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South Carolina Public Service Authority (Santee Cooper) (SC): Fitch New Issue Report

The ‘A-‘ rating reflects South Carolina Public Service Authority’s (Santee Cooper or the authority) financial profile and leverage ratio, measured as net adjusted debt to adjusted funds available for debt service (FADS), which improved to 10.4x in 2023, but remains elevated. The Outlook revision to Stable reflects Fitch Rating’s expectation that Santee Cooper’s financial flexibility and revenue defensibility will improve following the expiration of its agreement to lock rates through January 16, 2025. The agreement was reached as part of a legal settlement to resolve significant litigation challenging the authority’s ability to recover costs related to the V.C. Summer nuclear project (the Cook Settlement). The improved flexibility should allow the authority to support higher leverage. Moreover, with the expiration of the rate lock approaching, the effect of previously deferred costs appears to be manageable, even if these costs cannot be recovered in the future.

ACCESS REPORT

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