STAFF CROSS-EXHIBIT LIST

Docket UE-100749

NUMBER	WITNESS	A/R	DATE	DESCRIPTION
	BRUCE N. WILLIAMS			PacifiCorp Response to Commission Staff Data Request No. 155 (2 pages)
				PacifiCorp Response to Commission Staff Data Request No. 65 (2 pages) CONFIDENTIAL ATTACHMENT
				PacifiCorp Response to Commission Staff Data Request No. 107 (1 page)
				March 22 letter from PacifiCorp to UTC (4 pages)
				Standard & Poor's Ratings Direct dated September 29, 2010 (24 pages)
				Standard & Poor's Ratings Direct dated June 18, 2010 (7 pages)
				Workpaper for Mr. Williams (1 page)
				Avista letter to UTC dated January 5, 2010, regarding Docket UE-101722 (4 pages)
				Commission Staff response to PacifiCorp Data Request No. 1.19 (2 pages)
				PacifiCorp and Subsidiaries Consolidated Statements of Cash Flows for Years Ended December 31, 2007, 2008 and 2009 (1 page)
				Docket UE-090092 Report of First Mortgage Bond Offering in Aggregate principal Amount of $1,000,000,000 dated January 15, 2009 (11 pages)

WUTC Data Request 155

Re: Rebuttal Testimony of Mr. Williams

In the rebuttal testimony of PacifiCorp witness Mr. Williams, Exhibit No. ___ (BNW-7T) at page 8, lines 13-15: "The Commission has made clear that a company's capital structure should be based on its own capital structure, absent a clear and compelling reason to impute other data." Please:

a. Provide the basis for Mr. Williams' testimony
b. Produce all documents Mr. Williams relies on to support his understanding
c. List each Commission order (by name, docket and date) Mr. Williams and/or PacifiCorp reviewed in reaching the conclusion stated in the testimony. Of the orders reviewed, list those in which the Commission applied the "clear and compelling" analysis in using a hypothetical capital structure for ratemaking purposes.
d. List each Commission order (by name, docket and date) in a PacifiCorp rate case where the Commission used a hypothetical capital structure, and of the orders in that list, identify those that did not apply the "clear and compelling" analysis.

Response to WUTC Data Request 155

a. In Order No. 8 in consolidated Dockets UE-060266 and UG-060267, the Commission noted that it "has approved hypothetical capital structures when there was a clear and compelling reason to do so." *WUTC v. Puget Sound Energy*, Dockets UE-060266 and UG-060267, Order 08 at ¶ 76 (Jan. 5, 2007). The Commission subsequently confirmed this standard in Puget Sound Energy's next general rate case. *See WUTC v. Puget Sound Energy*, Dockets UE-090704 and UG-090705, Order 11 at ¶ 278 (April 2, 2010).
b. The Company objects to this response to the extent it seeks documents protected by the attorney-client privilege and/or work product doctrine. Please refer to the response to subsection (a) above.
c. Please refer to the response to subsection (a) above and *WUTC v. Puget Sound Energy*, Dockets UE-040641 and UG-040640, Order 06 at ¶ 40 (Feb. 18, 2005) (Commission rejected hypothetical rate structure noting: "Our goal in this proceeding should be to set the Company's equity ratio at the level that the evidence shows is most likely to prevail, on average, over the course of the rate year."). *WUTC v. Avista*, Dockets UE-050482 and UG-050483, Order 05 at ¶ 55 (Dec. 21, 2005) ("The Commission has approved 'hypothetical' equity components in capital structures in the past when there was good reason to do so. In this case, our purpose is to

support the Company's continuing efforts to strengthen its balance sheet and restore its credit rating to investment grade.").

d. The Company has not performed the requested analysis. Notwithstanding, please see *WUTC v. PacifiCorp*, Docket UE-050684, Order 04 at ¶ 230 (Apr. 17, 2006) ("We have determined so-called hypothetical capital structures in the past when our fundamental objective to balance safety and economy required that we do so. We are presented with that situation here.").

PREPARER: Bruce N. Williams

SPONSOR: Bruce N. Williams

WUTC Data Request 65

Referring to Bruce N. Williams' Exhibit No. BNW-5, page 5, please

a) provide the costs associated with and paid by PacifiCorp related its two revolving credit agreements;
b) provide the journal entries and identify the accounts where PacifiCorp recorded these costs.

Response to WUTC Data Request 65

a) Please refer to Confidential Attachment WUTC 65. Confidential information is provided subject to the terms and conditions of the protective order in this proceeding.

b) Upfront, Arrangement and Legal fees were charged to plant account 186-Miscellaneous deferred debits when paid with monthly credits made to the account over the remaining scheduled lives of the respective credit agreements on a straight-line basis and charged to plant account 431-Other Interest Expense.

Quarterly facility and annual administrative fees are charged to plant account 431-Other Interest Expense in the period incurred.

PREPARER: Bruce N. Williams

SPONSOR: Bruce N. Williams

ATTACHMENT IS
CONFIDENTIAL
PER
PROTECTIVE ORDER

WUTC Data Request 107

Please provide a table showing the per books amount of short-term debt outstanding each quarter as reported on the Company's SEC statements since PacifiCorp was acquired by MEHC.

Response to WUTC Data Request 107

PacifiCorp 10-K/Q Date	ST Debt O/S ($m)
03/31/06	$184
06/30/06	$304
09/30/06	$80
12/31/06	$397
03/31/07	$216
06/30/07	$30
09/30/07	$206
12/31/07	$0
03/31/08	$0
06/30/08	$35
09/30/08	$117
12/31/08	$85
03/31/09	$0
06/30/09	$0
09/30/09	$0
12/31/09	$0
03/31/10	$0

PREPARER: Bruce N. Williams

SPONSOR: Bruce N. Williams

UE - 100472 - SI

PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 22, 2010

VIA ELECTRONIC FILING
AND HAND DELIVERY

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Attention: David W. Danner
Executive Director and Secretary

Re: 2009 Annual Report of Securities Transactions Pursuant to WAC 480-100-262

Dear Mr. Danner:

PacifiCorp (d.b.a. Pacific Power) submits for filing an original and two (2) conformed copies of its 2009 Annual Report of Securities Transactions pursuant to WAC 480-100-262.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By e-mail (preferred): datarequest@PacifiCorp.com

By regular mail: Data Request Reponse Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

Andrea L. Kelly /ca

Andrea L. Kelly
Vice President, Regulation

Enclosure

2010 MAR 22 AM 9:41

2009 ANNUAL REPORT OF SECURITIES TRANSACTIONS TO THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

This report sets forth the information required by WAC 480-100-262 for the securities transactions of PacifiCorp ("the Company") during calendar year 2009.

Securities Transactions

Issuances of Long-Term Debt

On January 8, 2009, the Company issued $350.0 million of its 5.50% First Mortgage Bonds due January 15, 2019 and $650.0 million of its 6.00% First Mortgage Bonds due January 15, 2039. Enclosed as Exhibit A, is the Prospectus Supplement for these bond issuances.

Use of Proceeds
The net proceeds were used to repay short-term debt, fund capital expenditures and for general corporate purposes.

Level of Expenses
Fees and expenses paid to date in connection with the issuance of the 5.50% and 6.00% First Mortgage Bonds are as follows:

Principal Amount	$ 350,000,000	$ 650,000,000
Less: Coupon/Yield Discount	2,292,500	6,175,000
Issuance Expenses:		
Underwriter Fee	$ 2,275,000	$ 5,687,500
SEC Registration Fee	13,755	25,545
Legal Fees	30,741	57,089
Accountant's Fees	28,958	53,781
Rating Agency Fees	134,575	249,925
Trustee Fees	3,723	6,914
Indenture Recording Fees	14,700	27,300
Printing & Engraving Fees	8,364	15,533
Other Expenses	53	98
Total Expenses	**$ 2,509,869**	**$ 6,123,685**
Net Amount Realized	$ 345,197,631	$ 637,701,315

Issuances of Common Stock

During the 12 months ended December 31, 2009, the Company received cash capital contributions totaling $125,000,000 from its direct parent company, PPW Holdings, LLC., a subsidiary of MidAmerican Energy Holdings Company. No shares or securities were issued in exchange for these capital contributions.

Issuances of Short-Term Debt

Below is a summary of commercial paper and bank lines of credit activity for the 12 months ended December 31, 2009. The proceeds were used for general corporate purposes and there were no direct fees or expenses paid in connection with the issuance of commercial paper or on the draws made on bank lines of credit.

Short-Term Debt Securities
Issuance & Maturity Activity
12 months ended 12/31/09

	CP & Bank Lines of Credit				
	Total Issuances (Face)	Wt Ave Rate	Wt Ave Term (days)	Total Maturities	Balance At End of Month
12/31/08					$ 85,000,000
Jan-09	$ 324,000,000	0.82%	1	$ 409,000,000	$ -
Feb-09	$ -			$ -	$ -
Mar-09	$ -			$ -	$ -
Apr-09	$ -			$ -	$ -
May-09	$ -			$ -	$ -
Jun-09	$ -			$ -	$ -
Jul-09	$ -			$ -	$ -
Aug-09	$ -			$ -	$ -
Sep-09	$ -			$ -	$ -
Oct-09	$ -			$ -	$ -
Nov-09	$ -			$ -	$ -
Dec-09	$ 279,000,000	0.35%	1	$ 279,000,000	$ -

Securities Retired during 12 months ended December 31, 2009

Long-Term Debt Securities			
Maturity Schedule			
12 months ended 12/31/09			
Long-Term Debt Maturities			
Maturity Date	Series Description	Coupon Rate	Amount
07/15/09	Ser H MTN (secured)	7.00%	$125,000,000
10/01/09	FMB Installment	8.271%	$4,391,000
10/01/09	FMB Installment	7.978%	$351,000
10/01/09	FMB Installment	8.493%	$1,462,000
10/01/09	FMB Installment	8.797%	$1,095,000
10/01/09	FMB Installment	8.734%	$1,726,000
10/01/09	FMB Installment	8.294%	$2,587,000
10/01/09	FMB Installment	8.635%	$944,000
10/01/09	FMB Installment	8.470%	$898,000

Securities Scheduled to Mature during 12 months ended December 31, 2010

Long-Term Debt Securities			
Maturity Schedule			
12 months ended 12/31/10			
Long-Term Debt Maturities			
Maturity Date	Series Description	Coupon Rate	Amount
10/01/10	FMB Installment	8.271%	$4,754,000
10/01/10	FMB Installment	7.978%	$381,000
10/01/10	FMB Installment	8.493%	$1,588,000
10/01/10	FMB Installment	8.797%	$1,193,000
10/01/10	FMB Installment	8.734%	$1,878,000
10/01/10	FMB Installment	8.294%	$2,803,000
10/01/10	FMB Installment	8.635%	$1,028,000
10/01/10	FMB Installment	8.470%	$977,000

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September 29, 2010

Industry Report Card:

U.S. Electric Utilities Continue To Benefit From Regulatory Support And Good Access To Capital In Third Quarter 2010

Primary Credit Analyst:
John W Whitlock, New York (1) 212-438-7678; john_whitlock@standardandpoors.com

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Industry Report Card:

U.S. Electric Utilities Continue To Benefit From Regulatory Support And Good Access To Capital In Third Quarter 2010

Industry Credit Outlook

Heading into the fourth quarter of 2010, 89% of U.S. regulated electric companies had a stable outlook; the predominance of ratings is in the 'BBB' category, firmly investment grade. Electricity demand has rebounded slowly in 2010 as the economy sluggishly churns ahead; we expect demand to grow about 2% for 2010. Our stable outlook for the industry is based on expectations for responsive regulatory attention to cost recovery for needed capital investments and continued appetite by investors for utility debt and equity offerings to finance growth projects.

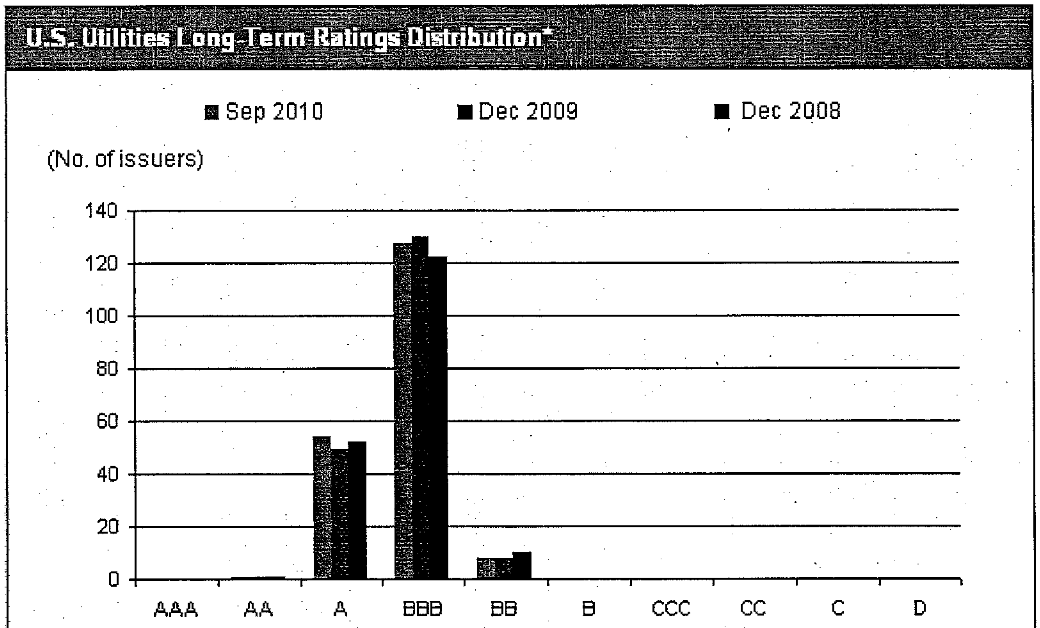
Discussions in Congress on climate change legislation have been sidetracked on numerous occasions in 2010, the session after the November midterm elections may present an opportunity for further debate on energy legislation. Separately, the Environmental Protection Agency (EPA) has been proposing a myriad of rules regarding air quality emissions in support of its regulation of carbon dioxide emissions from large stationary sources including power plants. More restrictive levels for power plant emission and downwind transport of various hazardous pollutants including SO2, NOx, and Mercury are part of the EPA's agenda.

The potential for legislation or government mandates restricting carbon discharge continues to cause credit uncertainty in terms of potential costs and timing of any new requirements. Standard & Poor's continues to expect any mandated federal government policies that compel the electric industry to comply with stricter environmental standards related to carbon dioxide discharge will be recovered by regulated electric companies through state regulatory proceedings.

Despite the recession and two consecutive years of decreasing electricity use, a significant amount of infrastructure building is planned for the sector. For example, more than $75 billion of electric transmission projects are in various stages of planning as companies gravitate toward the Federal Energy Regulatory Commission's constructive regulatory policies including incentive returns on equity.

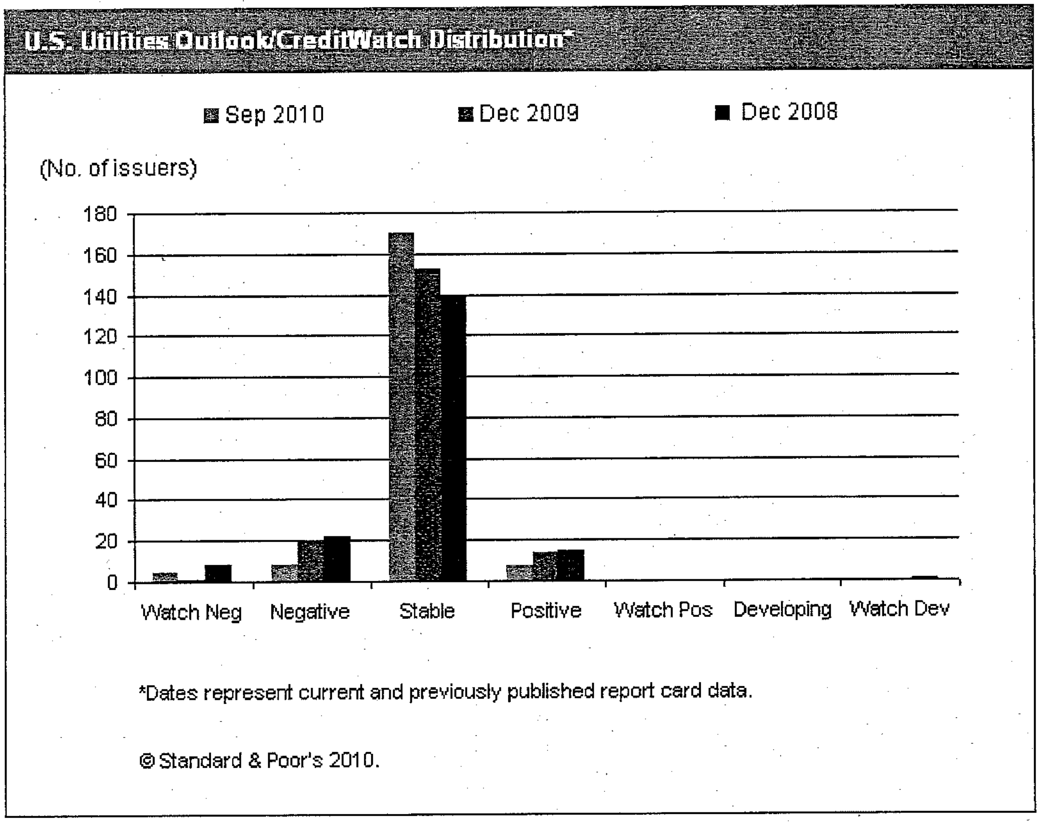
Good access to capital will continue to be important for the sector's credit quality during this building cycle. Low interest rates and investor demand prompted robust activity in the third quarter of 2010 as utilities sought to do some prefunding of upcoming maturities and future capital needs. Also, maturity profiles for regulated electric utilities remain very manageable with about $23 billion coming due in 2011, 7% of outstanding debt.

