

# ***News Brief:***

## **S&P Gives Public Power Utilities High Marks**



Local control makes publicly-owned electric utilities more financially stable and reliable according to the stock and bond rating agency, Standard & Poor's. As stated in a July report on public power's credit quality, the ability to set their own rates "continues to be one of the key factors that distinguishes the ratings on public power utilities from those on investor-owned electric utilities."

The report also stated that, in terms of rate increases, "slow and steady wins the race". Public power utilities "tend to implement palatable incremental rate adjustments to preserve financial performance and flexibility." The S&P has rated 85% of its public power utilities as "A" or better, similar to water and sewer utilities but because of issues facing the power sector, the similarities are considered extraordinary.

Public power utilities "have not digressed from a business model under which management teams dedicate their efforts to providing reliable, reasonably priced electric service – no more, no less," S&P said.

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