

## **WUTC Data Request 65**

In response to Staff Data Request 6, PacifiCorp supplied an S&P credit rating for the Company dated June 30, 2023. The S&P report supplied stated, “We also revised the outlook on PacifiCorp to negative from stable.”

- (a) What are the current credit ratings of the Company one year after the downgrade?
- (b) If in June the Company was in stable condition, how does this affect its ability to procure resources?

## **Response to WUTC Data Request 65**

- (a) Please refer to Attachment WUTC 65 which provides a summary of ratings.
- (b) PacifiCorp is unclear as to whether the question is referencing June 2023, June 2024, or posing a hypothetical for June 2025.

In June 2023, PacifiCorp was credit watch negative by Moody’s and Standard and Poor’s (S&P) had a negative outlook for PacifiCorp.

In November 2023, S&P changed the outlook to credit watch negative and in December 2023, modified its outlook of PacifiCorp from credit watch negative to negative. In November 2023, Moody’s changed its outlook to stable with lower credit ratings for all debt offerings.

In June 2024, Moody’s had a stable outlook. The Company is not yet rated stable from S&P. A credit rating is an assessment of a Company’s ability to repay interest and principal to investors, the lower the credit rating the higher the spread premium necessary to attract borrowing from investors. A lower credit rating directly corresponds to a higher cost of debt. PacifiCorp’s rating downgrade increased its spread premium and forecasted cost of debt as investors expect a higher coupon rate on the Company’s issuances. A supportive regulatory environment is needed to lessen the chance of additional downgrades that would increase these costs further.

PacifiCorp cannot speculate on its ability to procure resources in June 2025 if S&P were to change its outlook to stable. Please refer to the Company’s response to WUTC Data Request 52 for additional discussion on procurement. Additionally, the ability to procure, generally, entails a range of other issues including, but not limited to, availability of projects, transmission constraints, and interconnection requirements in addition to the financial health of the utility.

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Despite PacifiCorp's diligent efforts, certain information protected from disclosure by the attorney-client privilege or other applicable privileges or law may have been included in its responses to these data requests. PacifiCorp did not intend to waive any applicable privileges or rights by the inadvertent disclosure of protected information, and PacifiCorp reserves its right to request the return or destruction of any privileged or protected materials that may have been inadvertently disclosed. Please inform PacifiCorp immediately if you become aware of any inadvertently disclosed information.

**PacifiCorp Credit Ratings History**

		Ratings Changes										06/30/24	
<b>Moody's</b>													
LT Issuer/Corporate	Baa1	(10) A3										(21) Baa1	Baa1
Sr. Secured Debt	A3	(8) A2	(10) A1									(21) A2	A2
Sr. Unsecured Debt	Baa1		(10) A3									(21) Baa1	Baa1
Preferred Stock	Baa3		(10) Baa2									(21) Baa2	Baa2
Commercial Paper	P-2												P-2
Outlook	Developing	(2) Stable							(19) Negative	(21) Stable			Stable
<b>S&amp;P</b>													
LT Issuer/Corporate	A-				(13) A							(18) BBB+	BBB+
Sr. Secured Debt	A-	(7) A			(13) A+							(18) A	A
Sr. Unsecured Debt	BBB+	(6) A-			(13) A							(18) BBB+	BBB+
Preferred Stock	BBB				(13) BBB+							(18) BBB-	BBB-
Commercial Paper	A-2	(4) A-1		(7) A-2	(13) A-1							(18) A-2	A-2
Outlook	CW-	(3) Stable	(5) CW-	(7) Stable	(15) CW-	(16) Stable	(18) Negative	(20) CW-	(22) Negative				Negative
<b>Fitch</b>													
Issuer/Corporate	BBB+	(1) BBB		(11) BBB+	(12) A-							(17) WD	WD
Sr. Secured Debt	A	(1) A-		(11) A	(12) A+							(17) WD	WD
Sr. Unsecured Debt	A-	(1) BBB+		(11) A-	(12) A							(17) WD	WD
Preferred Stock	BBB+	(1) BBB	(9) BBB-	(11) BBB	(12) BBB+							(17) WD	WD
Commercial Paper	F-2				(12) F-1	(14) F-2						(17) WD	WD
Outlook	Stable			(11) Positive	(12) Stable							(17) WD	WD

A security is considered investment grade if its credit rating is BBB- or higher by S&P or Fitch or Baa3 or higher by Moody's.

- (1) 01/31/06
- (2) 02/28/06
- (3) 03/06/06
- (4) 03/22/06
- (5) 09/18/08
- (6) 11/05/08
- (7) 03/27/09
- (8) 08/03/09
- (9) 01/22/10
- (10) 01/30/14
- (11) 10/03/14
- (12) 11/24/15
- (13) 02/19/16
- (14) 10/21/16
- (15) 07/07/17
- (16) 08/22/17
- (17) 10/16/18
- (18) 06/20/23
- (19) 06/23/23
- (20) 11/20/23
- (21) 11/21/23
- (22) 12/12/23

**PacifiCorp Credit Ratings History**

	<u>12/31/05</u>	<u>Ratings Changes</u>						<u>06/30/23</u>
<b>Moody's</b>								
LT Issuer/Corporate	Baa1		(10) A3					A3
Sr. Secured Debt	A3	(8) A2	(10) A1					A1
Sr. Unsecured Debt	Baa1		(10) A3					A3
Preferred Stock	Baa3		(10) Baa2					Baa2
Commercial Paper	P-2							P-2
Outlook	Developing	(2) Stable				(19) CW-		CW-
<b>S&amp;P</b>								
LT Issuer/Corporate	A-			(13) A		(18) BBB+		BBB+
Sr. Secured Debt	A-	(7) A		(13) A+		(18) A		A
Sr. Unsecured Debt	BBB+	(6) A-		(13) A		(18) BBB+		BBB+
Preferred Stock	BBB			(13) BBB+		(18) BBB-		BBB-
Commercial Paper	A-2	(4) A-1		(7) A-2	(13) A-1	(18) A-2		A-2
Outlook	CW-	(3) Stable	(5) CW-	(7) Stable	(15) CW-	(16) Stable	(18) Negative	Negative
<b>Fitch</b>								
Issuer/Corporate	BBB+	(1) BBB		(11) BBB+	(12) A-	(17) WD		WD
Sr. Secured Debt	A	(1) A-		(11) A	(12) A+	(17) WD		WD
Sr. Unsecured Debt	A-	(1) BBB+		(11) A-	(12) A	(17) WD		WD
Preferred Stock	BBB+	(1) BBB	(9) BBB-	(11) BBB	(12) BBB+	(17) WD		WD
Commercial Paper	F-2				(12) F-1	(14) F-2	(17) WD	WD
Outlook	Stable			(11) Positive	(12) Stable	(17) WD		WD

A security is considered investment grade if its credit rating is BBB- or higher by S&P or Fitch or Baa3 or higher by Moody's.

- (1) 01/31/06
- (2) 02/28/06
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- (9) 01/22/10
- (10) 01/30/14
- (11) 10/03/14
- (12) 11/24/15
- (13) 02/19/16
- (14) 10/21/16
- (15) 07/07/17
- (16) 08/22/17
- (17) 10/16/18
- (18) 06/20/23
- (19) 06/23/23