Chart 1



*Dates represent current and previously published report card data.

Chart 2



Issuer Review

Table 1

Company/Rating/Comments	Analyst
AEP Texas Central Co (BBB/Stable/--) See American Electric Power Co. Inc.	Gerrit Jepsen
AEP Texas North Co (BBB/Stable/--) See American Electric Power Co. Inc.	Gerrit Jepsen
Alabama Power Co. (A/Stable/A-1) See Southern Co.	Dimitri Nikas
Allegheny Energy Inc. (BBB-/Stable/--) While various regulatory proceedings are pended in multiple states regarding the merger with FirstEnergy, we will closely monitor Allegheny for any operating performance slippage while management's time and attention is immersed in these proceedings. For 2011, power prices for Allegheny's POLR customers in Pennsylvania are set to rise, but the company proactively accelerated its procurement schedule to take advantage of lower power prices. Allegheny's construction of the TrAIL transmission line has been progressing and once completed, should help improve operating cash flow. For 12 months ended June 30, 2010, FFO to total debt was 17.6% and debt to EBITDA was 3.9x, both improved over the end of 2009 levels. Debt to total capital remained around 59%.	Gerrit Jepsen
ALLETE Inc. (BBB+/Stable/A-2) ALLETE's high concentration of large cyclical industrial customers remains a driver for credit quality. The company has shown its ability	Gerrit Jepsen

to adapt to dramatic shifts in demand for electricity by its industrial customers without derailing its financial protection measures. Demand nominations for May-August 2010 were 70% higher than the same period in 2009 and the company expects steel production to run at 70% capacity in 2010. Higher demand nominations have helped to improve financial performance, as of June 30, 2010 FFO to debt was 24% and total debt as a percentage to capitalization was about 52%.

Alliant Energy Corp. (BBB+/Postive/A-2)
In July, we revised the outlook to positive based on strong and improving financial measures. For 12 months ended June 30, 2010, FFO to total debt and debt to total capital were 22% and 55%, respectively. Debt to EBITDA was 4x. With depressed industrial and wholesale sales in the near term, pended rate increases in Iowa, Minnesota, and Wisconsin should ultimately bolster operating cash flows through recovery of incremental operating expenses and rate base approvals. Capital expenditures for the utilities are mainly for wind generation and pollution control equipment, including at the Columbia coal facility. Since the capital investments are needed to address mandates, it is likely that the costs will be passed through to customers, helping strengthen cash flow measures and further reduce debt to total capital. — Gerrit Jepsen

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Alliant Energy Resources LLC (BBB+/Positive/--)
See Alliant Energy Corp. — Gerrit Jepsen

Ameren Corp. (BBB-/Stable/A-3)
The company's cash flow measures continue to persist at the lower end of the 'significant' financial risk category. For the 12 months ended June 30, 2010 FFO to debt was 20.3% and debt to EBITDA was 4.3x. Additionally, because of its regulated Illinois companies and the merchant generation companies' business risk pressures, there is less of a cushion at Ameren's current 'BBB-' corporate credit rating. Ratings could be pressured from regulatory developments or energy power prices remaining depressed over the intermediate term. — Gabe Grosberg

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American Electric Power Co. Inc. (BBB/Stable/A-2)
Ongoing rate cases should result in incremental increases in operating cash flow due to recovery of higher operating expenses and capital investments. Reduced operating costs from lower labor expenses and idled power plants should also help improve operating cash flow. Adjusted financial measures weakened for 12 months ended June 30, 2010, with FFO to total debt slightly declining to 17% and debt to total capital topping 61%. Debt to EBITDA remained at 5x. We will monitor various regulatory issues including the earnings reviews for Ohio Power and Columbus Southern Power. While litigation is ongoing, American Electric Power continues to construct the Turk coal unit. To maintain credit quality, prudent funding will be needed throughout a sizeable construction program. — Gerrit Jepsen

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American Transmission Co. (A+/Stable/A-1)
The company maintained its consistent financial measures during the past quarter primarily due to the Federal Energy Regulatory Commission's constructive regulations that include forward-looking rates, annual true-ups, cash return on construction work in progress, and a 12.2% authorized return on equity. For the 12 months ended June 30, 2010 FFO to debt was 20.0% and debt to EBITDA was 4.0x compared to 19.4% and 4.0x at the end of 2009. — Gabe Grosberg

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Appalachian Power Co. (BBB/Stable/--)
See American Electric Power Co. Inc. — Gerrit Jepsen

Arizona Public Service Co. (BBB-/Positive/A-3)
See Pinnacle West Capital Corp. — Antonio Bettinelli

Atlantic City Electric Co. (BBB+/Stable/A-2)
See PEPCO Holdings Inc. — Gerrit Jepsen

Avista Corp. (BBB-/Positive/A-3)
Avista awaits the approval of an all-parties settlement in its electric and gas general rate cases filed in Washington that include rate increases of 7.2% and 3.2%, respectively. In Idaho, regulators approved pended electric and natural gas rate case settlements, to be effective from October 2010. Frequent rate increases have improved financial results despite the recession and have mitigated rate lag, mitigated by lower retail sales. Avista's adjusted FFO to total debt is 18.4% for the 12 months ended June 30, 2010, slightly lower than in 2009, but above our forecast and at the upper-end of ratios for the current financial profile. The company has also managed debt prudently, contributing to sustained credit metrics. The company's primary credit facility is due in April 2011 and is expected to be renewed, which we view as a critical step in maintaining current credit quality. — Antonio Bettinelli

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Baltimore Gas & Electric Co. (BBB+/Stable/A-2)
The rating is based on the company's stand-alone credit quality and we rate two notches higher than parent, Constellation Energy Group, due to the insulation measures that the company implemented. The company's financial measures continue to be in line with our expectations. Critical assumptions that are fundamental to our base case forecast include the outcome of the company's recent gas and electric rate case filings. In August 2010, the company revised its rate request to $122 million, which is limited to a $77 million rate — Gabe Grosberg

increase due to the company's previous agreement not to raise electric rates higher than 5%. A commission's order is expected by the end of 2010.

Black Hills Corp. (BBB-/Stable/--)
Black Hills continues to seek cost recovery of incremental operating expenses and capital investments that could help bolster operating cash flow. We expect prudent funding for the 190 MW of generation that has been approved, and will be built, for the Colorado electric utility. With the sale of 23% of Wygen III to a municipal utility, the company lowered its investment in the 110 MW unit. The company has retained most of its unregulated operations including oil and gas exploration and energy marketing that continue to depress the overall credit quality. Financial measures remain in line for the rating with FFO to total debt of 14.3% and debt to EBITDA of 4.5x. Debt to total capital remained about 56%. — Gerrit Jepsen

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Black Hills Power Inc. (BBB-/Stable/--)
See Black Hills Corp. — Gerrit Jepsen

California Independent Systems Operator Corp. (A/Stable/--)
The company is on track to collect its forecast revenue requirement in 2010. While volumes flowing through the system are lower than budget, due to the continued state recession and weather-related effects, FERC-filed rate increases in the first and second quarters have stabilized financial performance. Pacific Gas & Electric, which we placed on CreditWatch with negative implications on September 10, pays slightly more than a quarter of the company's charges for its services. Its stable outlook reflects our view that for now the diversity provided by other system participants is adequate to support its debt ratings. Construction of a new headquarters is on time and budget, with the company expected to occupy its new facility by January 2012. — Anne Selting

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Carolina Power & Light Co. d/b/a Progress Energy Carolinas Inc. (BBB+/Negative/A-2)
See Progress Energy Inc. — Dimitri Nikas

CenterPoint Energy Houston Electric LLC (BBB/Stable/--)
See CenterPoint Energy Inc. — Dimitri Nikas

CenterPoint Energy Inc. (BBB/Stable/A-2)
CenterPoint's expansion of its field services operations appears on track. Favorable weather in the first half of 2010 for the electric and natural gas distribution operations and a recent common equity offering have contributed to a modest improvement in the company's financial profile. For the 12 months ended June 30, 2010, partly due to lower debt balances and improved sales at the regulated businesses, adjusted FFO to interest coverage was 3.3x, adjusted FFO to total debt was 17.4%, and debt leverage moderated to 70.8%. The realized financial performance is in line with expectations and management's commitment to support current ratings. At the same time, we are also monitoring the developments for CenterPoint Energy Houston Electric's recent rate filing, with a Public Utility Commission of Texas decision expected by year end. — Dimitri Nikas

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CenterPoint Energy Resources Corp. (BBB/Stable/A-2)
See CenterPoint Energy Inc. — Dimitri Nikas

Central Hudson Gas & Electric Corp. (A/Stable/--)
Central Hudson's recently approved three-year rate settlement increases electric and natural gas distribution rates by approximately $30.2 million and $9.7 million, respectively, during the three-year period. The electric rate increase would be offset by $12 million and $4 million in customer bill credits in rate years one and two, respectively, starting in July 2010. The recently approved base rate increase and declining rate credits should provide support to its credit profile, with adjusted FFO to total debt of more than 19% and adjusted total debt to total capital below 54%. — Dimitri Nikas

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Central Illinois Light Co. (BBB-/Stable/--)
See Ameren Corp. — Gabe Grosberg

Central Illinois Public Service Co. (BBB-/Stable/--)
See Ameren Corp. — Gabe Grosberg

Central Maine Power Co. (BBB+/Stable/--)
Ratings have been based on stand-alone credit characteristics since the absorption of parent company Iberdrola USA's debt by the ultimate parent Iberdrola SA (A-/Stable/A-2). Ratings can be capped by the Iberdrola rating. Solid electric transmission and distribution operations in the center of much of the state's economic activity provide the basis for the credit profile. Regulatory risk is minimal, with numerous pass-through rate mechanisms for most major costs and steady, if low, returns for investors. The company is pursuing large transmission projects to meet reliability demands. The financial risk profile will be stressed if the projects are undertaken, but the company can maintain credit quality if it obtains adequate financial and regulatory support prior to, and during, construction. Recent financial performance has been in line with expectations, and service territory economic conditions should allow that to continue. — Todd Shipman

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CILCORP Inc. (BBB-/Stable/--)

See Ameren Corp.	Gabe Grosberg
Cleco Corp. (BBB/Stable/--) Consolidated adjusted EBITDA improved 57% as a result of higher base revenues at Cleco Power for the 12 months ended June 30, 2010 compared to the end of 2009 levels. At the same time, Cleco's consolidated cash flow metrics remain weak, but in line with our expectations. This weakness partly stems from the Louisiana Public Service Commission's order under which Cleco Power will refund to ratepayers $167.9 million of construction financing costs over four years on a front-end loaded basis, with $84.4 million to be refunded in the first year, pressuring credit metrics in 2010. Cleco has moderated its merchant generation exposure; however, business risk could increase if the company pursues activities that are outside the regulated utility framework.	Dimitri Nikas
Cleco Power LLC (BBB/Stable/--) See Cleco Corp.	Dimitri Nikas
Cleveland Electric Illuminating Co. (BBB-/Stable/--) See FirstEnergy Corp.	Todd Shipman
CMS Energy Corp. (BBB-/Stable/A-3) The company's cash flow measures continue to gradually improve due to effective management of regulatory risk and a general local economic improvement within the service territory. For the 12 months ended June 2010, FFO to debt improved to 13.7% from 10.7% at the end of 2009. Our baseline forecast anticipates that the cash flow measures will steadily improve (FFO to debt greater than 15%) reflecting cash flow measures that are more in line with the aggressive financial risk category.	Gabe Grosberg
Columbus Southern Power Co. (BBB/Stable/--) See American Electric Power Co. Inc.	Gerrit Jepsen
Commonwealth Edison Co. (BBB/Stable/A-2) In June 2010, the company filed for a $396 million electric distribution base rate increase. While the company has demonstrated some improvement regarding its ability to manage its regulatory risk, we continue to monitor whether improvements are lasting. Ameren's recent electric and gas rate orders, which we viewed as not conducive to credit quality, could delay ComEd's rate case order. The company's stand-alone financial measures have remained adequate for the current rating, and we currently do not expect to lower the company's corporate credit rating absent a relapse of the regulatory or political environments in Illinois or we downgrade parent Exelon.	Gabe Grosberg
Connecticut Light & Power Co. (BBB/Stable/--) See Northeast Utilities	Dimitri Nikas
Connecticut Natural Gas Corp. (A-/Watch Neg/--) UIL Holdings plans to acquire Connecticut Natural Gas (CNG) and other gas utilities from Iberdrola USA for $1.296 billion. The parties expect the transaction to close by the first quarter of 2011. Upon completion of the transaction, we will lower CNG's corporate credit ratings to UIL's corporate credit rating level, given that a lower rated entity with a weaker financial profile is acquiring it. The company's relatively stable and predominantly residential service territory should help maintain a stable credit profile through the merger approval process. Recent financial performance has been in line with expectations, and service territory's economic conditions should allow that to continue.	Todd Shipman
Consolidated Edison Co. of New York Inc. (A-/Stable/A-2) See Consolidated Edison Inc.	Dimitri Nikas
Consolidated Edison Inc. (A-/Stable/A-2) Consolidated Edison's credit profile benefits from multi-year rate case settlements for most of its regulated utility operations, which should provide cash flow stability over the intermediate term while allowing the operating companies to focus on their respective operations. Consolidated Edison Co. of New York's gas and steam settlements were approved by the New York Public Service Commission in September 2010 with new rates taking effect in October. Financial performance also benefits from a modest improvement in the local economy, although commercial sales remain weak. The base rate settlements along with the equity issuance in December 2009 continue to provide for credit protection measures which support current ratings. For the 12 months ended June 30, 2010, adjusted FFO to interest coverage was 4.5x, adjusted FFO to total debt was 16.6%, and adjusted debt leverage was 56.9%.	Dimitri Nikas
Consumers Energy Co. (BBB-/Stable/--) See CMS Energy Corp.	Gabe Grosberg
Dayton Power & Light Co. (A-/Stable/--) See DPL Inc.	Barbara Eiseman
Delmarva Power & Light Co. (BBB+/Stable/A-2)	

See PEPCO Holdings Inc.	Gerrit Jepsen
Detroit Edison Co. (BBB/Positive/A-2) See DTE Energy Co.	Gabe Grosberg
Dominion Resources Inc. (A-/Stable/A-2) Less exposure to unregulated activities, along with reregulation in Virginia, has dramatically improved business risk. A settled rate case that will stabilize base rates and numerous separate tariff mechanisms for recovering significant expenses and capital expenditures provide a solid foundation for the ratings. Aggressive capital plans will likely dampen potential ratings or outlook improvements, but financial performance is expected to strengthen. The company's complete exit from natural gas E&P operations in 2010 was an important milestone and a signal that the shift in risk appetite will be durable. Recent financial performance has been in line with expectations, and service territory economic conditions should allow that to continue.	Todd Shipman
DPL Inc. (A-/Stable/--) Although economic conditions have been challenging due to the Ohio unemployment rate of about 12%, DPL continues to see signs of recovery. Second quarter weather adjusted retail sales rose 5% compared to the same period in 2009, with industrial sales climbing about 15%. Higher sales can be traced to the automotive, metals, plastics and food sectors and an expanding military presence. The utility's electric security plan reduces regulatory uncertainty as it extends current rates through 2012. Meanwhile, its Advanced Metering Infrastructure and Smart Grid plan is pending regulatory approval. Although the costs total $270 million through 2012, amid the sluggish economy, it's unlikely the full amount will be spent. A ruling is expected later this year. Given completion of the company's extensive scrubber program, manageable construction outlays, and cost controls, DPL is likely to continue to generate positive free cash flow and keep and FFO to total debt above the currently healthy level of 33%.	Barbara Eiseman
DTE Energy Co. (BBB/Positive/A-2) The company has been able to maintain its improved financial measures because of its ongoing effective management of its regulatory risk. For the 12 months ended June 2010 FFO to debt was 20.6% compared with 19.8% at the end of 2009. In July 2010 the company filed for a $51 million gas rate increase and in the beginning of 2010 the company received an electric rate case order for a $217 million increase. We can raise the rating if the company can improve its business risk profile through reliable management of its energy trading business, which suffered a loss in the second quarter of 2010, continuing management of its regulatory risk, and maintaining its current financial measures over the longer term.	Gabe Grosberg
Duke Energy Carolinas LLC (A-/Stable/A-2) See Duke Energy Corp.	Todd Shipman
Duke Energy Corp. (A-/Stable/A-2) Duke Energy Ohio's three-year rate plan, which was expected to provide stability to revenues and cash flows and support credit quality, has proven to be the opposite, and the utility will be exposed to greater market risk for the foreseeable future. Duke Energy Carolinas will be raising base rates during the next two years after rate cases were settled in North Carolina and South Carolina. The construction of the 600MW Edwardsport integrated gasification combined cycle unit in Indiana has gone well over budget, but the higher costs are still expected to be approved by regulators. A settlement with major intervenors will, if approved, cap Duke's recovery of Edwardsport costs at a manageable level. A more aggressive spending on wind and solar projects, combined with the missteps in Ohio and Indiana, has derailed positive ratings momentum. Recent financial performance has been in line with expectations, and service territory economic conditions should allow that to continue.	Todd Shipman
Duke Energy Indiana Inc. (A-/Stable/A-2) See Duke Energy Corp.	Todd Shipman
Duke Energy Kentucky Inc. (A-/Stable/--) See Duke Energy Corp.	Todd Shipman
Duke Energy Ohio Inc. (A-/Stable/A-2) See Duke Energy Corp.	Todd Shipman
Duquesne Light Co. (BBB-/Stable/--) See Duquesne Light Holdings Inc.	Todd Shipman
Duquesne Light Holdings Inc. (BBB-/Stable/--) Duquesne continues to incur higher unrecovered POLR costs from capacity payments to generators in the PJM region, which is pressuring operating cash flow measures through at least 2010. The Pennsylvania Public Utility Commission recently approved the company's new POLR plan to be effective Jan. 1, 2011 through May 31, 2013. The new plan should help improve the company's operating cash flow. The company is committed to reduce debt leverage and strengthen the balance sheet, which has improved credit quality. The declining operating cash flow along with existing financial obligations, including debt service, could improve with better	Todd Shipman

cost recovery and a stronger balance sheet.

