

**Exh. JNS-7  
Docket UE-210829  
Witness: Jaclynn N. Simmons**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PACIFICORP d/b/a PACIFIC POWER  
& LIGHT COMPANY,**

**Respondent.**

**DOCKET UE-210829**

**EXHIBIT TO TESTIMONY OF**

**JACLYNN N. SIMMONS**

**ON BEHALF OF STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*PacifiCorp Response to UTC Staff Data Request No. 18*

**August 21, 2024**

## WUTC Data Request 18

### Request for Proposal:

- (a) What evidence does PacifiCorp have that issuing an RFP will hurt its credit rating? Please supply all documents relating to this evidence.
- (b) What evidence does PacifiCorp have that a credit downgrade will have a negative impact on customer rates? Please supply all documents, workpapers, and calculations that support this assertion.
- (c) What access does PacifiCorp currently have to low-cost financing?
- (d) Has PacifiCorp lost any opportunities for low-cost financing due to S&P Global downgrading the Company's credit rating from A to BBB+? If so, please provide evidence of this loss, including, but not limited to, any documents and communications regarding the loss.
- (e) If the Company was to restart its 2022 all-source RFP, would it be restarting the process from where it left off or starting the process over?
- (f) In the Company's letter, dated September 29, 2023, in docket UE-210979, it states as one of the reasons for terminating the RFP is "Wildfire risk and associated liability across our six-state service area and throughout the West".
  1. Doesn't the Company plan for such risks in the IRP and CEIP?
  2. Please explain where this risk is planned for and how the Company calculates for these kinds of risks.

## Response to WUTC Data Request 18

PacifiCorp objects to this data request on the grounds that it seeks information that is not relevant, that it is beyond the scope of this proceeding, and that the request is not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information that is not relevant to the interim targets for 2022 through 2025. Any procurement efforts that would have been undertaken in PacifiCorp's 2022 All Source Request for Proposals (2022 AS RFP) would not have commercial operation dates prior to 2026. Subject to and without waiving the foregoing objections, the Company responds as follows:

- (a) The Company objects to this subpart because "this information is obtainable from some other source that is more convenient, less burdensome, or less expensive" to the

extent that this information is readily available from public sources. WAC 480-07-400(3). Subject to and without waiving this objection, the Company responds as follows:

To clarify, a request for proposals (RFP) does not affect PacifiCorp's credit rating. Rather, executing power purchase agreements (PPA) at the conclusion of an RFP may impact the Company's credit rating. Please refer to Standard & Poor's (S&P) Sector-Specific Corporate Methodology issued April 4, 2024, page 152.<sup>1</sup> For accounting characteristics it states, "For integrated electric utilities that meet native load obligations partly by using third-party power contracts, we use our purchased power methodology to adjust measures for such contracts' debt-like obligations". However, issuing an RFP without an intent to execute a PPA with the successful bidders creates reputational risk that may increase costs to customers.

- (b) PacifiCorp's issuance in January 2024, after the downgrades in 2023, had wider spreads on United States (U.S.) Treasuries on the 30-year bonds than the Company's issuance in May 2023. Information on the issuances was provided under Revised Code of Washington 80.08.040 and Washington Administrative Code 480-100-242 with respect to the issuance of First Mortgage Bonds. Spreads over corresponding U.S. Treasury Bond Benchmarks are provided in Section (2).
- (c) PacifiCorp's access to low-cost financing has not changed from the January 2024 First Mortgage Bond issuance.
- (d) Please refer to the Company's response to subpart (b) above.
- (e) PacifiCorp's 2022 AS RFP has been terminated. Therefore, any future RFP processes would be a new RFP process.
- (f) Please refer to the Company's responses to 1. and 2. below:
  - 1. PacifiCorp has not created any modeling scenarios or planned for any wildfire risk in its integrated resource plan (IRP). The referenced wildfire risk is not related to the system operations or balancing of loads and resources that is carried out within the IRP and the Clean Energy Implementation Plan (CEIP). Instead, it is related to the potential liability associated with past wildfire events and, to a lesser extent, the potential liability associated with future wildfire events. The IRP is a comprehensive decision support tool and roadmap to help the Company provide reliable and cost-effective electric service to all customers. The IRP involves significant public involvement from various stakeholders. The IRP

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<sup>1</sup> Available at <https://disclosure.spglobal.com/ratings/en/regulatory/delegate/getPDF?articleId=3178396&type=COMMENTS&subType=CRITERIA&defaultFormat=PDF>.

includes a resource needs assessment for the first 10 years of a 20-year period, a preferred mix of supply-side and demand-side resources, and an action plan for implementation over the next two to four years.

2. PacifiCorp has wildfire mitigation plans and procures insurance to address potential liabilities.

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