

PacifiCorp Washington
Financial Ratio Analysis
(\$thousands unless otherwise noted)
Staff Case

		Washington Jurisdictional			
Inputs					
Rate Base		615,154			
Total System OBS Debt		570,000			
Washington Allocator		8.3282%			
Total System Short-Term Debt		295,456			
Total System Imputed Depreciation		16,337			
				Weighted	
WACC	Amount	Weight	Cost	Cost	
Long-Term Debt	315,574	51.30%	6.427%	3.297%	
Short-Term Debt	24,606	4.00%	3.320%	0.133%	
Preferred Stock	7,382	1.20%	6.590%	0.079%	
Common Equity	267,592	43.50%	8.950%	3.893%	
Total	615,154	100.00%		7.402%	
				Weighted	
WACC Including OBS Debt	Amount	Weight	Cost	Cost	
Long-Term Debt	315,574	47.62%	6.427%	3.061%	
Short-Term Debt	24,606	3.71%	3.320%	0.123%	
OBS Debt	47,471	7.16%	10.000%	0.716%	
Total Debt	387,651	58.50%		3.901%	
Preferred Stock	7,382	1.11%	6.590%	0.073%	
Common Equity	267,592	40.38%	8.950%	3.614%	
Total	662,625	100.00%		7.588%	
Funds from Operations (FFO)/Total Debt		Comment			
Net Income to Common	23,949	Rate Base x Weighted Cost of Common Equity			
Depreciation	31,297	Input			
Imputed Depreciation	1,361	Total System Imputed Depreciation x Washington Allocator			
Amortization	5,039	Input			
Deferred Income Tax	13,464	Input			
Funds from Operations (FFO)	75,110				
Long-Term Debt	315,574	Rate Base x Long-Term Debt Ratio			
Short-Term Debt	24,606	Rate Base x Short-Term Debt Ratio			
OBS Debt	47,471	Total System OBS Debt x Washington Allocator			
Total Debt	387,651	S&P Guideline A rating, BP 5			
FFO/Total Debt	19.4%	22%	30%		
<i>Implied S&P Bond Rating (Business Position: 5)</i>		BBB Average Triple-B			
Funds from Operations (FFO) Interest Coverage					
Funds from Operations (FFO)	75,110	See above			
Long-Term Debt Interest Expense	20,282	Long-Term Debt x Long-Term Debt Cost			
Short-Term Debt Interest Expense	817	Short-Term Debt x Short-Term Debt Cost			
OBS Debt Interest Expense	4,747	OBS Debt x OBS Debt Cost			
Interest Expense	25,846	S&P Guideline A rating, BP 5			
FFO Interest Coverage	3.9	3.8	4.5		
<i>Implied S&P Bond Rating (Business Position: 5)</i>		A Weak Single-A			
Total Debt/Total Capital					
Total Debt	387,651	See above			
Preferred Stock	7,382	See above			
Equity	267,592	See above			
Total Capital	662,625	S&P Guideline A rating, BP 5			
Total Debt/Total Capital	58.5%	42%	50%		
<i>Implied S&P Bond Rating (Business Position: 5)</i>		BBB Weak Triple-B			

Standard & Poor's Financial Targets

FFO/Total Debt

Business Position	AA		A		BBB		BB	
1	20	15	15	10	10	5	<5.0	
2	25	20	20	12	12	8	<8	
3	30	25	25	15	15	10	10	5
4	35	28	28	20	20	12	12	8
5	40	30	30	22	22	15	15	10
6	45	35	35	28	28	18	18	12
7	55	45	45	30	30	20	20	15
8	70	55	55	40	40	25	25	15
9	-	-	65	45	45	30	30	20
10	-	-	70	55	55	40	40	25

FFO/Interest Coverage

Business Position	AA		A		BBB		BB	
1	3	2.5	2.5	1.5	1.5	1	<1	
2	4	3	3	2	2	1	<1	
3	4.5	3.5	3.5	2.5	2.5	1.5	1.5	1
4	5	4.2	4.2	3.5	3.5	2.5	2.5	1.5
5	5.5	4.5	4.5	3.8	3.8	2.8	2.8	1.8
6	6	5.2	5.2	4.2	4.2	3	3	2
7	8	6.5	6.5	4.5	4.5	3.2	3.2	2.2
8	10	7.5	7.5	5.5	5.5	3.5	3.5	2.5
9	-	-	10	7	7	4	4	2.8
10	-	-	11	8	8	5	5	3

Total Debt/Total Capital

Business Position	AA		A		BBB		BB	
1	48	55	55	60	60	70	>70	
2	45	52	52	58	58	68	>68	
3	42	50	50	55	55	65	65	70
4	38	45	45	52	52	62	62	68
5	35	42	42	50	50	60	60	65
6	32	40	40	48	48	58	58	62
7	30	38	38	45	45	55	55	60
8	25	35	35	42	42	52	52	58
9	-	-	32	40	40	50	50	55
10	-	-	25	35	35	48	48	52