E.ON U.S. LLC (BBB+/Stable/--) Ultimate parent E.ON AG's pending sale of E.ON U.S. to PPL for $7.6 billion is awaiting various approvals and is expected to close by the end of 2010. A settlement was recently reached in Kentucky with intervenors regarding the acquisition in which the utilities will not file for a base rate hike to become effective before 2013 and will equally share savings with customers if they earn an ROE above 10.75%. Commission approval is expected shortly. On July 30, 2010, the Kentucky Commission approved an aggregate $189 million rate increase (75% of the amount sought) for Louisville Gas & Electric Co. and Kentucky Utilities Co. Full realization of higher rates will help to strengthen key financial metrics. Meanwhile, a large portion of E.ON U.S.'s construction program is nearing completion. The 750 MW Trimble County 2 coal-fired unit in which the company has a 75% ownership share, is expected to start operating later this year.	Barbara Eiseman
Edison International (BBB-/Stable/--) Our ratings assume Edison International will not support Edison Mission Energy, which is generating weak cash flow from its merchant coal fleet due to weak power prices. The continued stable performance for electric utility Southern California Edison (SCE) is supporting adequate consolidated financial performance. SCE is planning to spend about $4 billion in capital expansion this year. Some 41% of SCE's five-year capital expenditure plans will require California Public Utilities Commission approval as part of the utility's general rate case to be filed by the end of this year. The utility seeks $903 million or a 7.9% increase over projected 2011 average rates.	Anne Selting
El Paso Electric Co. (BBB/Stable/--) Performance has been consistent with our expectations at the current rating level. The company benefits from continued retail customer growth and limited recessionary impacts which will be partially offset by reduced off-system margins pursuant to the latest rate case. Adjusted FFO to total debt has remained robust at 22.2%, for the 12 months ended June 30, 2010, and has averaged 20% over the past three years. The commission approved the tentative settlement that was entered earlier. The company was authorized to raise non-fuel base rates by $17 million on July 1 and add an energy efficiency rider for the recovery of deferred energy efficiency costs during three years and a formula-based fuel factor which provides for more timely recovery of costs. The order authorizes the company to share 90% of its off-system sales margins with customers compared with 75% earlier.	Antonio Bettinelli
Empire District Electric Co. (BBB-/Stable/A-3) Although Empire's financial performance is currently under stress (adjusted FFO to total debt at just 14% and total debt to total capital at 58%) due to rising costs and heavy spending for its construction program, the bulk of its capital expansion plan will be completed this year. Recently, stipulated agreements were approved in Missouri and Kansas calling for annual rate increases of $46.8 million and $2.8 million, respectively. With regard to Missouri, the pact included an additional $10 million of regulatory amortization and continuation of a fuel adjustment clause. On Aug. 18, 2010, the company filed for a $3.2 million (27.3%) rate hike in Arkansas; an order is expected next summer. Continued constructive rate treatment coupled with credit supportive actions by management, will be necessary to sustain financial metrics at levels commensurate with investment-grade ratings. The June 2010 completion of the company's $120 equity distribution program will help to maintain capital structure balance.	Barbara Eiseman
Enogex LLC (BBB+/Stable/--) See OGE Energy Corp.	Barbara Eiseman
Entergy Arkansas Inc. (BBB/Stable/--) See Entergy Corp.	Dimitri Nikas
Entergy Corp. (BBB/Stable/--) Entergy's decision to abandon the spin-off of its merchant nuclear assets does not affect the view of the company since the assets are expected to continue their hedging practices. Entergy Louisiana and Entergy Gulf States Louisiana issued securitization bonds to recover storm cost damages and to replenish storm reserve funds. Entergy Texas reached a settlement agreement with intervenors which provides for $59 million base rate increase in August 2010 and an additional $9 million in May 2011. The Public Utility Commission of Texas must still approve the settlement. Financial performance for the 12 months ended June 30, 2010 was adequate for the rating benefiting from base rate increases and favorable weather, with adjusted FFO to interest coverage of 4.8x, FFO to total debt of 25.6%, and debt leverage of 60.0%.	Dimitri Nikas
Entergy Gulf States Louisiana LLC (BBB/Stable/--) See Entergy Corp.	Dimitri Nikas
Entergy Louisiana LLC (BBB/Stable/--) See Entergy Corp.	Dimitri Nikas
Entergy Mississippi Inc. (BBB/Stable/--) See Entergy Corp.	Dimitri Nikas
Entergy New Orleans Inc. (BBB-/Stable/--)	

See Entergy Corp.	Dimitri Nikas
Entergy Texas Inc. (BBB/Stable/--) See Entergy Corp.	Dimitri Nikas
FirstEnergy Corp. (BBB-/Stable/--) The company's strategic moves have elevated business risk by exposing its generation assets to greater market volatility. Current economic and electricity market conditions are producing power prices that are hindering the company's ability to improve its financial profile. The company's decision to pursue a merger with Allegheny Energy amid efforts to reduce financial risk led to a downgrade. Gaining merger approvals will consume management time and resources, but we believe credit quality will not suffer further. Recent financial performance has been in line with expectations, and service territory's economic conditions should allow that to continue.	Todd Shipman
FirstEnergy Solutions Corp. (BBB-/Stable/--) See FirstEnergy Corp	Todd Shipman
Florida Power & Light Co. (A-/Stable/A-2) See FPL Group Inc.	Todd Shipman
Florida Power Corp. d/b/a Progress Energy Florida Inc. (BBB+/Negative/A-2) See Progress Energy Inc.	Dimitri Nikas
Florida Progress Corp. (BBB+/Negative/--) See Progress Energy Inc.	Dimitri Nikas
Georgia Power Co. (A/Stable/A-1) See Southern Co.	Dimitri Nikas
Great Plains Energy Inc. (BBB/Stable/--) FFO for the 12 months ended June 30, 2010, increased by about 42% compared to the end of 2009 levels, reflecting the $217 million rate base increase in the latter part of 2009 and warmer-than-expected weather. FFO to debt increased to 12.9% compared to 9.4%. Recently, the company filed multiple rate cases for a combined rate request of about $245 million. The increases are mostly related to the completion of Iatan 2 and higher coal transportation costs. Although the Kansas Corporation Commission staff recently recommended a revenue reduction of about $9.1 million (related to KCP&L's $55 million revenue request in Kansas) primarily because of $230 million disallowance of Iatan 2 costs, our baseline expectations are that the company will be able to manage its regulatory risks and settle the rate cases in a manner that is constructive for credit quality.	Gabe Grosberg
Green Mountain Power Corp. (BBB/Stable/--) Gaz Metro Inc. owns Green Mountain Power. The company recently announced a new agreement with Hydro-Quebec to purchase hydroelectric power for 26 years starting in November 2012. The agreement includes a price-smoothing mechanism which should help to mitigate large price increases. The agreement still needs regulatory approval. The utility still faces the challenge of securing replacement power supplies, which are likely to be more costly, when the Vermont Yankee contract expires in 2012. The Vermont senate recently voted against re-licensing the plant. Prospective rate increase needs could be large at a time of economic weakness. Therefore, the company's ability to manage regulatory risk will be critical to credit quality. The company's financial measures continue to be in line with our expectations.	Barbara Eiseman
Gulf Power Co. (A/Stable/A-1) See Southern Co.	Dimitri Nikas
Hawaiian Electric Co. Inc. (BBB/Negative/A-3) See Hawaiian Electric Industries Inc.	Anne Selting
Hawaiian Electric Industries Inc. (BBB/Negative/A-3) Financial performance through the second half of 2010 modestly improved, driven primarily by slightly better-than-expected results at the company's banking subsidiary, American Savings Bank. Persistent regulatory lag has been a key credit issue, but the Hawaii Public Utilities Commission (HPUC) at last made headway on processing a backlog of pending cases by approving a decoupling plan for Hawaiian Electric Co. (HECO) and issuing final decisions for aged dockets including Maui Electric's and HECO's 2007 rate cases. A settlement in Hawaiian Electric Light Co.'s 2010 rate case was also announced and awaits HPUC approval. However, we expect 2010 financial performance to be weak for the rating. A resolution of our negative outlook will consider if recent Hawaii Public Utility Commission actions will position the utility for long-term improvement in its credit metrics.	Anne Selting
IDACORP Inc. (BBB/Stable/A-2) Credit metrics have continued to improve with adjusted FFO to total debt to 18.3%, for the 12 months ended June 30, 2010, versus	Antonio

11.7% a year earlier. Benefits from the constructive 2009 general rate case, effective June 1, 2010, may continue to benefit cash flows. Financial performance also improved as result of collections related to power cost adjustment mechanism consistent with our expectations at the current rating level. Manageable capital expenditures add stability to the credit profile. Below-average projected hydrological conditions in the Northwest are not expected to reduce financial performance in 2010 as softer loads and low gas and power prices are expected to lessen the impact.	Bettinelli
Idaho Power Co. (BBB/Stable/A-2) See IDACORP Inc.	Antonio Bettinelli
Illinois Power Co. (BBB-/Stable/--) See Ameren Corp.	Gabe Grosberg
Indiana Michigan Power Co. (BBB/Stable/--) See American Electric Power Co. Inc.	Gerrit Jepsen
Indianapolis Power & Light Co. (BBB-/Stable/--) See IPALCO Enterprises Inc.	Gabe Grosberg
Integrys Energy Group Inc. (BBB+/Stable/A-2) The company completed the sale of its Texas retail electric marketing businesses, which together with the other recent sales of the non-rate regulated businesses, completed the reduction of Integrys' non-rate regulated businesses. We expect that the cash flow from the non-regulated businesses will represent less than 10% of consolidated FFO. Although adjusted FFO for the 12 months ended June 30, 2010 fell 8% compared to the previous quarter and by 19% compared to the previous year, partially because of the sale of the non-regulated businesses, the cash flow measure continue to perform in line with our expectations because of management's proactive focus to reduce its O&M costs, debt, and regulatory lag.	Gabe Grosberg
International Transmission Co. (BBB/Stable/--) See ITC Holdings Corp.	Gabe Grosberg
Interstate Power & Light Co. (BBB+/Positive/A-2) See Alliant Energy Corp.	Gerrit Jepsen
IPALCO Enterprises Inc. (BBB-/Stable/--) Cash flow measures continue to gradually slip toward the lower end of the highly leveraged category because of lingering weak sales due to the recession, increased environmental capital spending, and weak power prices. For the 12 months ended June 30, 2010 FFO to debt fell to 11.8% compared to 12.4% at March 31, 2010 and 12.5% at the end of 2009. The company's investment-grade corporate credit rating incorporates prudent management of liquidity, including the expected payment of its $150 million credit facility due 2011 and the long-term debt maturity of $375 million well in advance. We could lower the rating if FFO to debt falls below 10%, which would most likely occur if sales further decline, or the company is unable to adequately manage its liquidity.	Gabe Grosberg
ITC Holdings Corp. (BBB/Stable/--) FFO for the 12 months ended June 30, 2010 increased by about 21% since the end of 2009, primarily reflecting the company's increased rate base. Consequently, the financial measures also improved. FFO to debt improved to 14% compared to 12% and debt to EBITDA strengthened to 5.7x from 5.9x. The improved financial measures are in line with our baseline forecast and are now closer to the midpoint of the 'aggressive' financial risk profile.	Gabe Grosberg
ITC Midwest LLC (BBB/Stable/--) See ITC Holdings Corp.	Gabe Grosberg
Jersey Central Power & Light Co. (BBB-/Stable/--) See FirstEnergy Corp.	Todd Shipman
Kansas City Power & Light Co. (BBB/Stable/A-2) See Great Plains Energy Inc.	Gabe Grosberg
KCP&L Greater Missouri Operations Co. (BBB/Stable/--) See Great Plains Energy Inc.	Gabe Grosberg
Kansas Gas & Electric Co. (BBB/Stable/--) See Westar Energy Inc.	Gabe Grosberg
Kentucky Power Co. (BBB/Stable/--)	

See American Electric Power Co. Inc.	Gerrit Jepsen
Kentucky Utilities Co. (BBB+/Stable/A-2) See E.ON U.S. LLC	Barbara Eiseman
KeySpan Corp. (A-/Stable/A-2) See National Grid USA	Barbara Eiseman
KeySpan Energy Delivery Long Island (A/Stable/--) See National Grid USA	Barbara Eiseman
KeySpan Energy Delivery New York (A/Stable/--) See National Grid USA	Barbara Eiseman
Louisville Gas & Electric Co. (BBB+/Stable/--) See E.ON U.S. LLC	Barbara Eiseman
Madison Gas & Electric Co. (AA-/Stable/A-1+) Currently pending before the Wisconsin Commission is an application for a $32.8 million (9.4%) electric and a $4.4 million (2.0%) gas rate increase. Rate relief is needed to recover the costs of the Elm Road plant (unit 1 was declared commercial Feb. 2, 2010 and Unit 2 has a guaranteed in-service date of Nov. 28, 2010), environmental equipment, transmission enhancements, and infrastructure additions to the gas system. An order is expected by the end of 2010. The utility will need to depend on continuing responsive rate treatment to recover higher levels of capital spending. The commission, however, could scrutinize requested rate hikes given the weakened economy. Therefore, the regulatory risks management is important. Adjusted FFO to total debt was about 20% and debt to capital stood at about 49% at June 30, 2010. With rate relief and credit supportive actions, these ratios should modestly improve.	Barbara Eiseman
Massachusetts Electric Co. (A-/Stable/A-2) See National Grid USA	Barbara Eiseman
Metropolitan Edison Co. (BBB-/Stable/--) See FirstEnergy Corp.	Todd Shipman
Michigan Consolidated Gas Co. (BBB/Positive/A-2) See DTE Energy Co.	Gabe Grosberg
Michigan Electric Transmission Co (BBB/Stable/--) See ITC Holdings Corp.	Gabe Grosberg
MidAmerican Energy Co. (A-/Stable/A-2) Operating income continues to decline, and is down 11% in the second half of 2010 relative to the same period in 2009. Low wholesale commodity power prices and retail sales have hampered the operations, but through the first half of 2010 retail load has recovered somewhat, with sales about 6% higher than in 2009 due in part to warm weather. The company has offset the lower operating revenues on credit metrics by paying down short-debt balances. For 2010 and 2011 we expect the company will be able to maintain credit ratios appropriate for the rating, although we would note that this assumes that retail sales would continue to gradually recover. Our ratings presume that the company will not build new wind generation before 2012. Limited capital investment should result in free operating cash flow for at least the next several years.	Anne Selting
MidAmerican Energy Holdings Co. (BBB+/Stable/--) Consolidated operations have not been immune to the recession. While 2009 cash flows got a boost from deferred taxes, continued lower operating income for several commodity exposed portions of MidAmerican Energy's businesses in the second half of 2010. Key weaknesses include lower interruptible revenues for pipelines Northern Natural Gas and Kern River Gas Corp. and reduced gross margins on wholesale power sales at MidAmerican Energy Co. The consolidated financial profile is expected to remain in the current range. But as MEHC approaches 2014 (when its contingent equity agreement with Berkshire Hathaway expires), improved financial performance is expected. Acquisition appetite, which could encompass unregulated assets, continues to be a ratings consideration.	Anne Selting
Midwest Independent Transmission System Operator Inc. (A+/Stable/--)	

