

**PACIFICORP  
RATEMAKNG CAPITAL STRUCTURE**

<u>Type of Capital</u>	<u>PERCENT</u>	<u>COST RATE</u>	<u>WT. AVG. COST RATE</u>
Common Equity	44.00%	9.125%	4.02%
Preferred Stock	1.00%	6.590%	0.07%
Long-term Debt	52.00%	6.427%	3.34%
Short-term Debt	<u>3.00%</u>	3.000%	<u>0.09%</u>
TOTALS	100.00%		7.51%

PRE-TAX INTEREST COVERAGE\* = 2.83x

\*Assuming the Company experiences a 35% tax rate prospectively, the pre-tax overall return would be 9.71% [ 7.51%-(3.34%+0.09%) =4.09%/(65%) = 6.28%+(3.34%+0.09%)]. That pre-tax overall return (9.71%), divided by the weighted cost of debt (3.34%+0.09%), indicates a pre-tax interest coverage of 2.83 times.