

PacifiCorp S&P Ratio Calculations Adjusted for Imputed Indebtedness

Rebuttal Testimony BNW-6T/ Pg. 10/ Ln. 10-13

Company Proposed WACC

Debt Equivalent Adjusted Ratios	S & P Ratios	S&P Guideline for A rated Business Position "5"	S&P Test	BBB Range	
FFO Interest Coverage	4.4	4.5x - 3.8x	Pass	2.8 - 3.8 x	Line 14 / Line 13
Total Debt Ratio	53.8%	42% - 50%	Fail	50 - 60%	Line 33
FFO to Total Debt	23.5%	30% - 22%	Pass	15 - 22%	Line 8 / Line 33

Line	Description	\$000s	References			
1	Rate Base	615,154	Results of Operations - Exhibit PMW-3/ Pg 1.1/ Ln 57/ Col 7			
2	Weighted Common Return	5.51%	Line 17			
3	Income to Common	33,876	Line 1 times Line 2			
4	Depreciation	31,297	Results of Operations - Exhibit PMW-3/ Pg 1.1/ Ln 20/ Col 7			
5	Imputed Depreciation	1,361	Line 27			
6	Amortization	5,039	Results of Operations - Exhibit PMW-3/ Pg 1.1/ Ln 21/ Col 7			
7	Deferred Income Tax	13,464	Results of Operations - Exhibit PMW-3/ Pg 1.1/ Ln 25/ Col 7			
8	Funds From Operations (FFO)	85,036	Sum of lines 3 - 7			
9	Weighted LT Interest Rate	3.17%	Line 15			
10	Interest Expense (LT Debt)	19,531	Line 1 x Line 9			
11	Interest Expense (ST Debt)	490	Line 29			
12	Interest Expense on OBS Debt	4,747	Line 26			
13	Total Interest Expense	24,768	Sum of lines 10, 11, and 12			
14	FFO Plus Total Interest Expense	109,804	Sum of Line 8 and 13			
WA GRC Capital Structure: Company WACC						
15	Long Term Debt	303,886	49.4%	6.427%	3.175%	Capital Structure - Testimony BNW-1T/ Pg 3/ Ln 6
16	Preferred Stock	6,767	1.1%	6.590%	0.072%	Capital Structure - Testimony BNW-1T/ Pg 3/ Ln 7
17	Common Equity	304,501	49.5%	11.125%	5.507%	Capital Structure - Testimony BNW-1T/ Pg 3/ Ln 8
18	Total LT Capital	615,154	100.0%		8.754%	Capital Structure - Testimony BNW-1T/ Pg 3/ Ln 9
Short Term Debt						
19	Total Average ST Debt	130,831	consistent with Williams Capital Structure Direct / Rebuttal Testimony			
20	Interest Expense on Ave ST Debt at 4.5%	5,887	consistent with Williams Capital Structure Direct / Rebuttal Testimony			
Off-Balance Sheet (OBS) Debt - S&P Methodology						
21	Total OBS Debt (Average)	570,000	WUTC Staff DR 22 exhibit (S&P Rating Direct - May 5, 2005)			
22	Imputed Interest on OBS Debt at 10%	57,000	Exhibit BNW-3 (S&P Utilities & Perspectives May 12, 2003)			
23	Total Imputed Depreciation	16,337	S&P Methodology			
24	Washington Allocation %	8.3282%				
25	WA share of OBS Debt (Average)	47,471	Line 24 x Line 21			
26	WA Share of Interest on OBS Debt	4,747	Line 24 x Line 22			
27	WA Share of Imputed Depreciaiton	1,361	Line 24 x Line 23			
28	WA Share of ST Debt	10,896	Line 24 x Line 19			
29	WA Share of ST Debt Interest Expense	490	Line 24 x Line 20			
Adjusted WA Capital Structure - S&P Methodology						
30	LT Debt	303,886	Line 15			
31	ST Debt	10,896	Line 28			
32	OBS Debt (per S&P)	47,471	Line 25			
33	Total Debt	362,253	53.8%	Sum of lines 30,31,32		
34	Preferred Stock	6,767	1.0%	Line 16		
35	Common Equity	304,501	45.2%	Line 17		
36	Total Capital	673,521	100.0%	Sum of lines 33,34,35		