

PacifiCorp Washington  
Financial Ratio Analysis  
(\$thousands unless otherwise noted)  
**Public Counsel Case**

		Washington Jurisdictional			
<b>Inputs</b>					
Rate Base		615,154			
Total System OBS Debt		570,000			
Washington Allocator		8.3282%			
Total System Short-Term Debt		221,592			
Total System Imputed Depreciation		16,337			
<b>WACC</b>					
	Amount	Weight	Cost	Weighted Cost	
Long-Term Debt	319,880	52.00%	6.427%	3.342%	
Short-Term Debt	18,455	3.00%	3.000%	0.090%	
Preferred Stock	6,152	1.00%	6.590%	0.066%	
Common Equity	270,668	44.00%	9.125%	4.015%	
Total	615,154	100.00%		7.513%	
<b>WACC Including OBS Debt</b>					
	Amount	Weight	Cost	Weighted Cost	
Long-Term Debt	319,880	48.27%	6.427%	3.103%	
Short-Term Debt	18,455	2.79%	3.000%	0.084%	
OBS Debt	47,471	7.16%	10.000%	0.716%	
Total Debt	385,805	58.22%		3.903%	
Preferred Stock	6,152	0.93%	6.590%	0.061%	
Common Equity	270,668	40.85%	9.125%	3.727%	
Total	662,625	100.00%		7.691%	
<b>Funds from Operations (FFO)/Total Debt</b>					
		Comment			
Net Income to Common	24,698	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)	75,859				
Long-Term Debt	319,880	Rate Base x Long-Term Debt Ratio			
Short-Term Debt	18,455	Rate Base x Short-Term Debt Ratio			
OBS Debt	47,471	Total System OBS Debt x Washington Allocator			
Total Debt	385,805	S&P Guideline A rating, BP 5			
FFO/Total Debt	19.7%	22%	30%		
<i>Implied S&amp;P Bond Rating (Business Position: 5)</i>		<b>BBB</b> Average Triple-B			
<b>Funds from Operations (FFO) Interest Coverage</b>					
Funds from Operations (FFO)	75,859	See above			
Long-Term Debt Interest Expense	20,559	Long-Term Debt x Long-Term Debt Cost			
Short-Term Debt Interest Expense	554	Short-Term Debt x Short-Term Debt Cost			
OBS Debt Interest Expense	4,747	OBS Debt x OBS Debt Cost			
Interest Expense	25,859	S&P Guideline A rating, BP 5			
FFO Interest Coverage	3.9	3.8	4.5		
<i>Implied S&amp;P Bond Rating (Business Position: 5)</i>		<b>A</b> Weak Single-A			
<b>Total Debt/Total Capital</b>					
Total Debt	385,805	See above			
Preferred Stock	6,152	See above			
Equity	270,668	See above			
Total Capital	662,625	S&P Guideline A rating, BP 5			
Total Debt/Total Capital	58.2%	42%	50%		
<i>Implied S&amp;P Bond Rating (Business Position: 5)</i>		<b>BBB</b> 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