

Rating Action: Moody's places ratings of most US regulated utilities on review for upgrade

08 Nov 2013

Approximately \$400 billion of debt affected

New York, November 08, 2013 -- Moody's Investors Service placed the ratings of most regulated utilities and utility holding companies in the United States on review for upgrade, affecting approximately \$400 billion of debt. These companies have been placed on review because Moody's has adopted a generally more favorable view of the relative credit supportiveness of the US regulatory environment, as detailed in our September 23, 2013 Request for Comment: "Proposed Refinements to the Regulated Utilities Rating Methodology and our Evolving View of US Utility Regulation."

RATINGS RATIONALE

"Our placement of these issuers on review considers improving regulatory trends in the US, including better cost recovery provisions, reduced regulatory lag, and generally fair and open relationships between utilities and regulators," said Moody's Managing Director Larry Hess. We believe that many US regulatory jurisdictions have become more credit supportive of utilities over time and that our assessment of the regulatory environment that has been incorporated into ratings may now be overly conservative.

The US utility sector's low number of defaults, high recovery levels, and generally strong financial metrics from a global perspective provide additional corroboration for our view that ratings should generally be higher.

We expect that most upgrades will be limited to one notch, and that the reviews of the affected companies will be completed within approximately 90 days. Although we anticipate that most of the utilities placed under review will be upgraded, there may be selected instances where ratings will not be upgraded following the completion of our review.

We note that several regulated utilities and utility holding companies were not placed on review due to issuer specific circumstances that would preclude an upgrade at this time. These exclusions include utilities that are engaged in substantial construction programs for new generation or other large capital projects, currently have a Negative Outlook or are under potential downward rating pressure, are characterized by material concentration or event risk, face market or regulatory risks specific to their particular jurisdictions, or are part of a corporate family that has significant non-utility operations.

The following companies were placed on review for upgrade:

AEP Texas Central Company

AEP Texas North Company

AGL Capital Corporation

AGL Resources Inc.

Atlanta Gas Light Company

Alabama Power Company

ALLETE, Inc.

Alliant Energy Corporation

Ameren Corporation

Ameren Illinois Company

American Electric Power Company, Inc.
American Transmission Company LLC
Appalachian Power Company
Arizona Public Service Company
Atlanta Gas Light Company
Atlantic City Electric Company
Atmos Energy Corporation
Avista Corp.
Baltimore Gas and Electric Company
Berkshire Gas Company
Black Hills Corporation
Black Hills Power, Inc.
CenterPoint Energy Houston Electric, LLC
CenterPoint Energy, Inc.
Central Hudson Gas & Electric Corporation
Central Maine Power Company
Cleco Corporation
Cleco Power LLC
CMS Energy Corporation
Commonwealth Edison Company
Connecticut Light and Power Company
Connecticut Natural Gas Corporation
Consolidated Edison Company of New York, Inc.
Consolidated Edison, Inc.
Consumers Energy Company
Delmarva Power & Light Company
Dominion Resources
Dominion Gas Holdings
DTE Electric Company
DTE Energy Company
DTE Gas Company
Duke Energy Carolinas, LLC
Duke Energy Corp.
Duke Energy Florida, Inc.

Duke Energy Indiana, Inc.
Duke Energy Kentucky, Inc.
Duke Energy Progress, Inc.
Duquesne Light Company
Duquesne Light Holdings, Inc.
Edison International
Elm Road Generating Station Supercritical
El Paso Electric Company
Empire District Electric Company (The)
Entergy Arkansas, Inc.
Entergy Gulf States Louisiana, LLC
Entergy Louisiana, LLC
Entergy Mississippi, Inc.
Entergy Texas, Inc.
Florida Power & Light Company
Great Plains Energy Incorporated
Gulf Power Company
Hawaiian Electric Company
Hawaiian Electric Industries, Inc.
IDACORP, Inc.
Idaho Power Company
Indiana Gas Company, Inc.
Indiana Michigan Power Company
Indianapolis Power & Light Company
Integrus Energy Group, Inc.
International Transmission Company
IPALCO Enterprises, Inc.
ITC Great Plains LLC
ITC Holdings Corp.
ITC Midwest LLC
Kansas City Power & Light Company
Kansas City Power & Light Greater MO Oper
Kentucky Power Company

Kentucky Utilities Co.
Laclede Gas Company
Laclede Group, Inc. (The)
LG&E and KU Energy LLC
Louisville Gas & Electric
Madison Gas and Electric Company
Michigan Electric Transmission Company, LLC
MidAmerican Energy Holdings Company
MidAmerican Energy Company
Nevada Power Company
New Jersey Natural Gas Company
New York State Electric and Gas Corporation
NiSource Capital Markets, Inc.
NiSource Finance Corp.
NiSource Inc.
North Shore Gas Company
Northeast Utilities
Northern Illinois Gas Company
Northern Indiana Public Service Company
Northern States Power Company (Minnesota)
Northern States Power Company (Wisconsin)
NorthWestern Corporation
NSTAR Electric Company
NV Energy Inc.
OGE Energy Corp.
Oklahoma Gas & Electric Company
Orange and Rockland Utilities, Inc.
Otter Tail Corporation
Otter Tail Power Company
PacifiCorp
PECO Energy Company
Peoples Gas Light and Coke Company
Pepco Holdings, Inc.
Piedmont Natural Gas Company, Inc.

Pinnacle West Capital Corporation
Pivotal Utility Holdings
PNG Companies LLC
PNM Resources, Inc.
Portland General Electric Company
Potomac Electric Power Company
PPL Corporation
PPL Electric Utilities Corporation
Progress Energy, Inc.
Public Service Company of Colorado
Public Service Company of New Hampshire
Public Service Company of New Mexico
Public Service Company of Oklahoma
Public Service Electric and Gas Company
Puget Energy, Inc.
Puget Sound Energy, Inc.
Questar Corporation
Questar Gas Company
Rochester Gas & Electric Corporation
San Diego Gas & Electric Company
SEMCO Energy, Inc.
Sierra Pacific Power Company
SourceGas LLC
South Jersey Gas Company
Southern California Edison Company
Southern California Gas Company
Southern Connecticut Gas Company
Southern Indiana Gas & Electric Company
Southwest Gas Corporation
Southwestern Electric Power Company
Southwestern Public Service Company
Superior Water, Light and Power Company
Tampa Electric Company

TECO Energy, Inc.
Texas-New Mexico Power Company
Tucson Electric Power Company
UGI Utilities, Inc.
UIL Holdings Corporation
Union Electric Company
United Illuminating Company
UNS Electric, Inc.
UNS Energy Corporation
UNS Gas, Inc.
Vectren Utility Holdings, Inc.
Virginia Electric and Power Company
Washington Gas Light Company
Westar Energy, Inc.
Western Massachusetts Electric Company
WGL Holdings, Inc.
Wisconsin Electric Power Company
Wisconsin Energy Corporation
Wisconsin Gas LLC
Wisconsin Power and Light Company
Wisconsin Public Service Corporation
Xcel Energy Inc.
Yankee Gas Services Company

The principal methodology used in these ratings was Regulated Electric and Gas Utilities published in August 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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