

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED:	November 14, 2014	WITNESS:	David Parcell
DOCKET:	UE-140762, et al.	RESPONDER:	David Parcell
REQUESTER:	Pacific Power	TELEPHONE:	(360) 664-1307 (Tom Schooley)

41. Refer to page 17, lines 11-3, which states, "This comparison indicates that PacifiCorp's ratings are above the common rating categories of most electric utilities. This is indicative of a lower financial risk for PacifiCorp."
- a. Please confirm that credit ratings are the only metric that Mr. Parcell used to evaluate the financial risk of PacifiCorp relative to other electric utilities.
 - b. Please explain why Mr. Parcell chose to rely on credit ratings and not other measures to evaluate the financial risk of PacifiCorp relative to other electric utilities. If Mr. Parcell relied upon other measures, please explain how and why these measures were selected.
 - c. Please explain the degree to which Mr. Parcell took into account the relative financial risk of PacifiCorp's regulated electricity operations in Washington.

RESPONSE:

- a. Mr. Parcell confirms that the table on page 17 is based upon a comparison of the credit ratings of PacifiCorp and other electric utilities.
- b. Mr. Parcell considered credit ratings as a source of the relative risk of PacifiCorp since the alternative published indicators of risk (as shown on Exhibit No. DCP-14) are only published for publicly-traded entities.
- c. Mr. Parcell focuses on the consolidated financial operations of PacifiCorp in his analysis of relative bond ratings since this entity does not issue debt, and therefore does not have ratings, for its Washington regulated electricity operations.