

FITCH DOWNGRADES VARIOUS NON-FI CORPORATES' S-T RATINGS

Fitch Ratings-New York/Chicago-21 October 2016: Fitch Ratings has downgraded the Short-Term Issuer Default Ratings (IDRs), commercial paper and related short-term instrument ratings for the issuers listed below. No other ratings for these issuers, including their Long-Term IDRs, issue ratings, or Outlooks have been changed.

KEY RATING DRIVERS

The downgrades are a result of Fitch's updated Criteria for Rating Non-Financial Corporates master criteria, which was published on Sept. 27, 2016. The update clarifies that where there are short-term rating cusps in the 'A' category Fitch opts for the lower option. Thus, 'A+' long-term ratings have a 'F1' short-term rating and 'A-' long-term ratings have a 'F2' short-term rating.

The time horizon of short-term ratings does not explicitly relate to the 13 months immediately following a given date. Instead, it relates to the continual liquidity profile of the rated entity that would be expected to endure over the time horizon of the Long-Term IDR, typically one economic cycle. This approach places less emphasis on favourable or unfavourable features of the liquidity profile when they are considered temporary.

Short-term ratings are linked to long-term ratings as liquidity and near-term concerns are part of the long-term credit profile review. Cusps exist on the short-term scale, where Fitch groups may opt to assign higher or lower short term rating equivalents. When the long-term rating is in the 'A' category, the higher short-term option is common for sovereigns and banks, which have access to fiat currency creation and discount windows. In comparison, even higher-rated corporates do not typically possess the kinds of additional liquidity options (e.g. fiat currency creation, discount window access) available to the strongest sovereign and bank issuers.

KEY ASSUMPTIONS

There have been no changes to the existing rating assumptions for each issuer included in this review. Please see Fitch's previously issued press release/company report related to the issuers included in this review for Fitch's key assumptions.

RATING SENSITIVITIES

There have been no changes to the existing rating sensitivities for each issuer included in this review. Please see Fitch's previously issued press releases or company reports related to the issuers included in this review for Fitch's rating sensitivities.

FULL LIST OF RATING ACTIONS

Fitch has downgraded the short-term ratings for the following issuers:

Gulf Power Company

MidAmerican Energy Company

NextEra Energy Capital Holdings, Inc. (formerly FPL Group Capital Inc.)

PacifiCorp

Peoples Gas Light and Coke Co.

Southern Company

Wisconsin Gas LLC

--Short-Term IDR and short-term ratings to 'F2' from 'F1'.

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Date of Relevant Rating Committee:

Gulf Power Company: May 12, 2016

MidAmerican Energy Company: Nov. 24, 2015
NextEra Energy Capital Holdings, Inc.: July 29, 2016
PacifiCorp: Nov. 24, 2015
Peoples Gas Light and Coke Co.: Aug. 17, 2015
Southern Company: May 12, 2016
Wisconsin Gas LLC: Aug. 17, 2015

Summary of Financial Statement Adjustments - There have been no changes to the existing financial statement adjustments for each issuer included in this review. Please see Fitch's previously issued press release/company reports related to the issuers included in this review for Fitch's financial statement adjustments.

Additional information is available on www.fitchratings.com.

Applicable Criteria

Criteria for Rating Non-Financial Corporates (pub. 27 Sep 2016)

<https://www.fitchratings.com/site/re/885629>

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