with interest rates.