

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.) Docket No. UE-130043
PACIFICORP D/B/A PACIFIC POWER &)
LIGHT COMPANY,)
Respondent.)
_____)

EXHIBIT NO.__(MPG-20)
STANDARD & POOR’S CREDIT METRICS

June 21, 2013

PacifiCorp

Standard & Poor's Credit Metrics

<u>Line</u>	<u>Description</u>	Retail	S&P Benchmark ^{1/2}		<u>Reference</u>
		<u>Cost of Service</u> <u>Amount</u> (1)	<u>Significant</u> (2)	<u>Aggressive</u> (3)	
1	Rate Base (WA)	\$ 828,428,814			Exhibit No.__(SRM-3) pg 2.2.
2	Weighted Common Return	4.52%			Page 2, Line 3, Col. 4.
3	Pre-Tax Rate of Return	10.04%			Page 2, Line 4, Col. 5.
4	Income to Common	\$ 37,421,786			Line 1 x Line 2.
5	EBIT	\$ 83,157,673			Line 1 x Line 3.
6	Depreciation & Amortization	\$ 46,857,768			Exhibit No.__(SRM-3) pg 2.2.
7	Imputed Amortization	\$ 1,472,034			Page 4, Line 13, Col 1.
8	Deferred Income Taxes & ITC	\$ 16,414,670			Exhibit No.__(SRM-3) pg 2.2.
9	Funds from Operations (FFO)	\$ 102,166,259			Sum of Line 4 and Lines 6 through 8.
10	Imputed Interest Expense	\$ 747,407			Page 4, Line 14, Col 1.
11	EBITDA	\$ 132,234,882			Sum of Lines 5 through 7 and Line 10.
12	Total Debt Ratio	52%	45% - 50%	50% - 60%	Page 3, Line 4, Col. 1.
13	Debt to EBITDA	3.2x	3.0x - 4.0x	4.0x - 5.0x	(Line 1 x Line 12) / Line 11.
14	FFO to Total Debt	24%	20% - 30%	12% - 20%	Line 9 / (Line 1 x Line 12).

Sources:

¹ Standard & Poor's: "Criteria Methodology: Business Risk/Financial Risk Matrix Expanded," May 27, 2009.

² S&P RatingsDirect: "U.S. Regulated Electric, Gas, And Water Utilities, Strongest To Weakest," April 22, 2013.

Note:

Based on the April 2013 S&P metrics, PacifiCorp has an "Excellent" business profile and a "Significant" financial profile.

PacifiCorp

Standard & Poor's Credit Metrics (Pre-Tax Rate of Return)

<u>Line</u>	<u>Description</u>	<u>Amount (Million)</u> (1)	<u>Weight</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Pre-Tax Weighted Cost</u> (5)
1	Long-Term Debt	\$ 7,369	50.6%	5.37%	2.72%	2.72%
2	Preferred Stock	41	0.3%	5.43%	0.02%	0.02%
3	Common Equity	<u>7,147</u>	<u>49.1%</u>	9.20%	<u>4.52%</u>	<u>7.30%</u>
4	Total	\$ 14,557	100.0%		7.25%	10.04%
5	Tax Conversion Factor*					1.616005

Sources:

Exhibit No. ____ (MPG-4).

* Exhibit No. ____ (SRM-3) pg 2.1.

PacifiCorp

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

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Weight (1)</u>
1	Long-Term Debt	\$ 7,369	49.7%
2	Off Balance Sheet Debt*	276	1.9%
3	Preferred Stock**	<u>20</u>	<u>0.1%</u>
4	Total Long-Term Debt	\$ 7,665	51.7%
5	Preferred Stock	20	0.1%
6	Common Equity	<u>7,147</u>	<u>48.2%</u>
7	Total	\$ 14,833	100.0%

Sources:

Exhibit No. ____ (MPG-4).

* Exhibit No. ____ (MPG-20), page 4.

** Exhibit No. ____ (BNW-11), page 1.

PacifiCorp

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

<u>Line</u>	<u>Description</u>	<u>Amount (000)</u> (1)	<u>Reference</u> (2)
<u>PacifiCorp WA Allocator¹</u>			
1	Total June 2012 Rate Base	\$ 773,493	
2	PacifiCorp WA June 2012 Rate Base	\$ 12,563,715	
3	Jurisdictional Allocator	6.16%	Line 1 / Line 2
<u>Total Company²</u>			
Off-Balance Sheet Debt			
4	Operating Leases	\$ 46,642	
5	Purchased Power Agreements	229,111	
6	Total Off-Balance Sheet Debt	\$ 275,753	
Imputed Amortization Expense			
7	Operating Leases	\$ 7,370	
8	Purchased Power Agreements	16,540	
9	Total Imputed Amortization Expense	\$ 23,910	
Imputed Interest Expense			
10	Operating Leases	\$ 2,630	
11	Purchased Power Agreements	9,510	
12	Total Imputed Interest Expense	\$ 12,140	
<u>PacifiCorp WA Allocation</u>			
13	Imputed Amortization	\$ 1,472	Line 3 x Line 9.
14	Imputed Interest Expense	\$ 747	Line 3 x Line 12.

Sources:

¹ Exhibit No.__(SRM-3) pg 2.2.

² Exhibit No.__(BNW-11), page 1.