MOODY'S INVESTORS SERVICE

CREDIT OPINION
13 October 2021

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Lafayette (City of) LA Combined Util. Ent.

Update following A1 and A2 ratings affirmation

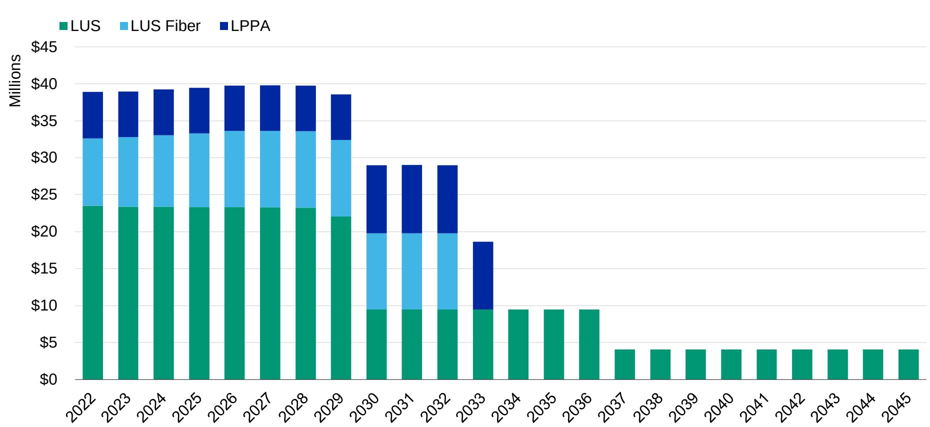
Summary

Lafayette (City of) LA Combined Utilities Enterprise's (LUS; A1 stable) credit profile reflects a long track record of maintaining healthy financial metrics supported by timely rate increases. We expect the combined utilities system, which includes power, water and wastewater services, will maintain overall stable fixed obligation charge coverage ratios (FOCC) currently averaging around 2.0x and liquidity averaging over 300 days cash on hand. The local population and service area economy is relatively stable, despite regional concentration in the oil and gas sector and is anchored by the institutional presence of the University of Louisiana at Lafayette. These factors and energy efficiency combine to keep load growth very modest. LUS' strengths are counterbalanced by reliance on coal generation and the potential for increased leverage to meet capacity requirements over the next several years. Rodemacher 2 (RPS2), which is co-owned by LUS through the Lafayette Public Power Authority (LPPA; A1 stable) and represents nearly half of LUS' peak capacity and reserves, will cease coal-fired operations in 2027. Plans have not been finalized, but we currently expect LUS will replace lost RPS2 capacity with a self-build natural gas facility. Based on the system's currently low leverage and amortization structure (see Exhibit 1), we think LUS can manage the needed investment without significantly impairing credit quality.

Exhibit 1

Total debt service requirements drop off beyond 2029 when we would expect new debt for capacity investment would begin amortizing

Post-refunding estimated debt service requirements of LUS, LUS Fiber and LPPA



Source: Preliminary Official Statements

The credit profile of LUS' communications system (LUS Fiber; subordinate A2 stable) reflects LUS Fiber's operating track record with good cash flow. LUS Fiber is moving further away from initial startup status and continues to acquire market share which has bolstered the credit profile. LUS Fiber has much higher business risk which, unlike the combined utilities' monopoly service, has direct competition with other telecom providers. Rates and services are currently competitive with other providers. In addition, demand for LUS Fiber internet subscriptions grew during the coronavirus pandemic and many existing customers migrated to higher bandwidth tiers. The higher risk factors are offset by a backstop of net revenue from LUS that is subordinate to the combined utilities' revenue bond debt service.

Credit strengths

» Unregulated rate-setting ability for the combined utility and automatic fuel cost adjustments allow for timely and adequate cost recovery

» Strong track record of base rate adjustments to accommodate higher costs

» Strong liquidity

Credit challenges

» Likelihood of significant investment requiring debt to replace retiring capacity

» Exposure of the communication system business to competitive pressures

» Local economy has exposure to the energy industry and related volatility

Rating outlook

The stable outlook reflects stable demand within the service territory and our expectation that LUS will maintain strong financial metrics as it manages its capital plan. The outlook also reflects our expectation that LUS Fiber will maintain self-sufficiency with healthy debt service coverage ratios.

