

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	Docket No. UE-050684
Complainant,)	
)	Docket No. UE-050412
vs.)	
)	<i>(consolidated)</i>
PACIFICORP d/b/a PACIFIC POWER &)	
LIGHT COMPANY)	
)	
Respondent.)	

EXHIBIT NO. ____ (MPG-15)

S&P CREDIT RATING FINANCIAL RATIOS AT ROE OF 9.8%

November 3, 2005

PacifiCorp Washington

S&P Credit Rating Financial Ratios at ROE of 9.8%

Line	Discription	Ratio at 9.8% <u>Equity Return</u> (1)	S&P "A" Rating (BP: 5) <u>Benchmark*</u> (2)	S&P "BBB" Rating (BP: 5) <u>Benchmark*</u> (3)	<u>Reference</u> (4)
1	Rate Base	\$ 615,154,172			Wrigley Direct at 1.1
2	Weighted Common Return	4.25%			Page 2; Line 3, Col. 3.
3	Income to Common	\$ 26,114,867			Line 1 x Line 2.
4	Depreciation	\$ 31,296,907			Wrigley Direct at 1.1
5	Amortization	\$ 5,038,891			Wrigley Direct at 1.1
6	Deferred Income Tax	\$ 13,463,825			Wrigley Direct at 1.1
7	Funds from Operations (FFO)	\$ 75,914,490			Sum of Line 3 though 6.
8	Weighted Interest Rate	3.76%			Page 2; Line 1 + 0.5 x Line 2, Col. 3.
9	Interest Expense	\$ 23,116,208			Line 1 x Line 8.
10	FFO Plus Interest	\$ 99,030,699			Line 7 + Line 9.
11	FFO Interest Coverage	4.3x	4.5x - 3.8x	3.8x - 2.8x	Line 10 / Line 9.
12	Total Debt Ratio	56%	42% - 50%	50% - 60%	Page 2; Line 1 + 0.5 x Line 2, Col. 1.
13	FFO to Total Debt	22%	30% - 22%	22% - 15%	Line 7 / (Line 1 x Line 12).

Source:

* Standard and Poors. New Business Profile Scores Assigned to U.S. Utility and Power Companies; Financial Guidelines Revised; June 2, 2004.

PacifiCorp Washington

Rate of Return at 9.8% ROE

<u>Line</u>	<u>Discription</u>	<u>Weight</u> (1)	<u>Cost</u> (2)	<u>Weighted</u> <u>Cost</u> (3)
1	Short-Term Debt	1.8%	4.33%	0.08%
2	Long-Term Debt	47.7%	6.43%	3.06%
3	Purchased Power Agreement ¹	6.2%	10.00%	0.62%
4	Preferred Stock	1.1%	6.59%	0.07%
5	Common Equity ²	<u>43.3%</u>	9.80%	<u>4.25%</u>
6	Total	100.0%		8.07%

Source:

Exhibit No. ____ (BNW-1T) at 3.

¹ Exhibit No. ____ (BNW-1T) at 9.

² Common Equity is reduced by \$ 375.0 Million due to equity infusion.