

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.)
PACIFICORP d/b/a PACIFIC POWER &)
LIGHT COMPANY,)
Respondent.)

Docket No. UE-100749

EXHIBIT NO.__(MPG-19)
STANDARD & POOR’S CREDIT METRICS

October 5, 2010

PacifiCorp

Standard and Poor's Credit Metrics

| <u>Line</u> | <u>Description</u> | <u>Amount</u> (1) | <u>S&P Benchmark^{1/2}</u> | | <u>Reference</u> (4) |
|-------------|-----------------------------|----------------------|--|--------------------------|---|
| | | | <u>Significant</u> (2) | <u>Aggressive</u> (3) | |
| 1 | Rate Base | \$ 774,752,556 | | | Dalley Exhibit No.____(RBD-3), Page 1.1.* |
| 2 | Weighted Common Return | 4.66% | | | Exhibit No.____(MPG-3), Page 1, Line 3, Col. 4. |
| 3 | Pre-Tax Rate of Return | 10.53% | | | Exhibit No.____(MPG-3), Page 1, Line 4, Col. 5. |
| 4 | Income to Common | \$ 36,133,196 | | | Line 1 x Line 2. |
| 5 | EBIT | \$ 81,592,711 | | | Line 1 x Line 3. |
| 6 | Depreciation & Amortization | \$ 39,926,535 | | | Dalley Exhibit No.____(RBD-3), Page 1.1.* |
| 7 | Imputed Amortization | \$ 2,837,414 | | | Page 3, Line 15, Col. 1. |
| 8 | Deferred Income Taxes & ITC | \$ 26,083,695 | | | Dalley Exhibit No.____(RBD-3), Page 1.1.* |
| 9 | Funds from Operations (FFO) | \$ 104,980,840 | | | Sum of Line 4 and Lines 6 through 8. |
| 10 | Imputed Interest Expense | \$ 1,983,367 | | | Page 3, Line 14, Col. 1. |
| 11 | EBITDA | \$ 126,340,027 | | | Sum of Lines 5 through 7 and Line 10. |
| 12 | Total Debt Ratio | 51% | 45% - 50% | 50% - 60% | Page 2, Line 3. |
| 13 | Debt to EBITDA | 3.1x | 3.0x - 4.0x | 2.0x - 3.0x | (Line 1 x Line 12) / Line 11. |
| 14 | FFO to Total Debt | 27% | 20% - 30% | 12% - 20% | Line 9 / (Line 1 x Line 12). |

Sources:

¹ Standard & Poor's: "U.S. Utilities Ratings Analysis Now Portrayed in The S&P Corporate Ratings Matrix," May 27, 2009.

² *S&P RatingsDirect*: "U.S. Regulated Electric Utilities, Strongest to Weakest," August 4, 2010.

Notes:

Based on the new S&P metrics, PacifiCorp has an "Excellent" business profile and a "Significant" financial profile.

* Revised 07/26/2010.

PacifiCorp

Standard and Poor's Credit Metrics (Financial Capital Structure)

| <u>Line</u> | <u>Description</u> | <u>Amount</u> ¹ (1) | <u>Weight</u> (2) |
|-------------|-------------------------------------|-----------------------------------|----------------------|
| 1 | Long-Term Debt | \$ 6,402,725 | 50.46% |
| 2 | Off-Balance Sheet Debt ² | <u>30,506</u> | <u>0.24%</u> |
| 3 | Total Long-Term Debt | \$ 6,433,230 | 50.70% |
| 4 | Preferred Stock | \$ 41,317 | 0.33% |
| 5 | Common Equity | <u>6,214,422</u> | <u>48.97%</u> |
| 6 | Total | \$ 12,688,969 | 100.00% |

Sources:

¹ Exhibit No.____(MPG-3), Page 1 of 2.

² Exhibit No.____(MPG-19), page 3 of 3.

PacifiCorp

Standard and Poor's Credit Metrics (Off-Balance Sheet Debt Equivalents)

| <u>Line</u> | <u>Description</u> | <u>Amount</u> (1) | <u>Reference</u> (2) |
|--|---|-----------------------|-------------------------|
| PacifiCorp Washington Allocator¹ | | | |
| 1 | Washington Unadjusted December 2009 Rate Base | \$ 762,847,314 | |
| 2 | Total Company December 2009 Rate Base | \$ 10,807,891,203 | |
| 3 | PacifiCorp Unadjusted | 7.06% | |
| Total Company² | | | |
| Off-Balance Sheet Debt | | | |
| 4 | Operating Leases | \$ 36,500,000 | |
| 5 | Purchased Power Agreements | 395,700,000 | |
| 6 | Total Off-Balance Sheet Debt | \$ 432,200,000 | |
| Imputed Interest Expense | | | |
| 7 | Operating Leases | \$ 2,300,000 | |
| 8 | Purchased Power Agreements | 25,800,000 | |
| 9 | Total Imputed Interest Expense | \$ 28,100,000 | |
| Imputed Amortization Expense | | | |
| 10 | Operating Leases | \$ 2,700,000 | |
| 11 | Purchased Power Agreements | 37,500,000 | |
| 12 | Total Imputed Amortization Expense | \$ 40,200,000 | |
| Washington Allocation | | | |
| 13 | Off-Balance Sheet Debt | \$ 30,505,730 | Line 3 x Line 6 |
| 14 | Imputed Interest Expense | \$ 1,983,367 | Line 3 x Line 9 |
| 15 | Imputed Amortization | \$ 2,837,414 | Line 3 x Line 12 |

Sources:

¹ Dalley Exhibit No.____(RBD-3), Page 2.2.

² Standard & Poor's: "PacifiCorp," April 30, 2010, Table 3, at 6.