Factors that could lead to an upgrade

» Sustained economic expansion and diversification with growth in higher-wage, non-energy segments

» More certainty surrounding capital investment and related customer rate impact to address long-term capacity needs while the combined utilities system maintains FOCC and days cash on hand in excess of 2.0x and 250 days, respectively

Factors that could lead to a downgrade

» Deterioration of financial performance resulting in FOCC falling below 1.5x on a three-year average basis

» Communication system operations weaken resulting in diminished self-sufficiency

Key indicators

Exhibit 2
Lafayette (City of) LA Combined Utilities Enterprise

	2016	2017	2018	2019	2020
Total Sales (mWh)	2,900,099	2,878,858	3,185,139	3,136,792	2,653,870
Debt Outstanding ($'000) - Senior	214,410	195,915	184,110	229,805	215,615
Debt Outstanding ($'000) - Subordinate	105,255	101,210	96,785	92,140	87,260
Adjusted Debt Ratio (%)	39.7	37.7	31.7	37.3	35.1
LUS Fixed Obligation Charge Coverage (x)	1.55	1.70	2.02	2.15	1.78
LUS Fiber Debt Service Coverage Ratio (x)	2.29	1.69	1.67	1.75	1.94
Total Days Cash on Hand (days)	277	263	284	341	377

Source: LUS ACFRs and consulting engineers reports; Moody's Investors Service

Profile

The City of Lafayette, LA is located in southern Louisiana approximately 30 miles from the Gulf of Mexico and has an estimated population of 137,309. The City is the owner of the Lafayette Combined Utility System, which includes the LUS Electric System, the Water System, the Wastewater System as well as the Communications System. The electric, water and wastewater systems primarily serve within the city but also on a limited basis to some areas outside city limits. LUS electric system served just under 70,000 accounts in 2020. The LUS communications system offers fiber leases, wholesale broadband and retail customer services. On the retail side, the communications system offers “triple play” services: cable television, internet and telephone.

Detailed credit considerations

Revenue generating base: Utility service demand is stable while fiber market share expands

The service area economy benefits from the institutional presence of the local university and a large medical complex. The University of Louisiana at Lafayette is the second largest university in the state and currently enrolls approximately 19,000. The talent pipeline from the university, coupled with LUS Fiber's quality of service, has boosted Lafayette's attractiveness for corporate relocations and expansions. At the same time, the region has economic concentration in highly volatile oil and gas.

Lafayette General Medical Center is the largest employer with about 4,300 workers and is the largest health system in the south-central Louisiana region including Baton Rouge. It staffs 475 beds and recently became one of only four Level II trauma centers in the state. The university and Lafayette General are the two largest LUS electric customers. LUS' customer base composition is diverse with the top 10 customers representing at most about 10% of retail revenue and no single customer represents more than 5%. We expect these factors and the underlying economic trend will keep system growth flat to very modestly positive. LUS' capital planning forecast includes a compound annual growth rate of less than 1% for retail sales over the next 10 years. A recent study also forecast long-term annual load growth of around 0.2%.

ELECTRIC

The electric system represents the largest share of LUS combined utilities' operations at about 76% of revenue. LUS has been a full market participant in the Midcontinent Independent System Operator (MISO) since 2013. The market is buy-all/sell-all, meaning that LUS purchases all of its energy needs from MISO and competitively dispatches generation into the market as power sales.

LUS provides electricity through owned resources and power supply contracts. The generation fleet includes two natural-gas fired plants: Hargis Herbert and TJ Labbe for a combined operating capacity of 171 MW. The 2020 consulting engineer's report said that the facilities are maintained and operated in good condition. The largest source of generation however is the 225 MW Rodemacher Unit 2 (RPS2) coal-fired power plant. RPS2 is co-owned by the Lafayette Public Power Authority (LPPA; A1 stable), a joint action agency for which LUS is the sole take-or-pay participant. LPPA has a 50% ownership interest in RPS2. The other co-owners are Cleco Corporate Holdings LLC (Baa3 stable) and Louisiana Energy & Power Authority (LEPA — Rodemacher Unit 2; Baa2 stable). LUS also has a power purchase agreement for hydro.

