



# Pend Oreille County Public Utility District

Administrative Offices - P.O. Box 190 • Newport, WA 99156 • (509) 447-3137 • FAX (509) 447-5824  
Box Canyon Hydro Project - P.O. Box 547 • Ione, WA 99139 • (509) 446-3137 • FAX (509) 447-6790

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Media Contact: Amber Gifford

[agifford@popud.org](mailto:agifford@popud.org) / 509-447-9328

## **Pend Oreille PUD Receives Upgraded Credit Rating**

Newport, Washington – Public Utility District No. 1 of Pend Oreille County (“PUD”)’s bond rating was recently upgraded by Moody’s Investors Service (“Moody’s”). Moody’s upgraded the PUD’s investment-grade rating from a Baa1 to an A3, and changed the outlook from positive to stable. The agency provides independent credit ratings and risk evaluations on a periodic basis. The credit ratings help investors determine the financial strength of the PUD, similar to that of a personal credit score - a higher rating may allow the PUD to borrow at lower interest rates, if necessary. The PUD is also rated by Fitch Ratings, which has assigned the PUD a rating of A with a stable outlook.

Moody’s pointed to the successful remarketing of the PUD’s Box Canyon hydroelectric power as a catalyst for the upgrade. The PUD’s current contracts with Shell Energy North America (US) L.P., and Clark County Public Utility District, provide revenue stability and mitigate risk over the long term. Moody’s also considered the risk-mitigation protections built into the PUD’s current power contract with its large industrial customer, Cascade Digital Mining, LLC. The agency also acknowledged the PUD’s strong liquidity position, low retail rates, and a long history of conservative risk management.

“The stable outlook reflects our expectation that the PUD will continue to generate strong financial metrics and sustain a robust liquidity position while maintaining competitive electric rates and also mitigating its exposure to volatile commodity markets” said Moody’s in its November 20, 2023 credit opinion. “The rating upgrade recognizes the contracts the PUD has in place with Shell Energy and Clark PUD, which greatly mitigate the utility’s long term wholesale market risk and hydrologic risk while maintaining comfortable financial metrics. Other key factors supporting the PUD’s credit quality include its long track record of conservative risk management; ownership access to competitively priced hydro generation; low retail rates and its demonstrated willingness to raise rates when needed.”

“We are pleased with the upgrade in rating from Moody’s,” said April Owen, the PUD’s Co-Interim General Manager and Director of Finance. “We work hard to remain financially sound and will continually look to the future to ensure financial stability in order to maintain or improve our ratings.”

### **About Pend Oreille County Public Utility District**

Pend Oreille PUD was established in 1936 and began operations in 1948. The PUD is governed by three locally elected Commissioners. A General Manager and staff operate the utility within policies set by the Board of Commissioners. The PUD has four operating systems: The electric system distributes electricity to the county, the production system produces power from the Box

Canyon Hydroelectric Project, the water system consists of nine individual water distribution subdivisions, and the community network system provides wholesale broadband communication services. For more information visit: <http://popud.org>.

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