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Statnett SF

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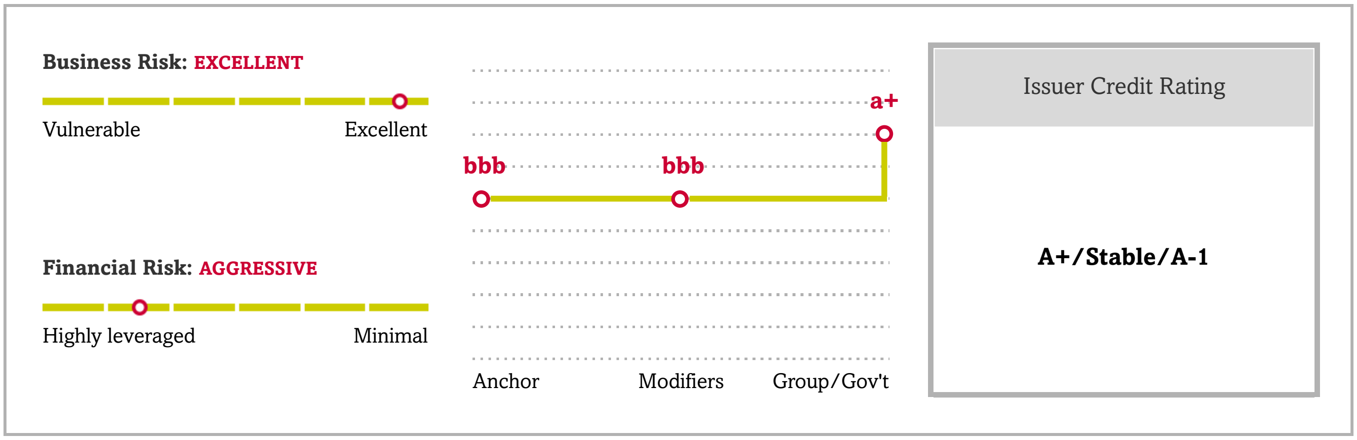

Credit Highlights

Overview

Key strengths	Key risks
A strong position as Norway's monopoly power transmission system operator (TSO).	Continued high investments, given Norway's electrification strategy and goal of reducing carbon emissions by at least 50% by 2030 compared to 1990 levels, and becoming carbon neutral by 2050.
Stable and predictable regulatory framework that we view as credit supportive, allowing for solid cost recovery albeit with a two-year lag.	Annual discretionary cash flow (DCF) of about negative Norwegian krone (NOK) 6 billion-NOK7 billion, driven by high capital expenditure (capex) and dividends.
Fully owned and controlled by the Norwegian government (AAA/Stable/A-1+), which is likely to continue providing support, historically shown through lower dividends and equity injections when needed.	
Currently benefitting from large congestion income, which we view as a temporary effect to be partially offset by year-end 2023.	

Statnett benefits from stable and predictable cash flow generation, thanks to a supportive regulatory framework. We see the Norwegian regulatory framework as very credit supportive, allowing for full operating cost recovery albeit with a two-year time lag (Statnett's allowed revenue is calculated annually based on operating costs from two years before) Deviations between accounting and allowed revenue are recorded annually as higher or lower revenues and used to adjust tariffs for the following years. In the regulatory formula, the current method for calculating allowed revenue has a 70% weight on Statnett's efficiency score since 2023 (from 60% previously).

Increasing differences in electricity prices in the Nordics result in large earnings volatility, which is challenging to predict and provides transitory liquidity benefits rather than any long-term credit benefit. In 2021 and 2022, Statnett reported EBITDA of NOK8.0 billion and NOK11.5 billion and funds from operations (FFO) of NOK7.4 billion NOK10.4 billion, respectively. This was thanks to a boost of NOK28.2 billion in congestion income reported as regulated revenue over 2021-2022 and resulted in FFO to debt of 15.8% in 2021 and 24.4% in 2022. This high level of revenue will be mostly offset by year-end 2023 through remedy measures, including lowering tariffs to close to zero and partially transferring income to distribution grids. We therefore see the cash inflow as temporary and having a neutral impact on credit (see " Three Northern European TSOs Ratings Affirmed As Congestion Income Is Broadly Credit Neutral; Outlooks Remain Stable ," published April 14, 2023, on RatingsDirect).