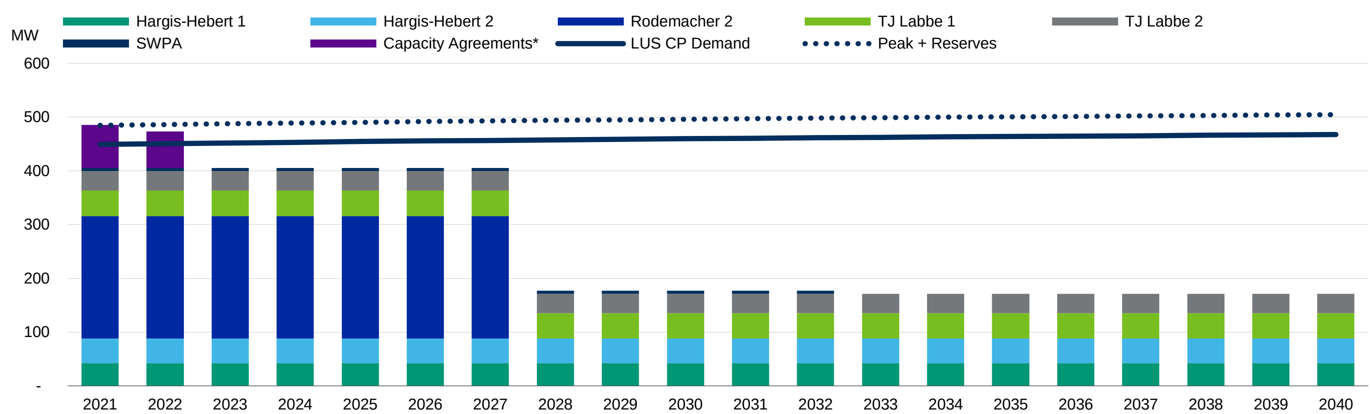
LUS also has capacity contracts in place to supplement owned capacity and purchase agreements to meet MISO requirements, designed as a short-term measure until LUS implements a longer term solution. As a MISO participant, LUS is required to procure sufficient capacity to meet its own load requirements. LUS has staggered short-term capacity agreements through 2022. Total peak demand for LUS was 441 MW in 2020 and is projected to grow to 500 MW by 2035, according to the load forecast in the July 2020 integrated resource plan (IRP).

The joint owners of RPS2 plan to permanently cease coal-fired operation of the coal plant by the third quarter of 2027 ahead of a deadline to comply with certain environmental regulations that would require significant modifications. The 2020 IRP recommended LUS consider a self-build simple cycle facility to replace lost capacity from RPS2. In addition, the IRP suggested the addition of renewables, specifically emphasizing solar. LUS is currently evaluating proposals for renewable energy supply after a request for proposals was issued in December 2020.

Exhibit 3

LUS is evaluating long-term capacity needs for MISO compliance and to replace Rodemacher 2 if retired in 2028

Owned and contracted power fall short of peak and reserve requirements beyond 2022



*Capacity agreements include 80 MW from TEA for June 2020 — May 2021 and 68 MW from NRG for June 2021 — May 2022

Source: Consulting Engineer Report and Integrated Resource Plan

LUS benefits from rate-setting authority that is not subject to external regulation, but the bond ordinance requires LUS to seek approval from the consulting engineer before reducing rates. LUS' electric rates for all sectors were about 12.6% above the state average in 2019, according to the U.S. Energy Information Administration. However, LUS does not have an industrial rate class which affects the comparison to the state average. Residential and commercial rates were 4.9% and 7.7% below the state average, so rates are competitive and consistent with the A-rating category. The ten-year planning period assumes no base electric rate increases. Water and wastewater rates will increase 2% annually between fiscal years 2021 and 2028. Wholesale water rate increases of 6% will go into effect on a biennial schedule beginning in fiscal year 2022. Retail and wholesale rate increase levels and timing could change depending on the results of the 2021 rate study.