2010 financial measures have declined as expected due to a 25% increase in debt, which is used to build a backup control room, data center facilities, and a synchrophasor project. For the 12 months ended June 2010, FFO to debt decreased to 20.7% compared to 25.9% at the end of 2009 and debt to EBITDA increased to 3.6x from 2.8x. A possible weakening of the business risk profile, which could result if additional MISO members decide to leave due to the lack of a centralized capacity market or a disagreement about the allocation of electric transmission costs, could derail credit quality.	Gabe Grosberg
Mississippi Power Co. (A/Stable/A-1) See Southern Co.	Dimitri Nikas
Monongahela Power Co. (BBB-/Stable/--) See Allegheny Energy Inc.	Gerrit Jepsen
Narragansett Electric Co. (A-/Stable/A-2) See National Grid USA	Barbara Eiseman
National Grid USA (A-/Stable/A-2) The ratings on National Grid USA are based on the consolidated credit profile of parent, U.K.-based National Grid PLC (NG) and reflects the strong, predictable cash flows generated by the group's low operating risk electricity and gas operations, a broadly supportive regulation, a consistently applied strategic and financial policy, and a proven track record of managing large acquisitions. In May 2010, NG announced a fully underwritten £3.2 billion rights issue to support funding for a significant increase in capital expenditures. We expect the rights issue to position NG more comfortably within the existing ratings, and to provide a degree of headroom that was previously lacking. With regard to the U.S., full realization of recently authorized rate relief for certain subsidiaries will help to enhance financial metrics. However, credit risk derives from the regulators' review of requests for higher rates in other jurisdictions during the economic slump. Hence, the ability of the utilities to manage regulatory risk will be critical to credit quality.	Barbara Eiseman
Nevada Power Co. (BB/Stable/--) See NV Energy Inc.	Antonio Bettinelli
New England Power Co. (A-/Stable/A-2) See National Grid USA	Barbara Eiseman
New York State Electric & Gas Corp. (BBB+/Stable/--) Ratings are based on stand-alone credit characteristics since the absorption of parent company Iberdrola USA's debt by the ultimate parent Iberdrola SA (A-/Stable/A-2). Ratings can be capped by the Iberdrola rating. New York State Electric & Gas's electric transmission and distribution and natural gas transportation, storage, and distribution activities in a rural and suburban upstate region produce a steady, if unspectacular, base for the credit profile. Pass-through rate mechanisms for most major costs support ratings, but a base rate freeze agreed to as part of the Iberdrola purchase has led to deteriorating financials as the economy turned down. The recent approval of a settlement of a base rate case by New York regulators indicates that regulatory risk has abated. Recent financial performance has been in line with expectations, and higher rates and service territory economic conditions should allow that to continue or improve.	Todd Shipman
NextEra Energy Inc. (A-/Stable/--) The downturn in the Florida economy and regulatory uncertainties at regulated unit Florida Power & Light have eroded credit quality at the integrated utility, which is a significant contributor to the group's earnings and cash flow. The Florida Public Service Commission's restrictive rate decision amid the current difficult economic environment affected our assessment of regulatory risk and resulted in a downgrade. The lower ratings also reflect growth in the unregulated merchant generation and marketing and trading business. Financial metrics and disciplined financial and risk management provide support for the ratings, but recently announced moves to invest in an overseas generation project and natural gas E&P activities could be indications of a growing risk appetite in the non-utility side of the business. Recent financial performance has been in line with expectations, and service territory's economic conditions should allow that to continue.	Todd Shipman
Niagara Mohawk Power Corp. (A-/Stable/A-2) See National Grid USA	Barbara Eiseman
Northeast Utilities (BBB/Stable/--) Capital expenditures for 2010 will continue to be significant at about $1 billion, in part relating to the ongoing transmission projects which support the consolidated business risk profile. On June 30, 2010, Connecticut's Department of Public Utility Control approved a two-year rate increase for Connecticut Light & Power Co., for $63.4 million in the first year and $38.5 million in the second year. The	Dimitri Nikas

new rates take effect on January 2011, which coincide with the ending of stranded cost recoveries. State regualtors approved Public Service of New Hampshire's (PSNH) rate settlement, which is effective July, 1, 2010. PSNH agreed not to file for new base rates until 2015, unless the earned returned on equity falls below 7%. Given the large expected capital spending program which will only be partially internally funded, the financial risk profile is likely to remain aggressive over the intermediate term, which is in line with expectations.

North Shore Gas Co. (BBB+/Stable/--)
See Integrys Energy Group Inc. — Gabe Grosberg

Northern Natural Gas Co. (A/Stable/--)
See MidAmerican Energy Holdings Co. — Anne Selting

Northern States Power Co. (A-/Stable/A-2)
See Xcel Energy Inc. — Gerrit Jepsen

Northern States Power Wisconsin (A/Stable/--)
See Xcel Energy Inc. — Gerrit Jepsen

NorthWestern Corp. (BBB/Stable/--) — Antonio Bettinelli

Credit metrics have improved due to lower operating expenses and tax benefits with adjusted FFO to total debt at 23.4% for the 12 months ended June 30, 2010. With respect to the Montana general rate case, the state regulators voted for an interim rate increase of $12.4 million for electric and $1.4 million for gas customers, subject to final approval, expected at year end, with a settlement now pending for slightly less. The company continues to look for investors for its proposed Mountain States Transmission Intertie and Montana Renewable Collector System projects. Planned capital expenditures are expected to remain below cash flow levels, mitigating financing needs, although debt leverage has risen year over year due to the funding of Mill Creek, and the use of significant cash to reduce pension deficits, which are now insignificant.

NSTAR (A+/Stable/A-1) — Barbara Eiseman

NSTAR's recent sale of its district energy business allows the company to focus on core electric and gas delivery businesses and its growing transmission business. NSTAR and Northeast Utilities received FERC approval for the proposed structure of a transmission arrangement that interconnects New England and Quebec. Subject to the timing of other regulatory decisions, construction could begin in 2011 and power could flow in 2014. NSTAR's share of the cost is estimated at $225 million, which we expect to be funded in a balanced manner. Financial measures have been slightly below our expectations; as of June 30, 2010 FFO to debt was 14% and debt to capital was 62%. We expect financial measures to improve as the company is able to recover deferred stranded costs, which should enable the company to achieve FFO to debt of at least 20% and total debt to total capital at levels below 65%.

NSTAR Electric Co. (A+/Stable/A-1)
See NSTAR — Barbara Eiseman

NSTAR Gas Co. (A+/Stable/--)
See NSTAR — Barbara Eiseman

NV Energy Inc. (BB/Stable/--) — Antonio Bettinelli

Nevada's unemployment rate reached 14.4% in August, and remains a credit factor, although sales have not been directly correlated with the state's economic tribulations. Retail electric sales in the second quarter declined by 5%, versus a year ago, due to weather and recessionary impacts. Consolidated credit metrics have improved over the past year due to the 2009 general rate increase at Nevada Power but may weaken before its next general rate increase. For the 12 months ended June 30, 2010, adjusted FFO to total debt increased to 13.1% from 7.8% a year earlier, providing support to ratings. We expect minimal external financing requirements over the next three years as growth has slowed and capital plans have been curtailed, including the decision to partner with LS Power to build significant north-south transmission capacity.

OGE Energy Corp. (BBB+/Stable/A-2) — Barbara Eiseman

Solid second-quarter results can be traced to rate relief and various rate riders at Oklahoma Gas & Electric as well as volume growth in the gathering and processing business at Enogex. Adjusted FFO to total debt and debt to capital were about 28% and 57%, respectively, for the 12 months ended June 30, 2010. Meanwhile, OGE remains involved in an extensive infrastructure expansion plan, concentrating on wind generation and build out of transmission. Recently, the Oklahoma Commission approved the company's $450 million Crossroads wind farm slated for operation in 2011 and $366 million for its Smart Grid program which is expected to be implemented by the end of 2013. These projects will result in increased capital outlays, which we expect to be financed in a balanced manner. While the Oklahoma economy has weakened, it remains stronger than in other regions of the country. Industrial sales continued to increase for the fourth consecutive quarter and were up 9% since last June. Customer growth is about 0.7%, which is slightly below historical levels.

Ohio Edison Co. (BBB-/Stable/A-3)
See FirstEnergy Corp. — Todd Shipman

Ohio Power Co. (BBB/Stable/--)
See American Electric Power Co. Inc. — Gerrit Jepsen

Ohio Valley Electric Corp. (BBB-/Stable/--) — Gabe Grosberg
The company has continued to delay it flue gas desulfurization projects, thereby increasing the total cost to about $1.4 billion from its initial estimate of $1.2 billion. The company has purchased additional sulfur dioxide emission allowances to comply with current environment regulations. Because OVEC funds projects with 100% debt, the increased costs will increase Ohio Valley Electric's debt/kilowatt (kW) to about $720/kW from its current $615/kW. At June 30, 2010, debt service coverage (DSC) approximated 1.3x or about the same as at the end of 2009, which is in line with our expectations. We can lower the ratings to speculative grade if the DSC consistently weakens to below 1.2x, which most probably could occur if the environmental capital projects are delayed considerably longer than expected.

Oklahoma Gas & Electric Co. (BBB+/Stable/A-2)
See OGE Energy Corp. — Barbara Eiseman

Oncor Electric Delivery Co. LLC (BBB+/Stable/--) — Dimitri Nikas
Oncor's distribution base rates increased by $115 million in August 2009, in response to the company's rate case filing, reflecting an ROE of 10.25%. In the rate case decision, the PUCT rejected a consolidated tax savings adjustment, affirming Oncor's ring-fenced status. Oncor is pursuing the competitive renewable energy zone projects, and plans to invest up to $1.3 billion in various transmission projects in Texas. For the first six months of 2010, Oncor distributed $176 million to its joint owners. Improved sales, a modest increase in new customers, and new rates modestly improved credit metrics for the 12 months ended June 30, 2010, with adjusted metrics of FFO interest of 3.6x, FFO to total debt of 15%, and debt leverage of 66%. The financial profile will weaken somewhat as Oncor reaches the regulatory defined debt leverage limit of 60% debt.

Orange and Rockland Utilities Inc. (A-/Stable/A-2)
See Consolidated Edison Inc. — Dimitri Nikas

Otter Tail Corp. (BBB-/Stable/--) — Gerrit Jepsen
We're closely observing Otter Tail's unregulated businesses, which have been contributing about 50% of consolidated cash flow due to prolonged economic downturn. The company's capital spending program could pressure cash flow measures without constructive regulatory outcomes. Given the cash flow volatility of the unregulated operations, financial measures were adequate for the aggressive financial risk profile with 26% adjusted FFO to debt as of June 30, 2010, and 52% adjusted debt to capital. Our forecast includes FFO to total debt of more than 20% and total debt to capital of about 52%.

Otter Tail Power Company (BBB-/Stable/--)
See Otter Tail Corp — Gerrit Jepsen

Pacific Gas & Electric Co. (BBB+/Watch Neg/A-2)
See PG&E Corp — Anne Selting

PacifiCorp (A-/Stable/A-2) — Anne Selting
Incremental rate relief is stabilizing PacifiCorp's financial performance despite lost retail electric sales and a heavy capital expenditure program. Operating income has grown in the second half of 2010 over the first half, while cash flows have declined due to a more than doubling of deferred tax add-backs to the company's cash flow statement that provided an ephemeral boost in 2009. While growth in the company's service territories has attenuated its forecast capital expenditure program, its planned investments continue to be its primary challenge in the coming years, along with improving its return on equity in each of the six states it serves.

PECO Energy Co. (BBB/Stable/A-2) — Gabe Grosberg
The company continues to meet our expectations that the transition to full competitive rate will be smooth. Recently the company filed a joint settlement regarding its electric and gas rate cases that will increase revenue by about $245 million, or approximately 68% of the amount requested. We view the settlement as constructive and supportive of credit quality. Furthermore, based on the results of the first three wholesale power auctions for the post-2010 periods, we expect that customers' bills will increase by less than 9% and points to a smoother-than-excepted transition, reflecting the company's effective management of regulatory risk.

Pennsylvania Electric Co. (BBB-/Stable/--)
See FirstEnergy Corp — Todd Shipman

Pennsylvania Power Co. (BBB-/Stable/--)

See FirstEnergy Corp	Todd Shipman
Peoples Energy Corp. (BBB+/Stable/--) See Integrys Energy Group Inc.	Gabe Grosberg
Peoples Gas Light & Coke Co. (The) (BBB+/Stable/A-2) See Integrys Energy Group Inc.	Gabe Grosberg
PEPCO Holdings Inc. (BBB+/Stable/A-2) We upgraded Pepco to 'BBB+' after the sale of Conectiv Energy Holding's merchant generation assets and using the $1 billion plus proceeds largely for debt reduction. We revised the consolidated business risk profile to 'excellent' as a result of this sale along with the strategic decision to exit retail marketing. The reduced capital spending on Mid-Atlantic Power Pathway may help bolster financial measures such as net cash flow to capital expenditures and free operating cash flow. With a material reduction in permanent debt, we expect financial measures to strengthen and we consider liquidity 'adequate' with minimal near-term maturities and ample credit facilities for the utilities. We continue to closely monitor the company's leveraged leases and any tax implications that, if any arise, we expect would be resolved in a credit supportive manner.	Gerrit Jepsen
PG&E Corp. (BBB+/Watch Neg/--) A massive PG&E gas pipeline explosion on September 9 is a further blemish to the company's reputation which is already suffering from smart meter implementation problems and the political fallout over the company's sponsorship of Proposition 16, a failed June ballot initiative that would have made it more difficult for local governments to compete with PG&E for generation service. While insurance proceeds appear adequate to cover the immediate costs of the blast, the negative CreditWatch listing reflects that the accident may strain the utility's otherwise stable regulatory relationships and, ultimately, its financial health. The event also presents another challenge, in our view, from executing on PG&E's massive capital projects.	Anne Selting
Pinnacle West Capital Corp. (BBB-/Positive/A-3) Pinnacle concluded the sale of its Northwest District Cooling Business for about $70 million (post-tax), with the proceeds used to reduce leverage. The credit metrics for the 12 months ended June 30, 2010 weakened considerably with adjusted FFO to debt of 10.4%. This was driven by a lower FFO due to amortizations of fuel over-collections, changes in collateral, and tax adjustments—all temporary in nature. Adjusted cash from operations was nearly double FFO over the same time period. On a normalized basis, the company's financial performance is within our expectations, but spending remains high while growth remains low, adding some financial risk. We expect cash flow credit metrics to improve through the remainder of the year as the new rates provide benefit to cash flows. Leverage improved due to a $253 million equity issuance in April 2010 and is currently at 58%.	Antonio Bettinelli
PNM Resources Inc. (BB-/Stable/--) Public Service of New Mexico's pending 21% rate increase rate request is the first under a legislatively authorized future test year but has experienced significant challenges. Intervenors filed motions to either dismiss the case or extend the suspension period. The NMPRC suspended the rates till April 1, 2011 and scheduled hearings in December 2010. On July 27, the New Mexico Public Regulation Commission (NMPRC) determined that the general rate case application was incomplete and asked the company to file additional budgetary information. PNM has filed the information and an application with New Mexico Supreme Court to vacate the NMPRC's July 27, 2010 order. Adjusted FFO coverage of debt was 14.4% for the 12 months ended June 30, 2010. This coverage is in the mid-to-low range of our expectations for the current financial risk category.	Antonio Bettinelli
Portland General Electric Co. (BBB/Stable/A-2) The utility's retail energy sales declined 3.5% on the quarter versus a year ago on weather adjusted basis, due to the weak economy, although weather muted the revenue impact. The company reached a somewhat constructive settlement in its significant pending rate case, which would allow for a net revenue increase of $52 million and likely bring adjusted FFO to debt more in line with the current expectations. A final order is expected in December. Adjusted FFO to total debt was 16.6% for the 12 months ended June 30, 2010. The recent completion of the $1 billion 450MW Biglow Canyon wind farm temporarily reduces execution risk and capital needs. The Boardman issue remains unresolved which could require additional investments.	Antonio Bettinelli
Potomac Edison Co. (BBB-/Stable/--) See Allegheny Energy Inc	Gerrit Jepsen
Potomac Electric Power Co. (BBB+/Stable/A-2) See PEPCO Holdings Inc	Gerrit Jepsen
PPL Electric Utilities Corp. (A-/Negative/A-2) Parent PPL Corp.'s pending acquisition of Kentucky Utilities Co. and Louisville Gas & Electric Co. requires Kentucky commission approval. The company is targeting a fourth quarter close. Following the end of generation price caps for PPL Electric Utilities' residential customers, generation rates rose in 2010. But for 2011 - mid-2013, generation rates may drop due to declining power prices. We will continue to monitor any adverse reactions by consumers or state legislators to market-based generation rates. We expect operating	Gerrit Jepsen

cash flow to increase once recovery of capital spending and higher operating expenses begins following a commission decision in the utility's pending distribution rate case.

