

PacifiCorp Utah
Historical Capital Market Costs

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Prime Rate	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	4.7%	4.1%
Consumer Price Index	2.6%	2.8%	2.9%	2.3%	1.6%	2.2%	3.4%	2.8%	1.6%	2.3%
Long-Term Treasuries	7.4%	6.9%	6.7%	6.6%	5.6%	5.9%	5.9%	5.5%	5.4%	5.0%
Moody's Avg Utility Debt	8.3%	7.9%	7.7%	7.6%	7.0%	7.6%	8.1%	7.7%	7.5%	6.6%
Moody's Baa Utility Debt	8.6%	8.3%	8.2%	8.0%	7.3%	7.9%	8.4%	8.0%	8.0%	6.8%

SOURCES:
 Prime Interest Rate - Federal Reserve Bank of St. Louis website
 Consumer Price Index - Federal Reserve Bank of St. Louis website
 Long-Term Treasuries - Federal Reserve Bank of St. Louis website
 Moody's Average Utility Debt - Moody's (Mergent) Bond Record
 Moody's Baa Utility Debt - Moody's (Mergent) Bond Record

PacifiCorp Utah Three-Month Average Utility Bond Yields

<u>MONTH</u>	<u>MOODY'S SINGLE-A UTILITY BOND YIELD</u>	<u>MOODY'S AVERAGE UTILITY BOND YIELD</u>
May-04	6.62%	6.68%
Jun-04	6.56%	6.62%
Jul-04	6.33%	6.41%
AVERAGE	6.50%	6.57%

Source: Mergent Bond Record

Trends & Projections

Economic Indicators

Seasonally Adjusted Annual Rates — Dollar Figures in Billions

	2003				2004				2005			
	4Q	P1Q	E2Q	E3Q	4Q	P1Q	E2Q	E3Q	4Q	P1Q	E2Q	E3Q
Gross Domestic Product												
GDP (current dollars)	\$11,262.0	\$11,459.6	\$11,660.1	\$11,859.3	\$12,034.7	\$12,206.4	\$12,345.9	\$12,467.7				
Annual rate of increase (%)	5.7	7.2	7.2	7.0	6.0	5.8	4.6	4.0				
Annual rate of increase—real GDP (%)	4.1	4.4	4.4	4.9	4.5	4.0	3.0	2.4				
Annual rate of increase—GDP deflator (%)	1.5	2.6	2.6	2.0	1.5	1.8	1.6	1.6				
* Components of Real GDP												
Personal consumption expenditures	\$7,486.2	\$7,557.3	\$7,621.5	\$7,687.7	\$7,740.1	\$7,798.1	\$7,843.3	\$7,881.2				
% change	3.2	3.9	3.4	3.5	2.8	3.0	2.3	1.9				
Durable goods	1,070.8	1,059.4	1,091.1	1,097.7	1,096.4	1,096.4	1,089.1	1,085.9				
Non-durable goods	2,162.4	2,197.4	2,200.3	2,224.1	2,241.7	2,263.3	2,283.2	2,298.3				
Services	4,266.4	4,310.9	4,344.2	4,379.6	4,414.2	4,449.2	4,479.4	4,503.8				
Nonresidential fixed investment	1,169.4	1,186.0	1,220.3	1,257.7	1,316.1	1,310.8	1,353.4	1,370.7				
% change	10.9	5.8	12.1	12.9	19.9	(1.6)	13.6	5.2				
Producers durable equipment	939.7	961.9	996.5	1,029.6	1,082.8	1,070.8	1,113.2	1,130.1				
Residential fixed investment	517.8	522.5	529.9	528.6	523.6	512.8	500.9	487.5				
% change	7.8	3.7	5.7	(0.9)	(3.7)	(8.0)	(9.0)	(10.2)				
Net change in business inventories	9.0	28.2	26.2	34.2	37.8	63.4	54.0	42.9				
Gov't purchases of goods & services	1,910.7	1,924.4	1,948.4	1,961.0	1,968.9	1,977.6	1,989.0	1,999.2				
Federal	715.5	731.3	745.1	753.1	754.6	755.2	756.5	757.2				
State & local	1,195.9	1,193.8	1,204.1	1,208.6	1,215.0	1,223.2	1,233.3	1,242.7				
Net exports	(515.2)	(525.2)	(536.3)	(526.3)	(517.5)	(482.7)	(473.0)	(443.1)				
Exports	1,083.1	1,096.1	1,127.9	1,159.4	1,193.6	1,230.3	1,270.4	1,311.9				
Imports	1,598.3	1,621.3	1,664.3	1,685.6	1,711.1	1,713.0	1,743.3	1,755.1				
** Income & Profits												
Personal income	\$9,381.0	\$9,518.3	\$9,661.3	\$9,795.7	\$9,933.9	\$10,081.6	\$10,204.7	\$10,313.7				
Disposable personal income	8,363.3	8,527.1	8,625.3	8,727.3	8,831.5	8,959.2	9,045.2	9,109.9				
Savings rate (%)	1.8	2.2	1.7	1.4	1.5	1.9	1.8	1.7				
Corporate profits before taxes	958.1	925.1	982.0	993.5	976.7	1,341.0	1,334.9	1,316.9				
Corporate profits after taxes	714.5	680.3	722.2	728.7	714.5	970.5	963.6	948.9				
Earnings per share (S&P 500)	48.74	52.03	55.86	58.88	60.75	62.41	63.20	62.71				
† Prices & Interest Rates												
Consumer price index	0.7	3.6	4.8	2.7	1.2	1.2	1.6	1.3				
Treasury bills	0.9	0.9	1.0	1.4	1.7	2.2	2.7	3.1				
10-yr notes	4.3	4.0	4.7	5.0	5.1	5.5	5.7	5.9				
30-yr bonds	5.2	4.9	5.5	5.7	5.8	6.1	6.3	6.4				
New issue rate—corporate bonds	5.7	5.5	5.9	6.1	6.1	6.4	6.9	7.0				
Other Key Indicators												
Housing starts (1,000 units SAAR)	2,034.7	1,946.7	1,971.0	1,853.2	1,799.5	1,738.8	1,678.4	1,641.8				
Auto & truck sales (1,000,000 units)	16.8	16.3	17.2	17.0	17.0	16.7	16.5	16.3				
Unemployment rate (%)	5.9	5.6	5.6	5.5	5.4	5.3	5.3	5.3				
\$ U.S. dollar	(20.8)	(11.2)	13.4	(16.0)	(13.9)	(9.3)	(10.7)	(1.0)				

Note: Annual changes are from prior year and quarterly changes are from prior quarter. Figures may not add to totals because of rounding. A—Advance data. P—Preliminary. E—Estimated. R—Revised. *1996 Chain-weighted dollars.
**Current dollars. †Trailing 4 quarters. ‡Average for period. \$Quarterly % changes at quarterly rates. This forecast prepared by Standard & Poor's.