WATER AND WASTEWATER

Water and wastewater represent 10% and 14%, respectively, of LUS operating revenue. LUS provides water services on a retail and wholesale basis. All of its raw water supply needs are sourced from the Chicot aquifer. The system includes two water treatment plants each capable of treating over 20 MGD, 20 underground wells, elevated and ground treated-water storage and 1,170 miles of distribution piping. The wastewater system is comprised of a wastewater collection system, four wastewater treatment plants at various locations throughout the city and waste sludge management and disposal facilities.

Water and wastewater projects account for about 70% of the five-year capital improvement plan for the combined utilities system. A large portion of the CIP is funded from proceeds of bonds issued in 2019. LUS is currently implementing a Capacity, Management, Operations and Maintenance Program (CMOM) to comply with an EPA mandated review to ensure efficient, consistent, optimized operation and management of the sewer collection system. LUS is required to inspect and clean 10% of the collection system each year, up from the previous 8%, on a 10-year revolving schedule and address defects within three years. The entire wastewater collection system needs to be rehabilitated by 2033, which is incorporated in the five-year capital improvement program.

COMMUNICATIONS SYSTEM

Despite a very competitive landscape, LUS Fiber has become more established since initially offering retail services in 2009, and we expect expansion progress will continue. The system provides fiber leases, wholesale broadband and retail customer services over 70 mile fiber backbone system with direct connections to national Tier 1 broadband providers, 145 miles of distribution fiber and 539 miles of access fiber. On the retail side, LUS Fiber offers the "triple play" of cable television (CATV), internet and telephone services.

Unlike the combined utilities system, which benefits from monopolistic service, LUS Fiber has direct competition with other providers including Cox Communications, Dish, AT&T, kaptel, REACH4 and HughesNet. LUS Fiber offers favorable rates and has won awards for speed and price savings. The system continues to acquire market share. LUS Fiber attained franchise status in November 2017, allowing it to offer communications service outside the city and unincorporated areas in the parish. LUS Fiber market share has grown to 42.4% in fiscal 2020, up from 36.8% in 2015. Existing capacity and cash flow can accommodate projected growth. Moreover, the system can take advantage of state and federal grant programs aimed at expanding broadband access. The capital improvement program for LUS Fiber does not assume any additional new money debt issuance.

In April 2018, LUS self-reported that it paid for services from LUS Fiber that had not been fully utilized, resulting in about $1.5 million of overpayments since 2012, a potential violation of rules prohibiting cross-subsidization. LUS was reimbursed $1.8 million in 2018 at the request of the Lafayette Consolidated Government administration, even though the reimbursement was not mandated by the Louisiana Public Service Commission (LPSC). In March 2021, the LPSC has accepted the findings of the 2017 attest audit, affirming that the system is in compliance with the rules and the Fair Competition Act. The 2018 and 2019 attest audits are still outstanding. The auditor has proposed a methodology for calculating the appropriate price for LUS Fiber to charge LUS for a power outage monitoring system. The proposed methodology estimates that LUS Fiber overcharged by another $1.1 million over 2018 and 2019. The consulting engineer report recommends a different approach closer to fair market prices. However, even if the auditor's methodology is adopted, LUS Fiber has strong cash flow with almost $10 million after debt service in fiscal 2020 and about $2.7 million of unrestricted liquidity.

Financial operations and position: Consistently strong finances while maintaining competitive rates

We expect LUS to maintain healthy financial metrics with FOCC ratios of around 2.0x. Management has a good track record of implementing timely rate increases while keeping rates competitive with regional peers. The last rate increase for all three LUS services was in fiscal 2018 as recommended in the 2016 rate study. The financial forecast in the IRP assumes no change to the approved base rate revenue structure (see discussion in Revenue Generating Base section). Production expenses are expected to increase in 2024 and 2025 primarily due to the capital projects at RPS2 related to environmental compliance.

Budget to actual performance in fiscal 2020 was solid with $15 million more in cash available for capital than what was budgeted. Moody's FOCC ratio, which adjusts for the take-or-pay debt service payment to LPPA (debt service on LUS' take-or-pay obligation payment to LPPA is netted from operating expenses and added to direct debt service), was 1.78x in fiscal 2020. Moody's FOCC calculation also includes general fund transfers ("ILOT" payments to the city) as operating expenses.