Progress Energy Inc. (BBB+/Negative/A-2) On June 1, 2010, the Florida Public Service Commission approved a settlement that froze Florida Power Corp.'s base rates through 2012. Florida Power's ability to recover capital expenditures through various clauses remains unaffected. The rate freeze provides time for the regulatory, economic, and political environments in Florida to stabilize, but can prevent Florida Power from contributing to an improved consolidated financial profile. Florida Power is also working to bring back online the Crystal River 3 nuclear plant, and recovery of related capital and energy expenses will be important in supporting the consolidated credit profile. Both of Progress' utilities have benefited in 2010 from improving sales and customer additions. Given the slow economic recovery and base rate freeze at PEF, we expect the consolidated financial profile to improve at a slower pace than initially anticipated, while still being sufficient to support current ratings.	Dimitri Nikas
Public Service Co. of Colorado (A-/Stable/A-2) See Xcel Energy Inc	Gerrit Jepsen
Public Service Co. of New Hampshire (BBB/Stable/--) See Northeast Utilities	Dimitri Nikas
Public Service Co. of New Mexico (BB-/Stable/--) See PNM Resources Inc.	Antonio Bettinelli
Public Service Co. of North Carolina Inc. (BBB+/Stable/A-2) See SCANA Corp.	Dimitri Nikas
Public Service Co. of Oklahoma (BBB/Stable/--) See American Electric Power Co. Inc.	Gerrit Jepsen
Public Service Electric & Gas Co. (BBB/Stable/A-2) The ratings on PSE&G reflect the consolidated credit profile of parent Public Service Enterprise Group. In June and July 2010, PSE&G received final rate orders to increase gas and electric rates by $100 million based on a 10.3% ROE and a common equity ratio of 51.2%. While the company is proceeding with its remaining $1.2 billion of solar and stimulus capital projects, it's reducing its distribution capital expenditures by $140 million annually and delayed the $750 million Susquehanna-Roseland electric transmission line by two years because of siting. We view the rate case order as constructive for credit quality and expect that the rate relief and reduced capital spending will allow the regulated utilities to maintain their current financial measures, which are more than adequate for the current rating.	Gabe Grosberg
Puget Energy Inc. (BB+/Stable/--) Puget Energy's and Puget Sound Energy's cash flow credit metrics have weakened to the bottom of our range of post-merger expectations. The debt leverage has increased to 59.3% as of June 30, 2010 as compared to 56.3% same period last year due to $575 million debt issuances during 2010; this leveraging was largely expected but is near the limit of levels that can sustain current rating levels. Retail electric and gas sales improved slightly on a weather adjusted basis but cooler weather has temporarily impacted margins and cash flows. Consolidated adjusted FFO to total debt has decreased 12.8% for the 12 months ended June 30, 2010, remaining within our expectations on a consolidated basis. Financial results are expected to improve slightly as new rates are fully reflected in revenues but capital expenditures remain high.	Antonio Bettinelli
Puget Sound Energy Inc. (BBB/Stable/A-2) See Puget Energy Inc.	Antonio Bettinelli
Rochester Gas & Electric Corp. (BBB/Stable/--) Ratings have been based on stand-alone credit characteristics since the absorption of parent company Iberdrola USA's debt by the ultimate parent Iberdrola SA (A-/Stable/A-2). Ratings can be capped by the Iberdrola rating. Rochester Gas & Electric's electric transmission and distribution activities and some limited electric generation operations in an urban and suburban upstate region produce a steady base for the credit profile. Pass-through rate mechanisms for most major costs support ratings, but a base rate freeze agreed to as part of the Iberdrola purchase and a weak service territory economy have led to deteriorating financials. The recent approval of a settlement of a base rate case by New York regulators indicates that regulatory risk has abated. Recent financial performance has been in line with expectations, and higher rates and service territory's economic conditions should allow that to continue or improve.	Todd Shipman
Rockland Electric Co. (A-/Stable/--) See Consolidated Edison Inc.	Dimitri Nikas
SCANA Corp. (BBB+/Stable/--)	

The South Carolina Public Service Commission recently approved South Carolina Electric & Gas's (SCE&G) rate settlement to increase base rates by $101 million. SCE&G has also experienced moderate customer growth as a local economy rebounds. The company is building two new nuclear units in partnership with Santee Cooper on a 55%-45% ownership basis, which increased business risk and necessitated strong credit protection measures to preserve current ratings. The constructive rate case outcome along with the recovery of financing costs during the construction of the new nuclear plant and timely recovery of fuel costs should continue to provide support to the consolidated credit profile. For the 12 months ended June 30, 2010, SCANA's financial risk profile remained aggressive but mostly in line with expectations, with FFO to interest coverage of 3.6x, FFO to total debt of 15.3%, and debt leverage of 59.5%.	Dimitri Nikas
Sierra Pacific Power Co. (BB/Stable/--) See NV Energy Inc	Antonio Bettinelli
South Carolina Electric & Gas Co. (BBB+/Stable/A-2) See SCANA Corp.	Dimitri Nikas
Southern California Edison Co. (BBB+/Stable/A-2) See Edison International	Anne Selting
Southern Co. (A/Stable/A-1) Southern Company has embarked on a large capital spending program to build two new nuclear units, an integrated gasification combined cycle plant, three combined cycle units as well as extensive installation of environmental controls on existing plants. Timely recovery of the incurred investment and financing costs is important in supporting the consolidated credit profile. Georgia Power filed for a $615 million base rate increase annd an alternative rate plan that would enable timely investment recovery through various riders. The Georgia Public Service Commission is expected to provide a response by the end of 2010. Southern's financial risk profile remains robust given the subsidiaries' ability to recover invested capital, environmental expenses, and fuel costs through various clauses. For the 12 months ended June 30, 2010, FFO to interest was 4.5x, FFO to total debt was 17.7%, while the debt leverage was 58%.	Dimitri Nikas
Southern Connecticut Gas Co. (A-/Watch Neg/--) UIL Holdings plans to acquire Southern Connecticut Gas (SCG) and other gas utilities from Iberdrola USA for $1.296 billion. The parties expect the transaction to close by the first quarter of 2011. Upon completion of the transaction, we will lower SCG's corporate credit ratings to UIL's corporate credit rating, given that a lower rated entity with a weaker financial profile acquired it. The company's relatively stable and predominantly residential service territory should help maintain a stable credit profile through the merger approval process. Recent financial performance has been in line with expectations, and service territory economic conditions should allow that to continue.	Todd Shipman
Southern Electric Generating Co. (A/Stable/--) See Southern Co.	Dimitri Nikas
Southwestern Electric Power Co. (BBB/Stable/--) See American Electric Power Co. Inc	Gerrit Jepsen
Southwestern Public Service Co. (A-/Stable/A-2) See Xcel Energy Inc.	Gerrit Jepsen
System Energy Resources Inc. (BBB/Stable/--) See Entergy Corp.	Dimitri Nikas
Tampa Electric Co. (BBB/Stable/A-2) See TECO Energy Inc.	Todd Shipman
TECO Energy Inc. (BBB/Stable/--) TECO management's focus on its core regulated business provides sturdy support for credit quality. Cash flow at the electric utility has improved with higher base rates and more timely collection of fuel costs. Smaller amounts of debt incurred to pursue now-abandoned unregulated ventures continue to drag on financial measures and credit quality. Rates for the company's 24%-owned electric distribution utility in Guatemala have been drastically cut, but no cash flow from Guatemalan activities is counted on to service TECO's debt. Coal mining operations are susceptible to harsh and variable economic and market conditions that constrain credit quality. Recent financial performance has been in line with expectations, and service territory's economic conditions should allow that to continue.	Todd Shipman
Texas-New Mexico Power Co. (BB-/Stable/--) See PNM Resources Inc.	Antonio Bettinelli
The Berkshire Gas Co. (BBB+/Watch Neg/--)	

UIL Holdings plans to acquire Berkshire and other gas utilities from Iberdrola USA for $1.296 billion. The parties expect the transaction to close by the first quarter of 2011. Upon completion of the transaction, we will lower Berkshire's corporate credit ratings to UIL's corporate credit rating, given that a lower rated entity with a weaker financial profile acquired it. We expect Berkshire to continue to perform at current levels through the merger approval process given the company's low risk gas distribution strategy. However, improvement will be tempered by its limited growth opportunities as its relatively small size detracts from credit quality. Recent financial performance has been in line with expectations, and service territory's economic conditions should allow that to continue.	Todd Shipman
Toledo Edison Co. (BBB-/Stable/--) See FirstEnergy Corp.	Todd Shipman
Tucson Electric Power Co. (BB+/Stable/B-2) Financial results improved in the second quarter of 2010 compared with same period in 2009, driven by planned expense reductions and higher long-term wholesale sales partially offset by lower total kilowatt hour retail sales. Higher mining sales offset lower industrial and residential sales to some extent. External financing needs are minimal, as we expect cash flows to exceed capital investments. In May, the company filed its 2011 Renewable Energy Standard implementation plan with Arizona Corporation Commission which includes proposal to invest $28 million (about 7 MW of owned solar projects per year) in 2010 to 2014. UniSource's consolidated adjusted FFO to debt was 15.8% for the 12 months ended June 30, 2010, compared with 15.0% a year earlier; debt leverage remains very high at 71.4%.	Antonio Bettinelli
UIL Holdings Corp. (BBB/Negative/--) UIL Holdings plans to acquire three gas distribution companies from Iberdrola USA for $1.296 billion. UIL will fund the proposed acquisition by issuing $400 million of senior unsecured debt at UIL, about $500 million of common equity issued in September 2010, and the assumption of about $411 million of debt. We expect the transaction to close by the first quarter of 2011. The completed equity funding mitigates some of the initial funding concerns. Construction of the Middletown gas-peaking plant is also proceeding on schedule for June 2011 opening. Financial measures as of June 30, 2010 are in line with our expectations: 17% adjusted FFO to debt and 62% adjusted debt to capital.	Dimitri Nikas
Union Electric Co. d/b/a AmerenUE (BBB-/Stable/A-3) See Ameren Corp.	Gabe Grosberg
United Illuminating Co. (The) (BBB/Negative/--) See UIL Holdings Corp.	Dimitri Nikas
Virginia Electric & Power Co. (A-/Stable/A-2) See Dominion Resources Inc.	Todd Shipman
West Penn Power Co. (BBB-/Stable/--) See Allegheny Energy Inc.	Gerrit Jepsen
Westar Energy Inc. (BBB/Stable/--) The company's cash flow measures have continued to steadily improve, meeting our expectations for the current rating. For the 12 months ended June 30, 2010, FFO improved by more than 16% reflecting increases to both base and transmission rates as well as a local economic recovery. Electric sales to retail customers were up 3.9% compared to the prior year and Kansas' unemployment rate of about 6.5% is currently more than 300 basis points lower than the national average. We expect that the FFO to debt will remain in the 15%-17% range, factoring in increased environmental and transmission capital expenditures.	Gabe Grosberg
Western Massachusetts Electric Co. (BBB/Stable/--) See Northeast Utilities	Dimitri Nikas
Wisconsin Electric Power Co. (A-/Stable/A-2) See Wisconsin Energy Corp.	Barbara Eiseman
Wisconsin Energy Corp. (BBB+/Stable/A-2) Economic conditions continue to improve, with second quarter retail electric sales rising 7.2% as compared to 2009. Full realization of rate relief in Wisconsin, approval of a self-implementation plan to raise rates in Michigan, improving economic activity, and modest deleveraging should help enhance the company's financial condition. Adjusted FFO to total debt was about 22% and total debt to capital was an aggressive 58% at June 30, 2010. Meanwhile, the 85%-owned Oak Creek Unit 1 was declared commercial on Feb. 2, 2010 and Unit 2 is expected to start operating before Nov. 28, 2010. Environmental upgrades are on budget and on time for completion in 2012 and construction has begun on a large wind farm, also slated for operation in 2012. The company will depend on continuing responsive rate treatment to recover higher levels of capital spending. Hence, the utility's ability to manage regulatory risk is important.	Barbara Eiseman
Wisconsin Gas LLC (A-/Stable/A-2)	

See Wisconsin Energy Corp.	Barbara Eiseman
Wisconsin Power & Light Co. (A-/Stable/A-2) See Alliant Energy Corp.	Gerrit Jepsen
Wisconsin Public Service Corp. (A-/Stable/A-2) See Integrys Energy Group Inc.	Gabe Grosberg
Xcel Energy Inc. (A-/Stable/A-2) We raised the corporate credit rating on Xcel due to the completed Comanche 3 coal unit, a strengthening financial risk profile due to improving financial measures and credit supportive, transparent financial policies. Cash flow measures should further increase now that the coal unit is fully reflected in rates and after two gas fired facilities, acquired from Calpine, are included in rate base. With lower proposed capital spending and improving operating cash flow following rate cases, financial measures should be bolstered, including higher net cash flow to capital expenditures and free operating cash flow. For 12 months ended June 30, 2010, FFO to total debt was 20%, debt to EBITDA was 4.2x, and debt to capital was about 58%.	Gerrit Jepsen
Yankee Gas Services Co. (BBB/Stable/--) See Northeast Utilities	Dimitri Nikas

*Ratings as of Sept. 27, 2010.

Quarterly Rating Activity

Table 2

Recent Rating/Outlook/CreditWatch Actions*

Issuer	To	From	Date	Reason
PEPCO Holdings Inc.	BBB+/Stable/A-2	BBB/Watch Pos/A-2	July 1, 2010	We raised the corporate credit rating on PEPCO and its subsidiaries Atlantic City Electric Co., Delmarva Power & Light Co., and Potomac Electric Power Co. to 'BBB+' from 'BBB' to reflect our expectation that the credit quality of the consolidated company will strengthen. At the same time, we removed the ratings from CreditWatch with positive implications which were placed on April 21, 2010 as a result of the completion of the $1.63 billion sale of PEPCO's merchant generation assets to Calpine Corp. and PHI's commitment of $1.4 billion in long-term debt reduction with the proceeds. As a largely regulated company, we now consider the business risk profile of PHI as 'excellent'. We consider the financial risk profiles for all entities as 'significant'. The outlook is stable.
Northern States Power Co.	A-/Stable/A-2	BBB+/Positive/A-2	June 23, 2010	See Xcel Energy Inc.
Northern States Power Co. Wisconsin	A/Stable/--	A-/Positive/--	June 23, 2010	See Xcel Energy Inc.
Public Service Co. of Colorado	A-/Stable/A-2	BBB+/Positive/A-2	June 23, 2010	See Xcel Energy Inc.
Southwestern Public Service Co.	A-/Stable/A-2	BBB+/Positive/A-2	June 23, 2010	See Xcel Energy Inc.
Xcel Energy Inc.	A-/Stable/A-2	BBB+/Positive/A-2	June 23, 2010	We raised the corporate credit rating on Xcel and its subsidiaries Northern States Power Co., Public Service Co. of Colorado, and Southwestern Public Service Co. to 'A-' from 'BBB+' because of the company's regulated utility strategy and our expectation of strengthening financial measures. At the same time, we affirmed the 'A-' corporate credit rating on NSP-Wisconsin. The outlooks are stable and we maintain the business risk profiles as 'excellent' and financial risk profiles as 'significant'.
Atlantic City Electric Co.	BBB+/Stable/A-2	BBB/Watch Pos/A-2	July 1, 2010	See PEPCO Holdings Inc.