Statnett's financials will continue to be constrained by its large debt-funded investment program of about NOK11 billion annually over 2023-2025. Statnett's investments have historically been partly financed by debt, resulting in financial debt increasing to NOK47 billion at end-2022 from about NOK38 billion in 2017. The historically high investments of about NOK9.5 billion-NOK10.0 billion annually over 2017-2021 were due to the construction of two major subsea interconnections projects connecting Norway with Europe (NordLink and North Sea Link), which combined required investments of about NOK20 billion and are now commissioned and integrated into the regulated asset base (RAB). The upcoming investment program of about NOK55 billion over the next five years is underpinned by the requirement for Statnett to strengthen and expand the Norwegian grid as part of the government's electrification plan. This highlights Statnett's strong position in Norway, since the TSO is required to execute electrification needed to lower national carbon dioxide emissions. It includes strengthening the grid to accommodate expanding connections from offshore wind as well as the electrification of the majority of domestic industries. We forecast financial debt will continue rising to about NOK64 billion by 2024 and about NOK70 billion by 2025.

We expect dividends to increase significantly, given that the owner is reinstating the old distribution policy, and that dividends together with capex will exceed FFO. We forecast minimal dividends in 2023 before rising beyond 2020-2022 levels during 2024-2025. This follows the owner's retraction of the temporary dividend policy of distributing 25% of profits and reinstatement of the old policy under which 50% of profits are distributed. This, together with large annual capex, will exceed operational cash flows and result in very negative DCF and ultimately higher debt. We expect negative DCF of about NOK6.0 billion-NOK7.0 billion over our forecast period. However, due to the increased investment level, we also expect cash flow generation to increase more or less in tandem albeit with some lag.

The company is fully owned by the government and an essential part of the national infrastructure. Our 'A+' rating on Statnett benefits from four notches of uplift for government support. We don't expect a change in the ownership support, given the importance of Statnett to the country's electrification and carbon neutrality target, as demonstrated in historical equity injections and the lowering of dividends to allow for higher investments. In addition, and as per law, only the government can own Statnett. We don't expect any changes to such conditions.

Outlook: Stable

The stable outlook reflects our expectation that Norway's stable and predictable regulatory framework will continue to support Statnett's cash flow.

Downside scenario

The primary rating driver is the stand-alone credit profile (SACP). We would consider a downgrade if FFO to debt fell below 6%, with no signs of recovery. This could occur, for example, if:

- Statnett's capex increases beyond our expectations.
- The Norwegian regulator's benchmark assessment results in a very low efficiency score.
- Statnett changes its financial policy, becoming more aggressive.

In addition, we could lower the rating if our assessment of the likelihood of extraordinary government support for Statnett weakens, which we do not anticipate at this stage.

Upside scenario

We could raise the ratings if Statnett's financial risk profile strengthens compared with our forecasts. This could result from a deleveraging plan or scaling down of its investment plan combined with a credible commitment to stronger credit metrics, with underlying FFO to debt sustainably above 9% in times of stable market conditions and power prices. We would also expect debt to EBITDA below 8x on average in such a scenario.

Our Base-Case Scenario

Assumptions

- Inflation in Norway of about 5.6% in 2022, 3.0% in 2023, and 2.5% in 2024.
- Tariffs of close to zero in 2023 and being reset in 2024 to incorporate higher system costs from half-year 2021 and full-year 2022, reflected in allowed revenues two years after as per the regulatory formula.
- Congestion income of NOK7.5 billion-NOK8.0 billion in 2023 and reducing afterward.
- Payouts to distributions system operators (DSOs) of NOK2.3 billion in first-quarter 2023.
- Statnett's efficiency score at about 95%-99% over the forecast period.
- Average interest rates of 3.0%-3.5% from 2023.
- A corporation tax of 22% with no tax payment expected until 2026, as approved by the state.
- Investments reaching NOK7.0 billion-NOK8.0 billion in 2023 and 2024 and above NOK10 billion from 2025, increasing in line with the acceleration of electrification.
- Flat dividends of 50% of profits based on underlying profits. This translates into dividends of NOK1.0 billion in 2023 increasing to NOK2.5 billion in 2024.

