

PacifiCorp.: Expected Risk Premiums, 1978-1999

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Risk Premium																
Based on:																
Bond Yield																
Single-A																
Utility																
On																
On																
Treasury																
Utility																
Year	Expected	Return on	Stock	Long-term	Treasury	Bonds	Bond	Rate	Single-A	Utility	On	Treasury	Rate	On	Utility	Rate
1978	17.61	%		7.94	%		8.64	%	9.67	%		8.97	%			
1979	17.16			8.88			9.70		8.28			7.46				
1980	17.61			10.12			11.79		7.49			5.82				
1981	17.80			12.40			14.63		5.40			3.17				
1982	19.01			13.45			16.29		5.56			2.72				
1983	20.07			10.54			14.43		9.53			5.64				
1984	16.12			11.88			13.52		4.24			2.60				
1985	16.07			11.52			13.11		4.55			2.96				
1986	12.37			9.54			10.97		2.83			1.40				
1987	10.53			7.37			9.12		3.16			1.41				
1988	10.81			9.12			10.98		1.69			-0.17				
1989	8.38			9.01			10.06		-0.63			-1.68				
1990	6.96			7.90			9.44		-0.94			-2.48				
1991	10.02			8.24			9.73		1.78			0.29				
1992	10.08			7.50			8.88		2.58			1.20				
1993	11.47			7.44			8.43		4.03			3.04				
1994	8.89			6.25			7.34		2.64			1.55				
1995	2.25			7.87			8.76		-5.62			-6.51				
1996	3.54			6.06			7.23		-2.52			-3.69				
1997	4.22			6.55			7.59		-2.33			-3.37				
1998	4.47			5.99			7.16		-1.52			-2.69				
1999	6.18			5.06			6.78		1.12			-0.60				

						Average		2.77 %		1.23 %
						Average Excl.				
						Negative Values		4.66 %		3.44 %

Source: Expected returns from Exhibit No. CCS 4.5, page 2 of 3.

30 year Government Bond Yields,▲i Federal Reserve Bulletin;
 Utility Bond Yields,▲_▲i▲_▼▲i Moody's Public Utility Manuals ▼ and
 ▲i Bond Survey.

Interest Rates										
30-YEAR										
Month:			T-Bonds	A		Baa		Baa-A		
October			5.93	7.03		7.27		0.24		
November			6.21	7.30		7.69		0.39		
December			6.20	7.30		7.69		0.39		
			6.11	7.21		7.55		0.34		
December										
12/1			6.25	7.37		7.76				
12/2			6.28	7.34		7.73				
12/3			6.25	7.34		7.73				
12/6			6.16	7.27		7.66				
12/7			6.16	7.26		7.64				
12/8			6.16	7.26		7.64				
12/9			6.15	7.25		7.65				
			6.20	7.30		7.69				

Source: ▲i Moody's Bond Survey.