Moody's stressed FOCC by adding the communication system's debt service, which has a subordinate lien on combined utility net revenue, to LUS debt service, resulting in still satisfactory three-year average FOCC of about 1.3x through fiscal 2020. This stress does not include revenue from the communications system nor does it include amounts held in the LUS Capital Additions Account which would be drawn first in the waterfall if a "credit event" occurs and triggers the subordinate lien pledge. The Capital Additions Account balance totaled $123 million in the utilities system fund and $9.9 million in the communications system fund in fiscal 2020.

LUS Fiber is self-supporting and generates strong debt service coverage ratios. Operating expenses are mostly fixed costs, so continued customer growth will strengthen operating margins. Fiscal 2020 ended with a DSCR of 1.9x. Moody's DSCR calculation considers ILOT payments and imputed tax payments as operating expenses. We have also included payments on an inter-utility loan as debt service. These loan payments are subordinate to the communication bond debt service. The inter-utility loans from LUS were used to fund the purchase of fiber system assets, startup costs and operating costs. The loans are amortizing and will be fully repaid in 2033. No future loans from LUS are expected. The principal balance of the loans was $24.7 million in fiscal 2020.

LIQUIDITY

The combined utilities system has strong liquidity. Fiscal 2020 ended with 377 days cash on hand based on an unrestricted and discretionary reserve balance of $141 million, up from 277 days five years ago. This consists of $8.7 million of unrestricted cash in the operation and maintenance (O&M) fund, $123 million in the capital additions account and $9.7 million in customer deposits. Management has a financial objective that requires a minimum cash balance of $8 million in the O&M fund. Amounts in the capital additions account can be used for paying capital costs or for the creation and maintenance of a rate stabilization account or for any lawful purpose designed to benefit LUS. The capital addition account may also be used for subordinated indebtedness if the communications system has a credit event (see “Legal Security” section). Additional restricted funds not included in the days cash on hand calculation are the debt service reserve balance the bond construction fund with remaining 2019 bond proceeds that will fund the bulk of the capital improvement program over the next couple of years.

Debt and other liabilities: Additional leverage likely for capacity needs beyond current capital planning period

LUS had $216 million of revenue bonds outstanding in fiscal 2020. System leverage is currently low with an adjusted debt ratio of 35.1%. This includes Moody's adjusted net pension liability for LUS. LUS' 2021-2025 capital improvement plan (CIP) totals $102 million that is largely concentrated in fiscal 2021 and 2023. The forecasted CIP is anticipated to be funded through retained earnings. LUS had about $67 million of bond proceeds from the Series 2019 bonds in the construction account at the end of fiscal 2020. The bond funds have been appropriated to outstanding projects that are in varying stages of completion.

Based on LUS' current capacity needs and potential retirement of RPS2 by 2027, additional leverage is likely beyond the current five-year CIP planning period. LPPA had about $71 million outstanding.

The communications system revenue bonds totaled $87.3 million in fiscal 2020.

The waterfall structure places LPPA's debt as the first priority because the take-or-pay obligation is made as an operating expense ahead of LUS debt service. Debt of the combined utilities system is structurally superior to the communications system. The communications system's revenue is not pledged to the combined utility system's debt.

LEGAL SECURITY

The combined utility revenue bonds are secured by the net revenue of LUS. The rate covenant is 1.0x and can be satisfied with transfers from the capital additions account treated as revenue, which dilutes the requirement and is a structural weakness. The additional bonds test is also 1.0x. The bonds are further secured by a debt service reserve that is cash funded at the lesser of 10% of par, maximum annual debt service or 125% of average annual debt service.

The communication system revenue bonds are secured by the net revenue of the communications system. If a “credit event” occurs, the bonds are further secured by a subordinate lien pledge of the combined utility system, including amounts on deposit in the capital additions fund. A credit event occurs if, on the 21st day before an interest payment due date, amounts on deposit in the debt service account are insufficient to pay principal and interest.