Table 2

Recent Rating/Outlook/CreditWatch Actions* (cont.)				
Delmarva Power & Light Co.	BBB+/Stable/A-2	BBB/Watch Pos/A-2	July 1, 2010	See PEPCO Holdings Inc.
National Grid Holdings Inc.	A-/Stable/--	N/A	Sept. 14, 2010	We assigned its 'A-' corporate credit rating to National Grid Holdings, a wholly-owned subsidiary of National Grid PLC, which is also an intermediate holding company of National Grid USA. The outlook is stable. The ratings on NGHI, National Grid USA, and its subsidiaries are based on the consolidated credit profile of NG, which has an 'excellent' business risk profile and a 'significant' financial risk profile.
Potomac Electric Power Co.	BBB+/Stable/A-2	BBB/Watch Pos/A-2	July 1, 2010	See PEPCO Holdings Inc.
Alliant Energy Corp.	BBB+/Positive/A-2	BBB+/Stable/A-2	July 23, 2010	We revised the outlook on Alliant and Interstate Power & Light to positive from stable. The outlook revision reflects the company's manageable capital spending program, as well as its robust cash flow metrics throughout the recession. Retaining these cash flow measures along with no increased business risk could result in a higher rating. At the same time, we affirmed 'BBB+' corporate credit ratings on Alliant and IPL and the 'A-' corporate credit rating on Wisconsin Power and Light (WPL). The outlook on WPL is stable.
Arizona Public Service Co.	BBB-/Positive/A-3	BBB-/Stable/A-3	June 28, 2010	See Pinnacle West Capital Corp.
Duke Energy Carolinas LLC	A-/Stable/A-2	A-/Positive/A-2	July 23, 2010	See Duke Energy Corp.
Duke Energy Corp.	A-/Stable/A-2	A-/Positive/A-2	July 23, 2010	We revised the outlook on Duke to stable from positive. At the same time, we affirmed our ratings, including the 'A-' corporate credit rating, on Duke, sub-holding company Cinergy Corp., and utility subsidiaries Duke Energy Carolinas LLC, Duke Energy Indiana Inc., Duke Energy Kentucky Inc., and Duke Energy Ohio Inc. Cost increases in Duke's plant construction program and robust competition in Ohio have worsened business risk and limited upward rating momentum. Successful risk management of those developments and steady financial performance will be necessary to maintain ratings stability. We have maintained the business risk profile at 'excellent' and the financial risk profile at 'significant'.
Duke Energy Indiana Inc.	A-/Stable/A-2	A-/Positive/A-2	July 23, 2010	See Duke Energy Corp.
Duke Energy Kentucky Inc.	A-/Stable/--	A-/Positive/--	July 23, 2010	See Duke Energy Corp.
Duke Energy Ohio Inc.	A-/Stable/A-2	A-/Positive/A-2	July 23, 2010	See Duke Energy Corp.
Interstate Power & Light Co.	BBB+/Positive/A-2	BBB+/Stable/A-2	July 23, 2010	See Alliant Energy Corp.
Northern Natural Gas Co.	A/Stable/--	A/Negative/--	July 19, 2010	We revised the outlook to stable from negative. In addition, we affirmed the 'A' ratings on the company. While the company's financial performance is expected to decline from high levels of recent years, our pipeline sector review leads us to conclude that the pipeline is deeply interconnected in key Midwest markets, which should support stable revenues despite the unprecedented changes in the natural gas market. The stable outlook also reflects the FERC's termination of its Section 5 rate investigation earlier this summer. An adverse ruling in the matter could have further eroded future credit metrics.
Pacific Gas and Electric Co.	BBB+/Watch Neg/A-2	BBB+/Stable/A-2	Sept. 10, 2010	See PG&E Corp.

Table 2

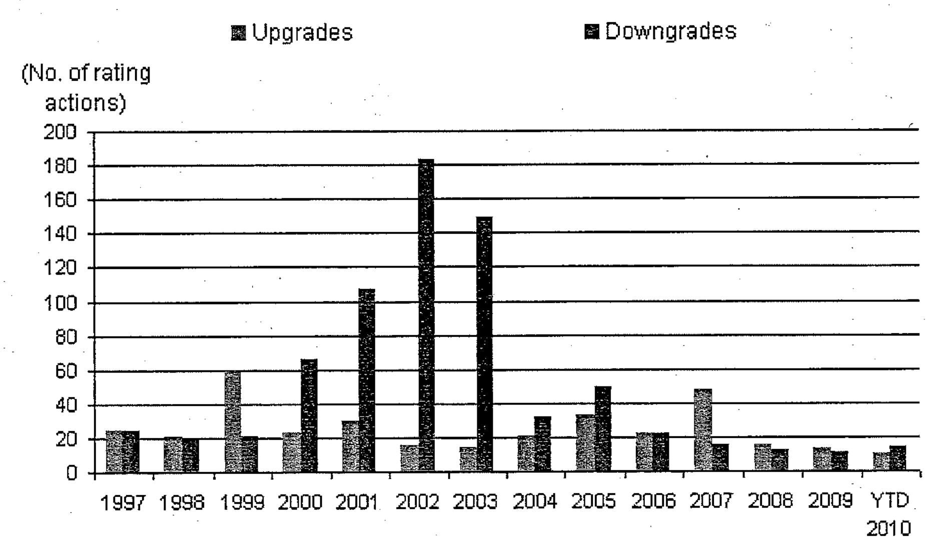
Recent Rating/Outlook/CreditWatch Actions* (cont.)				
PG&E Corp.	BBB+/Watch Neg/--	BBB+/Stable/--	Sept. 10, 2010	We placed the ratings on Pacific Gas and Electric Co. and PG&E Corp. on CreditWatch with negative implications. The CreditWatch listing follows the rupture of a 30-inch steel gas transmission pipeline owned and operated by Pacific Gas and Electric. Resolution of the CreditWatch listing is dependent on several factors, including the ultimate cost responsibility of this incident to the utility and the parent, our assessment of any reputational damage to PG&E, repercussions with regard to safety and other elements, and the utility's potential need to upgrade aging infrastructure throughout its system.
Pinnacle West Capital Corp.	BBB-/Positive/A-3	BBB-/Stable/A-3	June 28, 2010	We revised the outlook to positive from stable on Pinnacle West Capital Corp. and its integrated electric utility subsidiary, Arizona Public Service Co. In addition, we affirmed all issue ratings and the 'BBB-' corporate credit rating. The positive outlook reflects our assessment of an improving business profile exemplified by management's recent success in regulatory filings combined with progress in the disposition of remaining non-utility assets. The strengthened business profile may lead to higher ratings in the next 12-18 months, provided the company is able to manage service area growth and costs prudently and sustain financial metrics consistent with our forecast expectations of adjusted FFO to debt of more than 17% and adjusted debt to capital of less than 56%.

*Dates represent the period from June 19, 2010, to Sept. 27, 2010, covered by this report card.

Rating Trends

Chart 3

U.S. Utility Upgrades Versus Downgrades*



*Years 1997-2006 excludes midstream and pipeline companies. Year 2007 excludes midstream.

Selected Articles

Table 3

Previously Published U.S. Electric Utilities Articles

Article title	Published date
Ratings Roundup: Strongly Positive Rating Changes In U.S. Electric Utility Sector In Second-Quarter 2010; No Downgrades	July 15, 2010
Q&A: The U.S. Electric Transmission Sector Looks To Power Up After A Draining Recession	Aug. 10, 2010
Q&A: A Look At The Issues Transforming U.S. Electric Utilities	Aug. 30, 2010

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Comments and ratings reflect available public data as of Sept. 27, 2010.

STANDARD & POOR'S

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June 18, 2010

Billions Are Coming Due For The U.S. Utility And Power Sector, But Paying It Back Should Be Manageable

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Tighter Bank Lending Standards Won't Slow Utilities

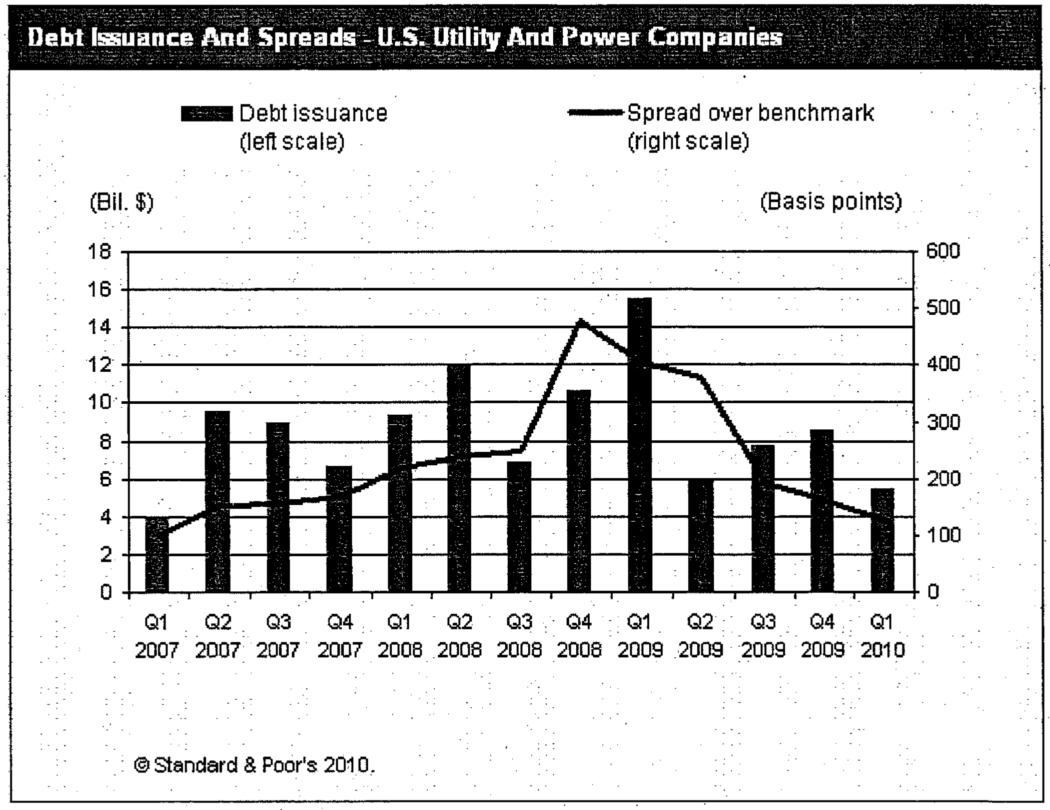
Refinancing Requirements Are Considerable, But Achievable

Billions Are Coming Due For The U.S. Utility And Power Sector, But Paying It Back Should Be Manageable

Standard & Poor's Ratings Services believes that the financial strength and stability of rated companies in the U.S. utility and diversified power industry (regulated electric, gas, and water utilities as well as holding companies with both regulated and nonregulated assets) will continue to support ready access to the debt capital markets to meet their substantial refinancing needs. We believe this access will remain available despite the substantial need to also tap the capital markets related to capital expenditure programs that are generally growing. These capital programs relate to reliability issues associated with aging infrastructure, renewable portfolio standards instituted by most states, tightening clean air and other environmental standards, and the eventual return of demand growth.

Thus far in 2010, U.S. utility and power companies have been able to tap the markets for more than $10 billion, placing about one-half this amount at the far end of the maturity spectrum of 30 years, about 30% in the middle of the spectrum (10 years), and the balance having maturity dates ranging from two to six years. Moreover, repricing risk (i.e., the exposure of an issuer to possibly higher interest rates at the time of refinancing) continues to decline. Repricing risk (i.e., the possibility of higher and uncertain interest rates when borrowing rates reset) continues to decline. The spread on Standard & Poor's investment-grade bond index (the great majority of issuers in the utility and diversified energy industry are investment grade) peaked in the fourth quarter of 2008 at 578 basis points (bps). Borrowing rates dropped dramatically as credit spreads tightened to 173 bps at the end of first-quarter 2010 (see chart 1).

Chart 1



These factors and continued strong access to long-term debt issuance in the capital markets should help support a smooth refinancing process for the sector for the next three years or so.

Tighter Bank Lending Standards Won't Slow Utilities

With respect to the bank market, we don't expect the sector to meet much reluctance from lenders to renew maturing revolving credit facilities, which companies usually rely on to fund general working capital needs, including capital spending and seasonal purchases of natural gas. Financial institutions continue to view utilities and power as relatively safe havens. Even with the generally weakened condition of these financial institutions, the consolidation and failures among lenders, and their greater risk aversion haven't prevented utilities from successfully refinancing their maturing bank credit facilities. While lenders may have tightened certain lending standards, most specifically shortening the term of new facilities to two to three years from the more typical five, and have ratcheted up interest rates and fees, financial and other covenant restrictions tightened marginally, if at all.

Refinancing Requirements Are Considerable, But Achievable

Since 2005, total debt in the utility and diversified power sector has increased by 27% to $522 billion (see table 1), which is in line with the growth in the companies' EBITDA, which totaled $124 billion in 2009. Despite more EBITDA, the sector's unadjusted debt to capital ratio was 59% and has been roughly 60% in each of the past five years.

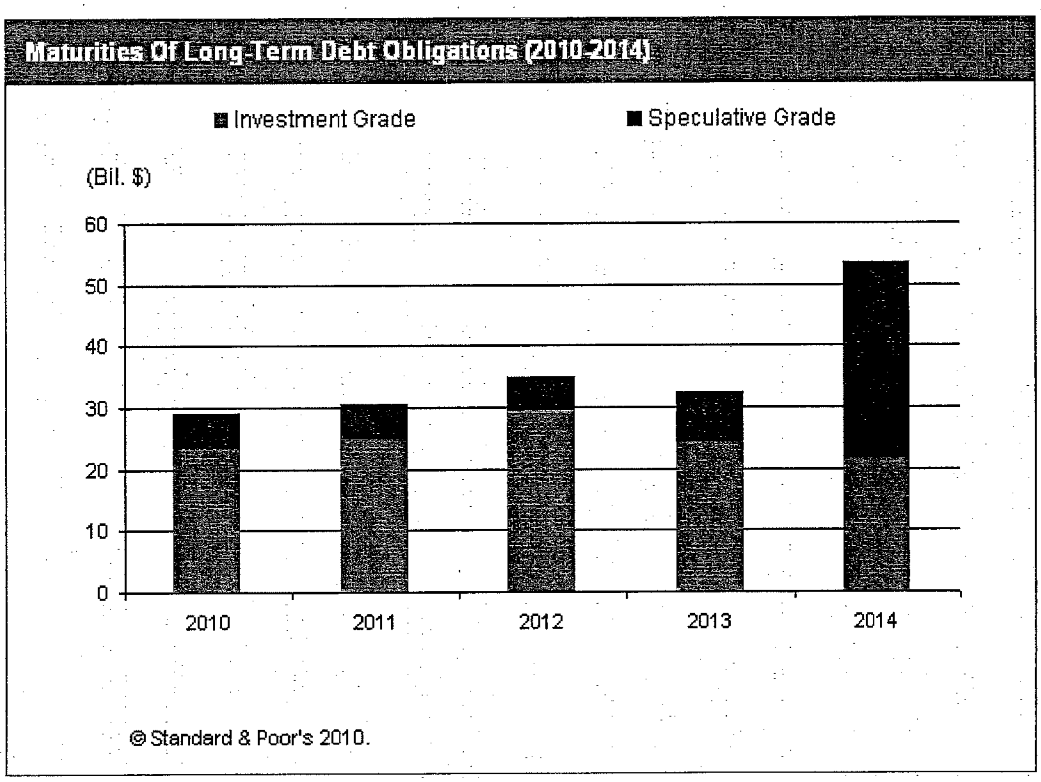
Table 1

Utility Sector Debt Outstanding By Rating Category

(Mil. $)	2009	2008	2007	2006	2005
AAA	-	-	-	-	-
AA	2,867	3,317	2,715	2,633	2,153
A	105,235	126,003	116,032	83,078	58,304
BBB	292,122	269,302	232,905	248,179	252,691
BB	56,309	41,990	38,981	41,814	23,490
B	65,238	74,719	63,883	37,245	56,390
CCC	-	-	-	-	275
CC/C/D	-	-	15,529	16,374	16,496
Total	521,772	515,330	470,045	429,323	409,799
Investment grade	400,224	398,622	351,653	333,890	313,148
Speculative grade	121,548	116,709	118,392	95,433	96,651
Investment grade (%)	77	77	75	78	76
Speculative grade (%)	23	23	25	22	24

The amount of debt maturities for the sector through 2013 is relatively flat year-over-year, which contrasts with the U.S. corporate sector in general where maturities gradually increase in each of the next few years (see chart 2).

Chart 2



However, debt maturities increase substantially in 2014, mainly because of the $22 billion to $23 billion in secured debt maturing that year at Texas Competitive Electric Holdings Co. LLC (TCEH; B-/Negative/--), the unregulated subsidiary of Energy Future Holdings Corp. (EFCH; B-/Negative/--). With respect to the refinancing risk, the prospects for the Texas wholesale and retail electric markets through the maturity of the 2014 debt at TCEH remain the key credit drivers for EFHC, and we believe they're critical to the company's ability to successfully refinance this huge amount of debt.

The top 25 utilities and related companies account for more than 60% of the industry's total consolidated refinancing requirements in 2011-2013 (see table 2). Corporations with obligations that rely on more diverse cash flow sources that include regulated operations are generally likely, in our view, to refinance with greater ease.