Key Metrics

Statnett SF--Key Metrics*

	--Fiscal year ended Dec. 31--				
Bil. NOK	**2021a**	**2022a**	**2023e**	**2024f**	**2025f**
Regulatory EBITDA	N/A	N/A	7,500-8,000	11,000-11,500	9,000-9,500
Accounting EBITDA	8,018	11,510	(4,500)-(4000)	5,500-6,000	9,000-9,500
Capital expenditure	6,533	4,926	7,000-7,500	8,000-8,500	10,500-11,000
Dividends	1,039	737	0-5	1,000-1,500	2,000-2,500
Debt	46,875	41,734	50,000-55,000	55,000-60,000	60,000-65,000
Accounting debt to EBITDA (x)	6	4	(15)-(10)	8-12	5-8
Accounting FFO to debt (%)	16	25	(10)-(5)	5-10	5-10

*All figures adjusted by S&P Global Ratings. a--Actual. e--Estimate. f--Forecast. NOK--Norwegian krone. FFO--Funds from operations. N/A--Not applicable.

Company Description

Statnett is Norway's national electricity TSO and owner of the Norwegian power transmission grid. It owns and operates the Norwegian power transmission network across Norway's five price zones and connects the power system to neighboring countries including Sweden, Denmark, Germany, the Netherlands, and the U.K.

Fully owned by the Norwegian government through the Ministry of Petroleum and Energy, Statnett reported an EBITDA of NOK11.5 billion in 2022.

Peer Comparison

Table 1

Statnett SF--Peer Comparison				
Industry sector: Electric				
	Statnett SF	**Fingrid Oyj**	**Elia Group SA/NV**	**TenneT Holding B.V.**
Ratings as of April 26, 2023	A+/Stable/A-1	AA-/Stable/A-1+	BBB+/Negative/A-2	A-/Stable/A-2
	--Fiscal year ended Dec. 31, 2022--			
(Mil. €)				
Revenue	2,183.7	1,840.8	2,684.9	8,286.0
EBITDA	1,093.2	253.3	835.1	254.0
Funds from operations (FFO)	991.7	192.6	612.3	(223.5)
Interest expense	111.9	21.7	142.8	328.5
Cash interest paid	101.1	21.5	135.9	246.5
Cash flow from operations	864.7	990.7	3,975.5	998.5
Capital expenditure	467.8	267.1	1,220.3	4,412.0
Free operating cash flow (FOCF)	396.9	723.6	2,755.2	(3,413.5)
Discretionary cash flow (DCF)	326.9	590.5	2,603.3	(3,603.0)
Cash and short-term investments	343.1	733.4	939.5	1,282.0
Debt	4,061.1	322.7	7,475.0	21,296.9
Equity	2,562.2	719.8	4,587.7	6,630.5
Adjusted ratios				
EBITDA margin (%)	50.1	13.8	31.1	3.1
Return on capital (%)	12.4	11.2	3.3	(3.7)
EBITDA interest coverage (x)	9.8	11.6	5.9	0.8
FFO cash interest coverage (x)	10.8	10.0	5.5	0.1
Debt/EBITDA (x)	3.7	1.3	9.0	83.8
FFO/debt (%)	24.4	59.7	8.2	(1.0)
Cash flow from operations/debt (%)	21.3	307.0	53.2	4.7
FOCF/debt (%)	9.8	224.2	36.9	(16.0)
DCF/debt (%)	8.0	183.0	34.8	(16.9)

Statnett's main peers are Finland-based Fingrid, Belgium-based Elia, and Netherlands-based Tennet. All peers are electricity TSOs that, like Statnett, operate under predictable, independent, and supportive regulatory frameworks.

Fingrid has stronger financials than Statnett. It finances its capex program to a larger extent with operating cash flow, which has resulted in stronger credit ratios. Other peers predominantly use debt funding, like Statnett. As such, Fingrid's SACP is the highest of the peers.

Elia and TenneT are both power TSOs operating in their domestic countries and in Germany (50Hertz and TenneT).

