

Exhibit No. ___ (KLE-5)
Docket No. UE-051090
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

IN THE MATTER OF THE JOINT
APPLICATION OF MIDAMERICAN
ENERGY HOLDING COMPANY AND
PACIFICORP DBA PACIFIC POWER
& LIGHT COMPANY FOR AN
ORDER AUTHORIZING PROPOSED
TRANSACTION

DOCKET NO. UE-051090

EXHIBIT TO
TESTIMONY OF

Kenneth L. Elgin

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

MEHC Capitalization @ March 31, 2005

November 18, 2005

1 MEHC CAPITALIZATION @ MARCH 31, 2005¹

2

3 Source Total Debt (\$) (%)

4

5 Debt:

6

7 Current Long-term debt 638,964,000

8 Current Parent Subordinated debt 188,534,000

9 Parent Senior Debt 2,733,090,000

10 Parent Subordinated Debt 1,586,370,000

11 Subsidiary & Project debt 6,358,792,000

12

13 Total 11,545,759,000 79%

14

15 Equity:

16

17 Stockholder's equity 3,093,677,000 21%

18

19 Total Capitalization 14,693,436,000 100%²

¹ Does not include preferred equity

² Figures rounded for simplicity

1	<u>MEHC RETURN ON EQUITY</u>	March 31, 2005
2		
3	Income from continuing operations	\$ 527,158,000
4	MEHC Book equity	\$ 3,093,700,000
5		
6	MEHC Return on equity	17.04%
7		
8		
9	<u>MEHC <i>pro forma</i> Return on equity:</u>	March 31, 2006
10		
11	Income from continuing operations	\$ 527,158,000
12	Normalized Pacific operating income	\$ 438,280,000
13	Less: Net of tax incremental interest expense	(\$ 66,682,000) ³
14		
15	Normalized <i>pro forma</i> MEHC income	
16	From continuing operations	\$ 894,756,000
17		
18	MEHC Book equity	\$ 3,093,700,000
19	MEHC equity investment	\$ 3,419,700,000
20		
21	Total <i>pro forma</i> book equity	\$ 6,513,400,000
22		
23	MEHC <i>pro forma</i> Return on equity	13.73%
24		
25		

³ 1,709,000,000 @ 6% less FIT @ 35%