

Gas Transmission Northwest Corporation
Capitalization and Financial Statistics
2001-2005, Inclusive

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 1,292.8	\$ 1,288.3	\$ 1,033.8	\$ 1,038.9	\$ 952.0	
Short-Term Debt	\$ 3.5	\$ 8.5	\$ -	\$ -	\$ -	
Total Capital	<u>\$ 1,296.3</u>	<u>\$ 1,296.9</u>	<u>\$ 1,033.8</u>	<u>\$ 1,038.9</u>	<u>\$ 952.0</u>	
Capital Structure Ratios						
Based on Permanent Capital:						<u>Average</u>
Long-Term Debt	31.5%	39.0%	48.6%	54.4%	55.1%	45.7%
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity ⁽¹⁾	68.5%	61.0%	51.4%	45.6%	44.9%	54.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	31.6%	39.4%	48.6%	54.4%	55.1%	45.8%
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Common Equity ⁽¹⁾	68.4%	60.6%	51.4%	45.6%	44.9%	54.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽¹⁾	0.4%	-1.1%	10.7%	16.1%	18.5%	8.9%
Operating Ratio ⁽²⁾	48.7%	46.7%	46.8%	47.1%	44.4%	46.7%
Coverage incl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	1.95 x	0.92 x	3.17 x	4.02 x	3.91 x	2.79 x
Post-tax: All Interest Charges	1.09 x	0.81 x	2.36 x	2.89 x	3.00 x	2.03 x
Overall Coverage: All Int. & Pfd. Div.	1.09 x	0.81 x	2.36 x	2.89 x	3.00 x	2.03 x
Coverage excl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	1.94 x	0.88 x	3.15 x	3.83 x	3.86 x	2.73 x
Post-tax: All Interest Charges	1.08 x	0.77 x	2.34 x	2.70 x	2.95 x	1.97 x
Overall Coverage: All Int. & Pfd. Div.	1.08 x	0.77 x	2.34 x	2.70 x	2.95 x	1.97 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	17.7%	-19.1%	1.7%	10.0%	2.3%	2.5%
Effective Income Tax Rate	90.2%	-139.2%	37.4%	37.4%	31.4%	11.4%
Internal Cash Generation/Construction ⁽⁴⁾	1646.2%	-643.1%	826.9%	150.3%	48.0%	405.7%
Gross Cash Flow/ Avg. Total Debt ⁽⁵⁾	24.0%	13.0%	23.0%	25.1%	22.2%	21.5%
Gross Cash Flow Interest Coverage ⁽⁶⁾	4.38 x	2.67 x	4.06 x	4.47 x	4.03 x	3.92 x
Common Dividend Coverage ⁽⁷⁾	3.69 x	0.44 x	x	3.11 x	1.67 x	2.23 x

See Page 2 for Notes.

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Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally generated funds from operations after payment of all cash dividends.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: FERC Form No. 2