Both companies have extensive investment programs that focus on German operations to reinforce their networks and enable the transmission of electricity from the North (renewables generation) to the South (Thermal) in light of recent political decisions to exit coal and nuclear generation. Similarly, to Statnett, their investment programs weigh on their credit metrics and are mostly debt-funded.

Compared to peers, Statnett benefits from a very high likelihood of government support, notably due to its legal status, since only the government can own 100% of the company, and its very important role in Norway's electrification. We believe this results in a higher likelihood of government support than its peers.

Business Risk: Excellent

As Norway's electricity TSO that owns and operates the network, Statnett is key to the country's goal to increase electrification while reducing carbon emissions by at least 50% by 2030 compared to 1990 levels and achieving carbon neutrality by 2050 in line with EU directives. To continue ensuring strong security of supply, and enable value creation and new demand, Statnett must increase interconnections domestically as per its extensive investment plan.

Statnett is also fully regulated by the Norwegian Water Resources and Energy Directorate and benefits from a monopoly position in the country. We believe that the regulatory framework for TSOs in Norway is very supportive, which is a key aspect of our assessment of Statnett's excellent business risk profile (see "Norwegian Electricity Distribution And Transmission Regulatory Framework: Supportive," published Oct. 15, 2020), and supports Statnett's stable cash flows, full cost recovery, and rapid RAB growth.

The framework follows a revenue-cap model based on operators' RAB, regulatory return, and efficiency score. Although there are no fixed regulatory periods as in neighboring countries, we see the framework as successful in establishing predictable revenue while allowing for full cost recovery, a fair return on investments, and significant incentives for efficiencies.

While Statnett's operations are fully regulated, congestion income both from domestic and international sources results in some earnings volatility due to its unpredictable nature. Congestion income has been unusually high over 2021 and 2022, as a consequence of higher power prices and more bottlenecks throughout the Nordic area. We believe it will moderate from these extremely high levels but remain volatile, like the rest of the Nordic power system. As a result, Statnett's reported revenue can be higher or lower than the revenue the regulatory framework permits. As the company pays back revenue that exceeds the permitted amount by adjusting tariffs, this tends to normalize over a few years.

At year-end 2022, Statnett had accumulated surplus revenue of about NOK9.6 billion. As a result, it chose to lower tariffs to close to zero for half of 2022 and all of 2023 as well as make extraordinary transfers of revenue to distribution networks for both years. Although we recognize that the payback of higher revenue and the volatility of congestion revenue can create large fluctuations in revenue year on year, we expect the underlying profit to remain stable. The underlying result is based on regulated permitted revenue, while the accounting result will vary depending on established tariffs and congestion revenue. The difference is known as higher/lower revenue.

Financial Risk: Aggressive

We forecast Statnett will continue benefitting from high congestion income of about NOK7.5 billion-NOK8.0 billion in 2023 before this income falls below the 2021 level from 2024. This translates into underlying revenue stabilizing at about NOK18.0 billion-NOK19.0 billion over the next two years, taking into account the change in balance of higher/lower revenue (calculated as reported income minus permitted income), which is used to adjust tariffs annually.

Over 2021-2022, Statnett's congestion income, reported as regulated revenue, reached NOK28.2 billion. This level of reported revenue is above the permitted revenue calculated from the regulatory formula. So to offset this, Statnett has both reduced grid tariffs to close to zero since April 2022 and until year-end 2023 and extraordinarily transferred some congestion income to DSOs to cover their own increased expenses (NOK5.9 billion in 2022 and NOK2.3 billion in first-quarter 2023).

As a result of the remedy measures, we understand congestion income will not be used as a means to alleviate the pressure on investments; which we view as continuing to constrain the financial risk profile. We now expect Statnett will invest about NOK26.0 billion over 2023-2025 to upgrade its transmission system and enhance Norway's supply security and investments to remain mostly debt-funded. Therefore, we forecast net debt will increase to about NOK64.5 billion by year-end 2025 from NOK41.7 billion at year-end 2022.

We now expect the transitory effect of congestion income to be cleared as early as year-end 2023. We estimate this will result in underlying FFO to debt returning to 6%-9% from 2025 after peaking at about 13%-15% over 2023-2024, driven by higher/lower revenue over 2023-2024 to offset higher system costs incurred in 2021-2022.

