

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-3)
RATE OF RETURN

October 5, 2010

PacifiCorp

Rate of Return

<u>Line</u>	<u>Description</u>	<u>Amount</u> ¹ (1)	<u>Weight</u> (2)	<u>Cost</u> ² (3)	<u>Weighted Cost</u> (4)	<u>Pre-Tax Weighted Cost</u> (5)
1	Long-Term Debt	\$ 6,402,725	50.6%	5.89%	2.98%	2.98%
2	Preferred Stock	41,317	0.3%	5.41%	0.02%	0.03%
3	Common Equity	<u>6,214,422</u>	<u>49.1%</u>	9.50%	<u>4.66%</u>	<u>7.52%</u>
4	Total	\$ 12,658,464	100.0%		7.66%	10.53%
5	Tax Conversion Factor ³					1.613215

Sources:

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

² Williams Direct at 4.

³ Dalley Exhibit No.____(RBD-3), Page 1.3.

PacifiCorp

Rate of Return (Development of Capital Structure)

Line	Description	Actual					Average (6)
		06/30/2009 (1)	09/30/2009 (2)	12/31/2009 (3)	03/31/2010 (4)	06/30/2010 (5)	
	Recorded Amount						
1	Long-Term Debt	\$ 6,510,797	\$ 6,385,797	\$ 6,372,343	\$ 6,372,343	\$ 6,372,343	\$ 6,402,725
2	Preferred Stock	41,463	41,463	41,463	41,463	40,733	41,317
3	Common Equity	6,177,451	6,336,410	6,606,934	6,748,249	6,996,616	6,573,132
4	Total	\$ 12,729,711	\$ 12,763,670	\$ 13,020,740	\$ 13,162,055	\$ 13,409,692	\$ 13,017,174
	Unadjusted Weight						
5	Long-Term Debt	51.1%	50.0%	48.9%	48.4%	47.5%	49.2%
6	Preferred Stock	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
7	Common Equity	48.5%	49.6%	50.7%	51.3%	52.2%	50.5%
8	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
9							
	Common Equity Adjustments						
10	Acquisition Adjustment	\$ 157,194	\$ 157,194	\$ 157,194	\$ 159,176	\$ 159,176	\$ 157,986
11	Special Deposits	1,869	760	610	770	763	954
13	Temporary Cash Investment	507,018	98,815	81,770	216,088	75,195	195,777
14	Notes Receivables From Assoc. Companies	7,534	7,677	4,748	-	-	3,992
15	Less: Notes Payable From Assoc. Companies	-	-	-	-	-	-
16	Total Cash Investments	\$ 673,615	\$ 264,446	\$ 244,322	\$ 376,034	\$ 235,134	\$ 358,710
	Adjusted Amount						
17	Long-Term Debt	\$ 6,510,797	\$ 6,385,797	\$ 6,372,343	\$ 6,372,343	\$ 6,372,343	\$ 6,402,725
18	Preferred Stock	41,463	41,463	41,463	41,463	40,733	41,317
19	Common Equity	5,503,836	6,071,964	6,362,612	6,372,215	6,761,482	6,214,422
20	Total	\$ 12,056,096	\$ 12,499,224	\$ 12,776,418	\$ 12,786,021	\$ 13,174,558	\$ 12,658,464
	Adjusted Weight						
21	Long-Term Debt	54.0%	51.1%	49.9%	49.8%	48.4%	50.6%
22	Preferred Stock	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
23	Common Equity	45.7%	48.6%	49.8%	49.8%	51.3%	49.1%
24	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source:
FERC Form 1, various dates.