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S&P RFC Process Summary: Rating Methodology and Assumptions for U.S. Municipal Waterworks and Sanitary Sewer Utility Revenue Bonds.

On Dec. 10, 2014, Standard & Poor's Ratings Services published a request for comment (RFC) on its proposed approach to analyzing bonds supported by municipally-owned water and sewer utilities in the U.S. Following feedback from the market, we finalized and today published our criteria "U.S. Public Finance Waterworks, Sanitary Sewer, And Drainage Utility Systems: Rating Methodology And Assumptions".

Standard & Poor's received comments from participants representing the utility, banking and underwriting, municipal financial advisory, and academic communities. Based on feedback, we have revised certain factors for the purposes of further clarity and transparency.

This RFC process summary provides an overview of the substantive changes between the RFC and the final criteria. We considered all comments, made many changes in response, but did not make all changes suggested. Since the original RFC, we also made some stylistic and wording changes to ensure consistency among other criteria published by Standard & Poor's. We have added references to related criteria already published by Standard & Poor's with details on how these criteria apply to municipally-owned water and sewer utilities. We also corrected a few very minor technical errors in the publication. The changes outlined below summarize the material changes made based on market feedback and further refinements of the methodology based on extensive testing of its application to municipally-owned water and sewer utilities. All paragraph citations are in reference to the final criteria unless otherwise noted.

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