Statnett's FFO is also boosted by the Norwegian tax policy. The Norwegian tax authority has reclassified tax payments for Statnett's maintenance investments, resulting in no cash taxes expected to be paid until 2026, implying a temporary high cash conversion and FFO. This compares with tax expense of NOK1.0 billion in 2021 and NOK1.7 billion in 2022 (rising due to congestion income), which would have had a negative impact on FFO to debt.

Financial summary

Table 2

Statnett SF--Financial Summary

Industry sector: Electric

	--Fiscal year ended Dec. 31--				
	2022	**2021**	**2020**	**2019**	**2018**
(Mil. NOK)					
Revenue	22,993.0	14,412.0	10,762.0	9,641.0	9,139.0
EBITDA	11,510.4	8,018.0	6,880.0	5,452.0	5,195.0
Funds from operations (FFO)	10,441.4	7,378.0	5,917.0	4,482.0	4,345.4
Interest expense	1,178.0	723.0	926.0	999.0	812.6
Cash interest paid	1,065.0	648.0	967.0	972.0	829.6
Cash flow from operations	9,105.0	8,141.0	6,336.0	4,174.0	3,740.4
Capital expenditure	4,926.0	6,533.0	8,505.0	9,129.0	8,174.0

Table 2

Statnett SF--Financial Summary (cont.)

Industry sector: Electric					
	--Fiscal year ended Dec. 31--				
	2022	**2021**	**2020**	**2019**	**2018**
Free operating cash flow (FOCF)	4,179.0	1,608.0	(2,169.0)	(4,955.0)	(4,433.6)
Discretionary cash flow (DCF)	3,442.0	569.0	(3,430.0)	(5,439.0)	(4,759.6)
Cash and short-term investments	3,613.0	3,088.0	2,674.0	2,196.0	3,475.0
Gross available cash	3,613.0	3,088.0	2,674.0	2,196.0	3,475.0
Debt	42,759.8	46,773.7	47,558.2	44,155.8	42,786.0
Equity	26,978.0	21,467.0	18,938.0	17,783.0	16,194.0
Adjusted ratios					
EBITDA margin (%)	50.1	55.6	63.9	56.6	56.8
Return on capital (%)	12.4	7.2	6.3	5.1	5.8
EBITDA interest coverage (x)	9.8	11.1	7.4	5.5	6.4
FFO cash interest coverage (x)	10.8	12.4	7.1	5.6	6.2
Debt/EBITDA (x)	3.7	5.8	6.9	8.1	8.2
FFO/debt (%)	24.4	15.8	12.4	10.2	10.2
Cash flow from operations/debt (%)	21.3	17.4	13.3	9.5	8.7
FOCF/debt (%)	9.8	3.4	(4.6)	(11.2)	(10.4)
DCF/debt (%)	8.0	1.2	(7.2)	(12.3)	(11.1)

Reconciliation

Table 3

Statnett SF--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. NOK)

	--Fiscal year ended Dec. 31, 2022--						
Statnett SF reported amounts							
	Debt	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Capital expenditure**
Reported	47,164.0	11,503.0	8,433.0	957.0	11,510.4	9,274.0	5,102.0
S&P Global Ratings' adjustments							
Cash taxes paid	--	--	--	--	(4.0)	--	--
Cash interest paid	--	--	--	--	(889.0)	--	--
Reported lease liabilities	212.0	--	--	--	--	--	--
Incremental lease liabilities	28.0	--	--	--	--	--	--
Postretirement benefit obligations/deferred compensation	166.9	--	--	--	--	--	--
Accessible cash and liquid investments	(3,613.0)	--	--	--	--	--	--
Capitalized interest	--	--	--	189.0	(176.0)	(176.0)	(176.0)
Dividends received from equity investments	--	7.4	--	--	--	--	--
Asset-retirement obligations	464.9	--	--	32.0	--	--	--

Table 3

Statnett SF--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. NOK) (cont.)							
Nonoperating income (expense)	--	--	125.0	--	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	7.0	--
Debt: Foreign currency hedges	(1,663.0)	--	--	--	--	--	--
Total adjustments	(4,404.2)	7.4	125.0	221.0	(1,069.0)	(169.0)	(176.0)
S&P Global Ratings' adjusted amounts							
	Debt	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Capital expenditure**
Adjusted	42,759.8	11,510.4	8,558.0	1,178.0	10,441.4	9,105.0	4,926.0

NOK--Norwegian krone.