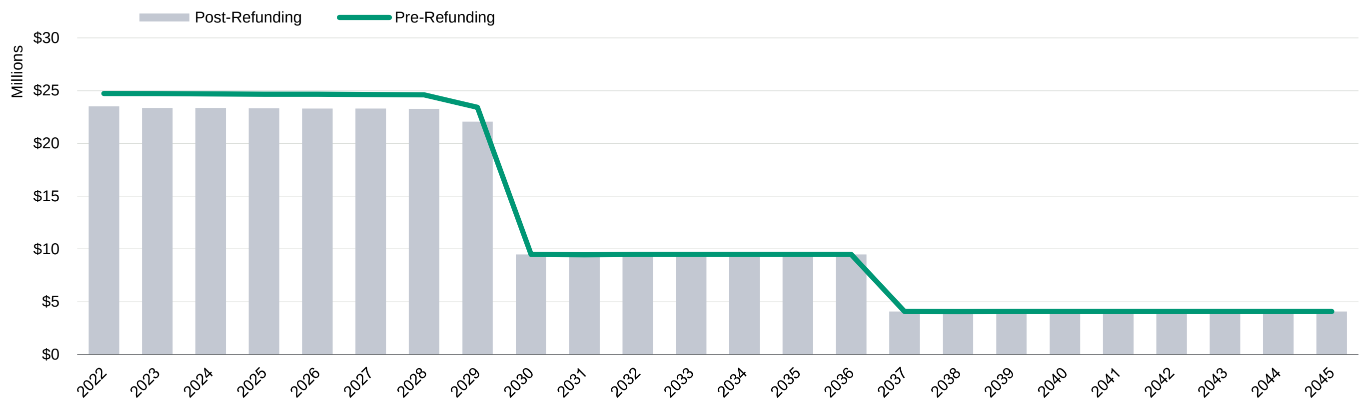
DEBT STRUCTURE

All of the debt is fixed rate. Annual LUS debt service requirements are relatively flat before falling by more than half in 2030, creating flexibility for future debt issuance. Final maturity of all debt is in 2045. The estimated net present value savings from the Series 2021 Taxable Utilities Revenue Refunding Bonds is approximately 9.5% of refunded bond par based on current interest rates.

Exhibit 4

Savings from the Series 2021 Taxable Utilities Revenue Refunding Bonds spread through 2030 which is when the refunded bonds would mature

Estimated net present value (NPV) savings of 9.5% of refunded bond par based on current interest rates



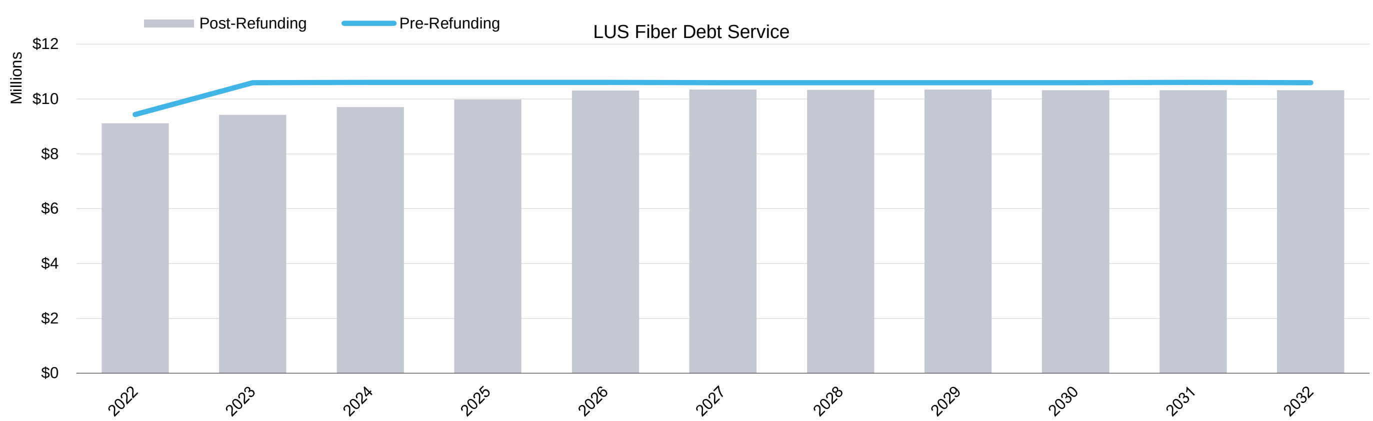
Source: Preliminary Official Statement

Communication debt service requirements are around $9.4 million per year currently but will increase to $10.6 million in fiscal 2022 and stay flat through maturity. All of the communications system revenue bonds mature by 2032 and interfund loans will be repaid by 2033. Management currently does not foresee any new money issuance plans for LUS Fiber over the next several years as cash flows are sufficient to fund capital needs while maintaining satisfactory cash balances.