Table 2

25 Largest Refinancing Requirements (2011-2013)

(Mil. $)	Company	Rating*	Debt maturing in 2011	Debt maturing in 2012	Debt maturing in 2013	Debt maturing in 2011-2013	Total debt outstanding	Debt due 2011 -2013/total outstdg debt (%)
1	AES Corp. (The)	BB-/Positive/--	1,739.0	868.0	1,744.0	4,351.0	20,312.0	21.4
2	Duke Energy Corp.	A-/Positive/A-2	602.0	2,247.0	1,443.0	4,292.0	17,019.0	25.2
3	Entergy Corp.	BBB/Stable/--	777.7	2,747.1	600.4	4,125.2	12,014.5	34.3
4	FPL Group Capital Inc.	A-/Stable/--	2,239.0	627.0	1,136.0	4,002.0	18,889.0	21.2
5	Southern Co.	A/Stable/A-1	1,100.0	1,800.0	941.0	3,841.0	19,883.0	19.3
6	MidAmerican Energy Holdings Co.	BBB+/Stable/--	1,266.7	1,676.0	649.7	3,592.5	19,931.0	18.0
7	El Paso Corp.	BB/Stable/--	685.2	2,274.6	613.8	3,573.6	13,868.0	25.8
8	Public Service Enterprise Group Inc.	BBB/Stable/A-2	1,140.6	1,192.3	1,007.4	3,340.3	8,748.0	38.2
9	American Electric Power Co. Inc.	BBB/Stable/A-2	896.0	651.0	1,331.8	2,878.9	17,941.0	16.0
10	Energy Future Holdings Corp.	B-/Negative/--	763.9	1,050.6	1,061.3	2,875.8	44,732.0	6.4
11	Progress Energy Inc.	BBB+/Negative/A-2	1,015.2	965.3	845.4	2,825.9	12,818.0	22.0
12	PG&E Corp.	BBB+/Stable/--	1,249.0	1,073.7	437.4	2,760.1	12,769.0	21.6
13	CenterPoint Energy Inc.	BBB/Stable/A-2	852.0	353.0	1,500.0	2,705.0	10,078.0	26.8
14	Dominion Resources Inc.	A-/Stable/A-2	496.8	1,482.3	700.7	2,679.8	18,171.0	14.7
15	National Grid USA	A-/Stable/A-2	2,267.8	249.6	17.2	2,534.6	3,546.9	71.5
16	NRG Energy Inc.	BB-/Stable/B-2	142.1	69.5	1,913.2	2,124.8	8,418.0	25.2
17	DTE Energy Co.	BBB/Stable/A-2	922.8	523.8	566.8	2,013.4	8,368.0	24.1
18	Spectra Energy Corp	BBB+/Negative/--	301.0	772.0	931.0	2,004.0	9,935.0	20.2
19	Exelon Corp.	BBB/Stable/A-2	597.6	826.0	553.7	1,977.3	12,594.0	15.7
20	Mirant Corp.	B+/Watch Neg/--	543.0	9.0	1,147.0	1,699.0	2,631.0	64.6
21	PPL Corp.	BBB/Watch Pos/--	500.0	-	1,137.0	1,637.0	7,782.0	21.0

Table 2

25 Largest Refinancing Requirements (2011-2013) (cont.)								
22	Ameren Corp.	BBB-/Stable/A-3	984.7	178.6	354.2	1,517.5	8,167.0	18.6
23	CMS Energy Corp.	BBB-/Stable/A-3	318.5	563.5	603.7	1,485.7	6,826.0	21.8
24	Constellation Energy Group Inc.	BBB-/Stable/A-3	81.7	923.0	466.2	1,470.9	4,916.9	29.9
25	PEPCO Holdings Inc.	BBB/Watch Pos/A-2	81.9	796.8	568.5	1,447.1	6,020.0	24.0
	All U.S. utility and power companies		30,753.4	35,073.2	32,643.8	98,470.4	524,423.4	18.8
	Top 25 as a % of all companies		70.1	68.2	68.2	68.8	62.2	

*Ratings as of June 18, 2010. Source: Standard & Poor's, Capital IQ.

Special Report

Click on the links below to see other articles in "Corporate Refinancings: The Trillion Dollar Question."

Click this link to go to the Special Report Archive.

Wave Of Debt Coming Due May Wash Away Some U.S. Speculative-Grade Borrowers

Near-Term Refinancing Needs Are Lower For North American Chemical Companies

U.S. Telecom And Cable Near-Term Debt Maturities Are Both Modest And Manageable

For Now, U.S. Financial Institutions Seem Poised To Manage Upcoming Corporate Loan Maturities

How Far Can Leveraged Loan Borrowers Kick Maturities Down The Road?

Refinancing Risk Remains The Main Threat To The Credit Quality Of European Speculative-Grade Companies

Why Refinancing Risk Is Moderating For The U.S. Packaging Sector

PacifiCorp
WA GRC

	Post Acquistion FMB Issuances	Principal	Settlement Date	Maturity Date	Term	Treasury Strike	Treasury Spread	Re-offer Yield	Coupon Rate	Yield Discount	Issuance Costs	Cost of Debt	Annual Debt Service Cost
1	6.10% Series due 2036	$350,000,000	08/10/06	08/01/36	30	5.064%	1.060%	6.124%	6.10%	$1,141,000	$2,907,881	6.185%	$21,647,500
2	5.75% Series due 2037	$600,000,000	03/14/07	04/01/37	30	4.750%	1.000%	5.750%	5.75%	$24,000	$589,216	5.757%	$34,542,000
3	6.25% Series due 2037	$600,000,000	10/03/07	10/15/37	30	4.859%	1.400%	6.259%	6.25%	$750,000	$5,127,281	6.323%	$37,938,000
4	5.65% Series due 2018	$500,000,000	07/17/08	07/15/18	10	3.874%	1.800%	5.674%	5.65%	$905,000	$3,066,596	5.756%	$28,780,000
5	6.35% Series due 2038	$300,000,000	07/17/08	07/15/38	30	4.472%	1.920%	6.392%	6.35%	$1,671,000	$2,289,958	6.450%	$19,350,000
6	5.50% Series due 2019	$350,000,000	01/08/09	01/15/19	10	2.486%	3.100%	5.586%	5.50%	$2,292,500	$2,509,869	5.681%	$19,883,500
7	6.00% Series due 2039	$650,000,000	01/08/09	01/15/39	30	2.969%	3.100%	6.069%	6.00%	$6,175,000	$6,123,685	6.139%	$39,903,500
		$3,350,000,000								$12,958,500	$22,614,485	6.031%	$202,044,500

	Pro-forma Issuances	Principal	Settlement Date	Maturity Date	Term	Treasury Strike	Treasury Spread		Re-offer Yield	Coupon Rate	Yield Discount	Issuance Costs	Cost of Debt	Annual Debt Service Cost
1	Series due 2036	$350,000,000	08/10/06	08/01/36	30	5.064%	1.750%	a	6.814%	6.814%	$0	$2,907,881	6.880%	$24,080,000
2	Series due 2037	$600,000,000	03/14/07	04/01/37	30	4.750%	1.220%	b	5.970%	5.970%	$0	$589,216	5.977%	$35,862,000
3	Series due 2037 (II)	$600,000,000	10/03/07	10/15/37	30	4.859%	1.700%	c	6.559%	6.559%	$0	$5,127,281	6.625%	$39,750,000
4	Series due 2018	$500,000,000	07/17/08	07/15/18	10	3.874%	2.530%	d	6.404%	6.404%	$0	$3,066,596	6.488%	$32,440,000
5	Series due 2038	$300,000,000	07/17/08	07/15/38	30	4.472%	2.800%	e	7.272%	7.272%	$0	$2,289,958	7.335%	$22,005,000
6	Series due 2019	$350,000,000	01/08/09	01/15/19	10	2.486%	5.210%	f	7.696%	7.696%	$0	$2,509,869	7.800%	$27,300,000
7	Series due 2039	$650,000,000	01/08/09	01/15/39	30	2.969%	4.630%	g	7.599%	7.599%	$0	$6,123,685	7.680%	$49,920,000
		$3,350,000,000									$0	$22,614,485	6.906%	$231,357,000

(a) APS
(b) PG&E
(c) Appalachian Power
(d) Union Electric
(e) El Paso Power
(f) Westar Energy
(g) Potomac Electric Power

Certificate

Exhibit No. _____
Docket UE-100749
Page 1

STATE OF WASHINGTON,)
)
COUNTY OF THURSTON.)

I hereby certify that the foregoing and attached documents are a full, true and correct copy of

Letter to Carole Washburn, Secretary, from Diane C. Thoren, on behalf of Avista Corporation, RE: Filing regarding compliance with Order No. 01, in Docket UE-101722, dated January 5, 2011, and

now on file in the office of the Washington Utilities and Transportation Commission at Olympia.

IN WITNESS WHEREOF, *I have hereunto set my hand and affixed the seal of the Washington Utilities and Transportation Commission, this* 13th *day of January, 2011* .

Executive Director and Secretary of the Washington Utilities and Transportation Commission

S.F. No. 3271 QX A-64

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

AVISTA Corp.

January 5, 2010

State of Washington
Washington Utilities and Transportation Commission
1300 Evergreen Park Drive South
Olympia WA 98504

Attention: Ms. Carole Washburn, Secretary

Docket No. UE - 101722

We are submitting the following information in compliance with the Commission's Order No. 01 under Docket No. UE-101722 for the authorization to issue up to $150,000,000 of debt securities.

On December 20, 2010, Avista Corporation (Avista Corp. or the Company) issued $52.0 million of 3.89 percent First Mortgage Bonds due in 2020 and $35.0 million of 5.55 percent First Mortgage Bonds due in 2040 pursuant to a bond purchase agreement with certain institutional investors in the private placement market. The new First Mortgage Bonds were issued under and in accordance with the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank, N.A., trustee, as amended and supplemented by various supplemental indentures and other instruments.

The total net proceeds from the sale of the new bonds of $86.6 million (net of placement agent fees and before Avista Corp.'s expenses) were used to redeem $45.0 million of 6.125 percent First Mortgage Bonds due in December 2013 and $30.0 million of 7.25 percent First Mortgage Bonds due in September 2013. These First Mortgage Bonds were redeemed on December 20, 2010 at par plus a make-whole redemption premium of $10.7 million. In accordance with regulatory accounting practices, the make-whole redemption premium will be amortized over the life of the new debt issued.

On December 30, 2010, Avista Corporation (Avista Corp. or the Company) issued $50.0 million of 1.68 percent First Mortgage Bonds (Bonds) due in 2013 pursuant to a bond purchase agreement with a certain institutional investor in the private placement market. The Bonds were issued under and in accordance with the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank, N.A., trustee, as amended and supplemented by various supplemental indentures and other instruments.

The net proceeds from the issuance of the Bonds of $49.8 million (net of placement agent fees and before Avista Corp.'s expenses) were used to repay a portion of the borrowings outstanding under the Company's $320.0 million committed line of credit.

The costs[1] associated for these issuances are as follows:

Type of Expense	Amount
Legal	240,326
Miscellaneous	4,796
Title Endorsement	45,105
Underwriter Fees	635,000
Redemption Expenses	11,537,486
Total	12,462,712

See enclosed term sheets for more details on the transactions.

Please contact Damien Lysiak at (509) 495-2097 if you have any questions.

Sincerely,

Diane C. Thoren
Treasurer

Enclosure

[1] The Company expects that there will be additional cost associated with the filing of the 49th and 50th supplemental indentures. These cost are estimated to be around $8,000 for each supplemental. Additionally there may be additional expenses that could be paid after this informational filing. These costs will be reflected in the cost of debt in next rate case.

Avista Corp

Pricing Term Sheet

Note: The term sheet below is not complete and is qualified in its entirety by reference to the Bond Purchase Agreement which will be executed in connection with the proposed transaction

Issuer:	Avista Corp
Security:	1.68% First Mortgage Bonds due 2013
Ratings* (Moody's/S&P/Fitch):	Baa1 / BBB+ / BBB+
Principal Amount:	$50,000,000
Maturity:	December 30, 2013
Coupon:	1.68%
Interest Payment Dates:	June 30 and December 30, commencing June 30, 2011
Benchmark Treasury:	0.50% due November 15, 2013
Benchmark Treasury Yield:	0.68%
Spread to Benchmark Treasury:	+100 bps
Yield to Maturity:	1.68%
Price:	100%
Funding Date:	Scheduled for December 30, 2010
Redemption Provisions: Make-Whole Call:	Make whole call at T + 50 bps
Use of Proceeds:	Net proceeds from the sale of the Bonds will be used to refinance existing indebtedness and for other general corporate purposes

* Note: A security rating is not a recommendation to buy, sell or hold securities, it may be revised or withdrawn at any time by the assigning rating organization and each rating presented should be evaluated independently of any other rating.

J.P.Morgan

November 19, 2010

AVISTA
Corp.

$87 million First Mortgage Bonds

Dear Investor:

On behalf of Avista Corporation ("Avista" or the "Company"), J.P. Morgan Securities LLC ("J.P. Morgan") is pleased to confirm the following circles of the Company's First Mortgage Bonds (the "Securities").

The pricing details for the Securities are as follows:

Offering Summary

	10 Year Bullet Maturity	30 Year Bullet Maturity
Benchmark US Treasury	2.625% due 11/20	4.250% due 11/40
Quoted Yield[1]	2.89	4.25
Credit Spread (bps)	100	130
Final Coupon	3.89%	5.55%
Final Maturity	December 20, 2020	December 20, 2040

[1] As shown on page PX1 of Bloomberg and on page 2 of this memo.

Participants in the offering are as follows:

Investors

	10 Year Bullet Maturity	30 Year Bullet Maturity	Total
[redacted]	$24,000,000	$11,000,000	$35,000,000
[redacted]	$18,000,000	$8,000,000	$26,000,000
[redacted]		$11,000,000	$11,000,000
[redacted]	$10,000,000		$10,000,000
[redacted]		$5,000,000	$5,000,000
TOTAL	$52,000,000	$35,000,000	$87,000,000

The transaction is expected to close on December 17, 2010 and fund on December 20, 2010. The interest payment dates will be June 1 and December 1 going forward, with the first interest payment date occuring on June 1, 2011.

Details on due diligence will be provided shortly.

Once again, on behalf of the Company, we thank you for your participation in this offering.

J.P. Morgan Securities LLC

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED:		WITNESS:	Kenneth Elgin
DOCKET:	UE-100749	RESPONDER:	Kenneth Elgin
REQUESTER:	PacifiCorp	TELEPHONE:	360-664-1313

1.19 Referring to page 20, lines 15 through 18: Please provide the long-term debt costs excluding the impact of short term debt for Puget Sound Energy and Avista as determined in their respective rate cases. Also, include the debt cost of any pro forma debt included in their respective rate filings.

RESPONSE:

We interpret "respective rate cases" to refer to the most recent general rate cases filed by Avista and PSE.

Avista: 6.08%. PSE: 6.70%. The Commission did not include any pro forma adjustments for PSE in its last contested rate case. If a pro forma were to be made for PSE in that case, Staff would use the rate PSE achieved in 2009 of 5.75 percent for debt maturing in 2039. No specific pro forma adjustments were made for Avista because the cost of capital was settled in that case. If a pro forma adjustment were to have been explicitly made in that case, it would recognize the rate Avista received in 2009 of 5.13% for debt maturing in 2022.

Mr. Elgin would also note that in 2009, PacifiCorp sold $350 million of 10-year debt, with a coupon rate of 5.50 %, and $650 million of 30-year debt with a coupon rate of 6.00%. See Exhibit No. ___ (BNW-2) page 2, lines 25 &26.

Notably, the rate for PacifiCorp is higher than the rate Avista achieved (5.13% for 13-year debt), and PSE achieved (5.75% rate for 30-year debt), yet Avista and PSE are rated lower than PacifiCorp, and each is capitalized with approximately 46% common equity for rate making purposes. (Attached is the cover page of PacifiCorp's prospectus for the 2009 first mortgage bonds it issued).

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JANUARY 9, 2008

PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

$1,000,000,000 First Mortgage Bonds
$350,000,000 5.50% Series Due 2019
$650,000,000 6.00% Series Due 2039

The 2019 bonds will bear interest at 5.50% per year and will mature on January 15, 2019. The 2039 bonds will bear interest at 6.00% per year and will mature on January 15, 2039. We will pay interest on each series of bonds on January and July of each year, beginning on July 15, 2009.

We may redeem some or all of the bonds of either series at any time at the redemption prices discussed under the caption "Description of the Bonds—Optional Redemption."

We will not apply for listing of the bonds on any securities exchange or include them in any automated quotation system.

Investing in the bonds involves risks. See "Risk Factors" on page S-7 for information on certain matters you should consider before buying the bonds.

	Per 2019 Bond	Total	Per 2039 Bond	Total
Public Offering Price(1)	99.345%	$347,707,500	99.050%	$643,825,000
Underwriting Discount	0.650%	$ 2,275,000	0.875%	$ 5,687,500
Proceeds to PacifiCorp (Before Expenses)	98.695%	$345,432,500	98.175%	$638,137,500

(1) Plus accrued interest, if any, from January 8, 2009.