Statnett's consolidated accounts are prepared under International Financial Reporting Standards. Our key analytical adjustments relate to the adjustment of derivative assets at fair value to reflect the impact of locked-in rates for the foreign debt.

Liquidity: Adequate

We assess Statnett's liquidity as adequate. This is supported by our view of available liquidity resources--including cash, FFO, and available credit facilities--which we estimate will cover expected cash outflows by 1.2x throughout 2023.

We also assume that liquidity sources will exceed uses even if EBITDA were to drop by 10%. Statnett's solid relationships with banks and high standing in the credit markets further support the group's liquidity position, as demonstrated by the Swedish krona 3.1 billion, 3.54%, five-year bond issuance on Feb. 8, 2023, and renewal of the NOK8.0 billion revolving credit facility (RCF) that matured in February 2024. As of Jan. 1, 2023, we estimate the following principal liquidity sources and uses:

Principal liquidity sources	Principal liquidity uses
• NOK5.0 billion in unrestricted cash including cash received from congestion income; • Access to undrawn committed RCFs totaling NOK8.1 billion, of which NOK8.0 billion were recently renewed but expire on Jan. 31, 2024; and • FFO of about NOK3.5 billion.	• Debt of NOK7.0 billion maturing over the next 12 months; • Annual investments of about NOK8.0 billion; and • NOK1.0 bilion of dividends in 2023.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

Environmental, social and governance factors are a neutral consideration in our credit analysis for Statnett.

The utility industry, including TSOs, faces short- and long-term risks from environmental factors, but also safety and societal issues when cabling in challenging terrains and environments, such as under the sea, and over or through mountains. Overall, we believe that environmental risks are not material for Statnett from a credit quality perspective. The utility industry at large is challenged by climate change and a general transition away from fossil energy sources into volatile renewable generation. This affects Statnett's status as a TSO, with its role to ensure security of supply and balance the system.

Statnett has an excellent track record in terms of project execution. Although the company's projects are exposed to high-risk situations, it has a good health and safety record, and regularly reviews procedures.

We assess Statnett's management and governance as satisfactory, based on the company's consistent good operating track record, effective project planning, and active approach toward corporate social responsibility.

Government Influence

The long-term rating on Statnett is four notches higher than the 'bbb' SACP. This reflects our view of the very high likelihood that the government of Norway would provide timely and sufficient extraordinary support to the company in the event of financial distress, and is based on Statnett's:

- Very important role as Norway's monopoly TSO, including its clear public-policy position within the country's energy market, and as a supplier to the strategically important oil industry.
- Very strong link with Norway, demonstrated by its full government ownership, remote privatization prospects due to its legal status, and strategic importance to the government

Ratings Score Snapshot

Issuer Credit Rating

A+/Stable/A-1

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Excellent

Financial risk: Aggressive

- **Cash flow/leverage:** Aggressive

Anchor: bbb

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : bbb

- **Related government rating:** AAA
- **Likelihood of government support:** Very high (+4 notches from SACP)

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- General Criteria: Group Rating Methodology , July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments , April 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions , March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers , Dec. 16, 2014
- Criteria | Corporates | General: Corporate Methodology , Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions , Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry , Nov. 19, 2013
- General Criteria: Methodology: Industry Risk , Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities , Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating , Oct. 1, 2010

Related Research

- Three Northern European TSOs Ratings Affirmed As Congestion Income Is Broadly Credit Neutral; Outlooks Remain Stable, April 14, 2023

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	Significant	**Aggressive**	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	**bbb**	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of April 26, 2023)*

Statnett SF	
Issuer Credit Rating	A+/Stable/A-1
Senior Unsecured	A+
Issuer Credit Ratings History	
14-Jan-2010	A+/Stable/A-1
14-Oct-2009	AA/Watch Neg/A-1+
30-Jun-2009	AA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.