Exhibit 5

Mostly upfront savings from the Series 2021A&B Communications System Revenue Refunding Bonds resulting in a more gradually inclining structure

Estimated NPV savings of 19% based on current interest rates



Source: Preliminary Official Statement

DEBT-RELATED DERIVATIVES

None.

PENSIONS AND OPEB

Moody's adjusted net pension liability (ANPL) for LUS as of fiscal 2020 was $74 million compared with a reported net pension liability of $29 million. Employees participate in the Municipal Employees' Retirement System of Louisiana-Plan A and Parochial Employees' Retirement System of Louisiana-Plan A, both of which are multi-employer cost sharing plans. The main difference between the reported net pension liability and Moody's ANPL is the discount rate applied. The reported net pension liability is based on 6.95% for MERS and 6.5% for PERS. Moody's ANPL uses an adjusted discount rate that consolidates to 2.7% for the plans.

ESG considerations

Environmental

The public power electric utilities with generation ownership exposure sector continues to face increasingly stringent environmental mandates which require compliance with various laws and regulations. Compliance with these mandates can be costly and violations could subject the utilities to substantial liabilities, as well as damage its reputation. Environmental regulations and the mix of generation sources, as well as the utilities' ability to recover related costs can vary by entity. Restrictions on air pollutants and carbon emissions and the extent to which the utility can cover such costs might play a role can affect the credit quality of sector participants, particularly those dependent upon coal-fired generation. However, the amortizing nature of public power electric utilities debt capital structure combined with the their unique monopoly position reduce to some extent, exposure to carbon-related stranded costs.

LUS has elevated exposure to environmental risk given its high dependence on coal in its supply mix, but the 2020 IRP provides a view of the carbon transition and a range of options for the utility to consider. The joint owners made the determination to retire RPS2 in 2027 before more costly regulatory upgrades would be required. In the meantime, RPS2 will be required to close the existing on-site ash ponds to comply with the US EPA's Coal Combustion Residue (CCR) rule which is estimated to cost $20 to $25 million. The cost of CCR compliance is incorporated in the current financial forecast. In the near term, LUS will diversify its generation resources with the addition of solar in the next couple of years or so.

LUS has high environmental risk related to hurricanes because of the city's location near the Gulf of Mexico. Hurricane Ida did not cause significant financial or physical damage to the LUS service territory or system assets. About 135 miles east in Orleans Parish, the storm took out transmission lines causing the whole parish to lose power for weeks. LUS maintains 47 miles of transmission lines and nearly 1,000 miles of distribution lines with over 50% underground. Overhead distribution lines are typically constructed with single wood pole. To move the rest of the lines underground or replace the wood poles with steel, for example, would enhance resiliency but is expensive. We expect management to explore these resiliency measures in the coming years and consider potential costs to ratepayers versus avoided cost of major damage if, say, a Hurricane Ida-level storm made a more direct hit on Lafayette. Having more generation closer to the service area may also reduce the risk from damage to the transmission and distribution.

Major storm events last year had a more pronounced impact on LUS. In 2020, the region was hit twice with Hurricane Laura (Category 4) making landfall in August and Hurricane Delta (Category 2) in October. Total damage caused by Laura was approximately $2.5 million for LUS and LUS Fiber. Even though Delta was Category 2, the damage was more costly. Lafayette Parish sustained major damage from the strong winds and heavy rainfall affecting almost 70% of LUS customers. Delta caused about $7.1 million in restoration expenses. About $6.2 million in restoration expenses for both events were incurred in fiscal 2020. LUS is eligible to receive reimbursement from the Federal Emergency Management Agency (FEMA) and the Louisiana State Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP).

