Bond Case Briefs

Municipal Finance Law Since 1971

Fitch: U.S Public Power Peer Review Highlights Very Strong Financial Profile

Fitch Ratings-New York-26 June 2020: U.S. public power utilities saw a general continuation of strong financial trends and improving credit quality through 2019, according to Fitch Ratings' 2020 U.S. Public Power Peer Review.

"The latest peer review shows that low ratios of capital investment to depreciation and improving coverage medians again contributed to lower leverage and improving credit quality throughout the public power sector in 2019," said Dennis Pidherny, Managing Director, U.S. Public Finance. "While the figures in this report do not reflect the impact of the coronavirus outbreak and the related economic contraction, they do illustrate the sector's very strong financial profile, which should support performance through this challenging period."

Trends highlighted in the 2020 peer review include:
–Coverage of full obligations improved for wholesale and retail systems across all rating categories, continuing an upward trend;
–The capex-to-depreciation trend for wholesale systems has stabilized, but the ratio remained below 100% for the fourth year in a row at 84%. The median ratio for retail systems has similarly stabilized. However, investment remains solidly ahead of depreciation as evidenced by the 2019 ratio of 134%;
–Cash on hand medians for both retail and wholesale systems rose to the highest levels observed in a decade. This trend and the lower capital investment rates likely reflect the continuance of low demand growth, abundant capacity and the avoidance of generation-related capex;
–Leverage metrics across the entire portfolio of rated credits improved, continuing a trend of deleveraging that began over a decade ago. Medians for both retail systems and wholesale systems are also at the lowest levels observed in a decade.

Fitch's U.S. Public Power Peer Review is a point-in-time assessment of Fitch-rated public power utilities. It assists market participants in making their own comparisons among the recent financial performance of wholesale and retail public power systems, and rural electric cooperatives. It is accompanied by the 2020 Fitch Analytical Comparative Tool (FACT) for Public Power, an interactive tool that provides enhanced trend analysis and peer comparison tables.

The full report, "2020 U.S. Public Power Peer Review," is available at www.fitchratings.com.

Contact:

Dennis Pidherny
Managing Director
+1-212-908-0738
Fitch Ratings, Inc.
33 Whitehall Street
New York, NY 10004

Media Relations: Sandro Scenga, New York, Tel: +1 212 908 0278, Email: sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com