The underwriters expect to deliver the bonds to purchasers through The Depository Trust Company on or about January 8, 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Book-Running Managers

Barclays Capital **Banc of America Securities LLC** **BNP PARIBAS** **RBS Greenwich Capital**

Co-Managers

Wedbush Morgan Securities Inc.

Wells Fargo Securities

Credit Suisse

Scotia Capital

SunTrust Robinson Humphrey

U.S. Bancorp Investments, Inc.

The date of this prospectus supplement is January 5, 2009.

PACIFICORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)

	Years Ended December 31, 2009	2008	2007
Cash flows from operating activities:			
Net income	$ 550	$ 465	$ 445
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	549	490	497
Provision for deferred income taxes	645	308	39
Changes in regulatory assets and liabilities	5	(37)	(45)
Other, net	(32)	(10)	3
Changes in other operating assets and liabilities, net of effects from acquisition:			
Accounts receivable and other assets	(5)	3	(81)
Derivative collateral, net	57	(82)	-
Inventories	(39)	(52)	(48)
Income taxes – affiliates, net	(206)	(20)	21
Accounts payable and other liabilities	(24)	(73)	(7)
Net cash flows from operating activities	1,500	992	824
Cash flows from investing activities:			
Capital expenditures	(2,328)	(1,789)	(1,519)
Acquisition, net of cash acquired	-	(308)	-
Purchases of available-for-sale securities	(21)	(52)	(25)
Proceeds from sales of available-for-sale securities	36	67	30
Other, net	5	6	17
Net cash flows from investing activities	(2,308)	(2,076)	(1,497)
Cash flows from financing activities:			
Net (repayments of) proceeds from short-term debt	(85)	85	(397)
Proceeds from long-term debt	992	797	1,193
Proceeds from previously reacquired long-term debt	-	216	-
Proceeds from equity contributions	125	450	200
Preferred stock dividends paid	(2)	(2)	(2)
Reacquired long-term debt	-	(216)	-
Repayments and redemptions of long-term debt and capital lease obligations	(144)	(413)	(127)
Redemptions of preferred stock subject to mandatory redemption	-	-	(38)
Other, net	(20)	(2)	13
Net cash flows from financing activities	866	915	842
Net change in cash and cash equivalents	58	(169)	169
Cash and cash equivalents at beginning of period	59	228	59
Cash and cash equivalents at end of period	$ 117	$ 59	$ 228

The accompanying notes are an integral part of these consolidated financial statements.

UE-090092-SF

PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

Pacific Power |
Rocky Mountain Power
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

January 15, 2009

VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY

Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Attention: David Danner
Executive Director and Secretary

Re: Confirmation ID 3192
Report of First Mortgage Bond Offering in Aggregate Principal Amount of $1,000,000,000

Dear Mr. Danner:

In accordance with WAC 480-100-242(6) and PacifiCorp's letter dated January 5, 2009 regarding the same matter, PacifiCorp, d.b.a. Pacific Power, submits to the Washington Utilities and Transportation Commission ("Commission") an original and two (2) conformed copies of each of the following documents relating to PacifiCorp's January 5, 2009 offering of $350,000,000 aggregate principal amount of First Mortgage Bonds, 5.50% Series due 2019 and $650,000,000 aggregate principal amount of First Mortgage Bonds, 6.00% Series due 2039 (the "Bonds"):

1. Prospectus Supplement dated January 5, 2009

2. Underwriting Agreement between PacifiCorp and Barclays Capital Inc., Banc of America Securities LLC, BNP Paribas Securities Corp. and Greenwich Capital Markets, Inc. dated January 5, 2009

3. Report of Securities Issued

With regard to the use of the proceeds from the issuance of the Bonds, please see "Use of Proceeds" on page S-8 of the enclosed Prospectus Supplement.

Hard Copy

Posted
RMS

Under penalty of perjury, I declare that I know the contents of the enclosed documents, and they are true, correct, and complete.

Please contact me at (503) 813-5662 or Cathie Allen, Regulatory Manager at (503) 813-5934 if you have any questions about this letter or the enclosed documents.

Sincerely,

Bruce N Williams

Bruce N. Williams
Vice President and Treasurer

Enclosures
Cc: Cathie Allen

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JANUARY 9, 2008

PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

$1,000,000,000 First Mortgage Bonds
$350,000,000 5.50% Series Due 2019
$650,000,000 6.00% Series Due 2039

The 2019 bonds will bear interest at 5.50% per year and will mature on January 15, 2019. The 2039 bonds will bear interest at 6.00% per year and will mature on January 15, 2039. We will pay interest on each series of bonds on January and July of each year, beginning on July 15, 2009.

We may redeem some or all of the bonds of either series at any time at the redemption prices discussed under the caption "Description of the Bonds—Optional Redemption."

We will not apply for listing of the bonds on any securities exchange or include them in any automated quotation system.

Investing in the bonds involves risks. See "Risk Factors" on page S-7 for information on certain matters you should consider before buying the bonds.

	Per 2019 Bond	Total	Per 2039 Bond	Total
Public Offering Price(1)	99.345%	$347,707,500	99.050%	$643,825,000
Underwriting Discount	0.650%	$ 2,275,000	0.875%	$ 5,687,500
Proceeds to PacifiCorp (Before Expenses)	98.695%	$345,432,500	98.175%	$638,137,500

(1) Plus accrued interest, if any, from January 8, 2009.

The underwriters expect to deliver the bonds to purchasers through The Depository Trust Company on or about January 8, 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Book-Running Managers

Barclays Capital **Banc of America Securities LLC** **BNP PARIBAS** **RBS Greenwich Capital**

Co-Managers

Wedbush Morgan Securities Inc.

Wells Fargo Securities

Credit Suisse

Scotia Capital

SunTrust Robinson Humphrey

U.S. Bancorp Investments, Inc.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the bonds we are offering and certain other matters relating to us and our financial condition. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the bonds we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the bonds in the prospectus supplement differs from the description in the base prospectus, the description in the prospectus supplement supersedes the description in the base prospectus.

You should rely only on the information contained in this document or to which this document refers you. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This document may only be used where it is legal to sell the bonds. The information in this document may only be accurate as of the date of this document. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUPPLEMENT SUMMARY

In this prospectus supplement, unless otherwise indicated or unless the context otherwise requires, the words "Company," "we," "our," "us" and "PacifiCorp" refer to PacifiCorp, an Oregon corporation, and its subsidiaries. References to the "Mortgage" are to the Mortgage and Deed of Trust, dated as of January 9, 1989, as amended and supplemented, with The Bank of New York Mellon Trust Company, N.A. as successor trustee.

The following summary contains basic information about PacifiCorp and this offering. It may not contain all the information that is important to you. The "Description of the Bonds" section of this prospectus supplement contains more detailed information regarding the terms and conditions of the bonds. The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this prospectus supplement and by the documents incorporated by reference into this prospectus supplement.

ABOUT PACIFICORP

We are a United States regulated electricity company serving 1.7 million residential, commercial, industrial and other customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. We own, or have interests in, a number of thermal, hydroelectric, wind-powered and geothermal generating plants, as well as electric transmission and distribution assets. We also buy and sell electricity on the wholesale market with public and private utilities, energy marketing companies and incorporated municipalities. The regulatory commission in each state approves rates for retail electric sales within that state.

We are an indirect subsidiary of MidAmerican Energy Holdings Company ("MEHC"). MEHC, a holding company based in Des Moines, Iowa, owning subsidiaries that are principally engaged in energy businesses, is a consolidated subsidiary of Berkshire Hathaway Inc.

Our address and telephone number are: PacifiCorp, 825 NE Multnomah, Suite 2000, Portland, Oregon 97232-4116; telephone: (503) 813-5000.

THE OFFERING

Issuer	PacifiCorp.
Bonds Offered	$350,000,000 aggregate principal amount of 5.50% First Mortgage Bonds due 2019 (the "2019 bonds"). $650,000,000 aggregate principal amount of 6.00% First Mortgage Bonds due 2039 (the "2039 bonds" and, together with the 2019 bonds, (the "bonds"). Each of the 2019 and the 2039 bonds is a series of securities that will be issued under a twenty-third supplement to the Mortgage.
Ratings	The 2019 bonds and 2039 are each expected to be assigned ratings of A3 by Moody's Investors Service, Inc., A- by Standard & Poor's Ratings Group and A- by Fitch, Inc. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.
Maturity Date	January 15, 2019 for the 2019 bonds. January 15, 2039 for the 2039 bonds.
Interest Payment Dates	January 15 and July 15, commencing July 15, 2009, for each series of bonds.
Optional Redemption	We may redeem the bonds of either series, at our option, in whole or in part, at any time, at a redemption price equal to the greater of: (1) 100% of the principal amount of the bonds to be redeemed; or (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the bonds to be redeemed discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the yield on equivalent Treasury securities plus 50 basis points with respect to the 2019 bonds, and 50 basis points with respect to the 2039 bonds, plus, for (1) or (2) above, whichever is applicable, accrued and unpaid interest, if any, on such bonds to the date of redemption. See "Description of the Bonds—Optional Redemption."
Sinking Fund	The bonds will not be subject to a mandatory sinking fund.

Ranking	The bonds will be secured by a first mortgage lien on certain utility property owned by us. The bonds will be equally and ratably secured with all other bonds issued under the Mortgage. The lien of the Mortgage is subject to certain exceptions. See "Description of the Bonds—Ranking and Security."
Covenants	The Mortgage contains a number of covenants by us for the benefit of the holders of the bonds, including provisions requiring us to maintain the mortgaged property as an operating system or systems capable of engaging in all or any of the generating, transmission, distribution or other utility businesses described in the Mortgage. See "Description of Additional Bonds—Certain Covenants" in the base prospectus.
Denominations	The bonds are available for purchase in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.
Use of Proceeds	We intend to use the net proceeds from the sale of the bonds to fund capital expenditures, for the repayment of short-term debt and for general corporate purposes. See "Use of Proceeds" in this prospectus supplement.
Trustee	The Bank of New York Mellon Trust Company, N.A. will be the trustee for the holders of the bonds. See "Description of Additional Bonds—The Mortgage Trustee" in the base prospectus.

RISK FACTORS

Investing in the bonds involves risk. Before purchasing the bonds, you should carefully consider the risk factors included in the base prospectus, our Annual Report on Form 10-K for the year ended December 31, 2007 (the "Form 10-K") and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2008, June 30, 2008 and September 30, 2008 (the "Forms 10-Q"). You should also read and consider the other information contained in this prospectus supplement and the information incorporated by reference herein in order to evaluate an investment in our bonds. See "Where You Can Find More Information" in the accompanying base prospectus. Additional risks and uncertainties that are not yet identified or that we think are immaterial may also materially harm our business, operating results and financial condition and could result in a loss on your investment.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

We have derived the summary consolidated financial information presented below from our audited historical Consolidated Financial Statements as of and for the year ended December 31, 2007, our audited historical Consolidated Financial Statements as of and for the nine-month transition period ended December 31, 2006, our audited historical Consolidated Financial Statements as of and for the year ended March 31, 2006 and our unaudited historical Consolidated Financial Statements as of and for the nine-month periods ended September 30, 2008 and 2007. This summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Form 10-K and the Forms 10-Q, incorporated by reference herein.

	Nine-Month Periods Ended September 30,		Year Ended December 31,	Nine-Month Period Ended December 31,	Year Ended March 31,
	2008	2007	2007	2006(1)	2006
			(in millions)		
Consolidated Statement of Income Information:					
Revenues	$ 3,395	$ 3,190	$ 4,258	$ 2,924	$ 3,897
Operating income	715	671	888	415	792
Net income	339	339	439	161	361
Other Consolidated Financial Information:					
Net cash from operating activities	$ 752	$ 650	$ 824	$ 431	$ 895
Net cash from investing activities	(1,404)	(1,112)	(1,497)	(1,056)	(1,024)
Net cash from financing activities	493	459	842	564	50

	As of September 30, 2008	As of December 31, 2007	As of December 31, 2006	As of March 31, 2006
		(in millions)		
Consolidated Balance Sheet Information:				
Total assets	$16,064	$14,907	$13,852	$12,731
Total debt(2)	5,222	4,753	3,967	3,721
Total shareholders' equity	5,626	5,080	4,426	4,052

(1) Following the acquisition of PacifiCorp by MEHC on March 21, 2006, we elected to change our fiscal year end from March 21 to December 31, resulting in a nine-month transition period from April 1, 2006 to December 31, 2006.

(2) Includes capital lease obligations, but excludes current maturities, short-term debt and preferred stock subject to mandatory redemption.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the bonds to fund capital expenditures, for the repayment of short-term debt and for general corporate purposes.

CAPITALIZATION

The table below shows our capitalization on a consolidated basis as of September 30, 2008. The "As Adjusted" column will reflect our capitalization as of that date after giving effect to this offering of bonds and the use of the net proceeds from this offering. You should read this table along with the Consolidated Financial Statements contained in the Form 10-K and the Forms 10-Q.

	As of September 30, 2008			
	Actual		As Adjusted	
	Amounts in millions	%	Amounts in millions	%
Short-term debt	$ 117	1.1%	$ —	0.0%
Long-term debt, currently maturing(1)	142	1.3	142	1.2
Long-term debt, net of current maturities(1)	5,222	47.0	6,222	51.9
	5,481	49.4	6,364	53.1
Preferred stock	41	0.3	41	0.3
Total common equity	5,585	50.3	5,585	46.6
Total	$11,107	100%	$11,990	100.0%

(1) Includes capital lease obligations.

During the three months ended December 31, 2008, we received cash capital contributions of $250 million from our indirect parent company, MEHC. At December 31, 2008, short-term debt was $85 million and long-term debt, including current maturities, was $5,568 million.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

Pro forma(1) Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2008	Pro forma(1) Year Ended December 31, 2007	Year Ended December 31, 2007	Nine Months Ended December 31, 2006(2)	Years Ended March 31, 2006	2005	2004
2.6x	3.0x	2.6x	3.0x	2.1x	2.9x	2.5x	2.4x

(1) The pro forma ratio of earnings to fixed charges gives pro forma effect to the net incremental interest expense related to the anticipated repayment of outstanding short-term debt with a portion of the net proceeds from the sale of the bonds.

(2) Following the acquisition of PacifiCorp by MEHC on March 21, 2006, we elected to change our fiscal year end from March 31 to December 31, resulting in a nine-month transition period from April 1, 2006 to December 31, 2006.

For purposes of this ratio, fixed charges represent consolidated interest charges, an estimated amount representing the interest factor in rents and preferred dividends of wholly owned subsidiaries. Excluded from the fixed charges is interest on income tax contingencies that is included in income tax expense on the consolidated statements of income. Earnings represent the aggregate of (a) income from continuing operations, (b) taxes based on income from continuing operations, (c) minority interest in the income of majority-owned subsidiaries that have fixed charges, (d) fixed charges and (e) undistributed income of less than 50% owned affiliates without loan guarantees.

Our address and telephone number are: PacifiCorp, 825 NE Multnomah, Suite 2000, Portland, Oregon 97232-4116; (503) 813-5000.

For additional information concerning our business and affairs, including our capital requirements and external financing plans, pending legal and regulatory proceedings (including descriptions of those laws and regulations to which we are subject), prospective purchasers should refer to the documents incorporated by reference into this prospectus, as described in the section entitled "Where You Can Find More Information" and the documents incorporated by reference therein.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

Nine Months Ended September 30, 2007	Nine Months Ended December 31, 2006(1)	Years Ended March 31,			
		2006	2005	2004	2003
3.1x	2.1x	2.9x	2.5x	2.4x	1.7x

(1) Following the acquisition of PacifiCorp by MidAmerican Energy Holdings Company on March 21, 2006, we elected to change our fiscal year end from March 31 to December 31, resulting in a nine-month transition period from April 1, 2006 to December 31, 2006.

For purposes of this ratio, fixed charges represent consolidated interest charges, an estimated amount representing the interest factor in rents and preferred dividends of wholly owned subsidiaries. Preferred dividends of wholly owned subsidiaries represents preferred dividends multiplied by the ratio which pre-tax income from continuing operations bears to income from continuing operations. Earnings represent the aggregate of (a) income from continuing operations, (b) taxes based on income from continuing operations, (c) minority interest in the income of majority-owned subsidiaries that have fixed charges, (d) fixed charges and (e) undistributed income of less than 50% owned affiliates without loan guarantees.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement filed with the SEC. The registration statement contains additional information and exhibits not included in this prospectus and refers to documents that are filed as exhibits to other SEC filings. We file annual, quarterly and special reports and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at *http://www.sec.gov*. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the public reference rooms. Our SEC filings are also available through the Investor Information section of our website at *www.pacificorp.com*. The information found on our website, other than any of our SEC filings that are incorporated by reference herein, is not part of this prospectus.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus and later information that we file with the SEC will automatically update or supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") (but only to the extent the information therein is filed and not furnished) until all of the securities covered by this prospectus have been sold:

- Transition Report on Form 10-K for the nine-month period ended December 31, 2006.
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007.