In February 2021, the entire south-central US, including Lafayette, was affected by Winter Storm Uri. Management reports a minor net cost of $4 million (less than 2% of annual operating revenue) related to an unbudgeted fuel expense resulting from extreme cold weather during the week of 14 February 2021. LUS' generation sources were available and producing during the event. LUS had a boil water advisory in place because of customers that either ran their faucets to prevent frozen pipes or had water lines that broke from the freeze. LUS had no material damage to its own infrastructure assets.

Social

The US public power electric utilities with generation ownership sector has moderate social risks. While certain specific social risks may be considered high, the extent of the risk and its impact on the credit profile is mitigated through extensive internal and external controls, regulations and legislation. The safety and reliability of essential utility services are extremely important to customers and is a key focus of the sector.

The coronavirus pandemic is a social risk, but LUS has not been materially impacted. However, work from home and remote education has raised the social importance of access to the type of service provided by LUS Fiber.

Governance

The US public power electric utilities with generation ownership exposure sector faces relatively low governance risks as these issues have not typically been a material factor affecting issuers credit quality. That said, governance challenges can arise in rate setting process since board membership is often composed of representation from the utility's service territory. Weak governance in the rate setting process can directly impact credit quality

Recent changes to the governance structure have had an overall neutral impact as it relates to governance risk. We expect management will maintain LUS' good track record of implementing rate increases as needed. In January 2020, a new home rule order went into effect modifying the governance of the city and parish. Under the prior structure, the Lafayette Public Utilities Authority (LPUA) and Lafayette City-Parish Council were the legislative governing bodies of the combined utility system. In December 2018, voters approved amendments to the home rule charter, most notably the separation of the legislative body into a separate City Council and Parish Council. The newly formed City Council replaced the LPUA as the governing authority for LUS, LUS Fiber and LPPA.

Certain provisions of the bond ordinance strengthen governance considerations. The bond ordinance caps ILOT payments to the city's general fund at 12% of the previous fiscal year's gross revenue. In addition, the transfer can only be made if 7.5% of non-fuel revenue has been set aside for capital additions and improvements. ILOT payments have crept up in recent years and exceeded 11% in 2020, which is above average for the sector, but the 12% cap provides limited headroom for future ILOT increases.

The bond ordinance also requires the city to retain a consulting engineer to provide continuous counsel on the utilities system and approve the chief operating officer appointed by the city. The consulting engineer is required to publish an annual report 180 days after fiscal year end reporting on operations, efficiency of management, budget performance and controls, adherence to bond ordinance provisions, and all other matters affecting efficiency and profitability of the utilities system. The consulting engineer will also advise on rates, and LUS cannot make any downward revision to rates without prior approval of the consulting engineer.

Rating methodology and scorecard factors

The principal methodology used in these ratings was US Public Power Electric Utilities with Generation Ownership Exposure Methodology published in August 2019. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

The assigned A1 rating is the same as the grid indicated outcome.

Exhibit 6

US Public Power Electric Utilities with Generation Ownership Exposure

Lafayette, LA Combined Utilities Enterprise

Factor	Subfactor	Score	Metric
1. Cost Recovery Framework Within Service Territory		A	
2. Wllingness and Ability to Recover Costs with Sound Financial Metrics		Aa	
3. Generation and Power Procurement Risk Exposure		Baa	
4. Competitiveness	Rate Competitiveness (compared to state average)	A	
5. Financial Strength and Liquidity	a) Adjusted days liquidity on hand (3-year avg) (days)	Aaa	334
	b) Adjusted Debt ratio (3-year avg) (%)	Aaa	34.7%
	c) Adjusted Debt Service Coverage or Fixed Obligation Charge Coverage (3-year avg) (x)	A	1.98
Preliminary Grid Indicated Outcome from Grid factors 1-5		A1	
		Notch	
6. Operational Considerations		0.0	
7. Debt Structure and Reserves		0.0	
8. Revenue Stability and Diversity		0.0	
Grid Indicated Outcome:		A1	

Source: Moody's Investors Service

REPORT NUMBER 1305461

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