

Bond Case Briefs

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Greenville Utilities Commission, North Carolina: Fitch New Issue Report

GUC's rating reflects continued very strong financial performance, bolstered by stable operating costs and a diversified revenue base supported by a combined utility system. Revenue defensibility remains strong, but GUC's midrange service territory assessment, which is based on weaker income and unemployment metrics, remains a limiting factor. The utility continues to make substantial capital investments in its utility systems. Fitch Ratings expects borrowings, including the proposed series 2022 bond issuance to finance capex, will contribute to higher leverage during the next five years. However, Fitch expects leverage ratios to remain supportive of the rating. Capex is expected to total \$279 million over the next five years, and major projects include the continued expansion of a water treatment plant and installation of new peak shaving generators. Other projects include substantial water-distribution system improvements. Approximately half of capex will be funded with planned debt issuances.

ACCESS REPORT

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