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## **S&P Downgrades Los Angeles Muni Utility Bonds by Two Notches.**

S&P Global Ratings on Tuesday lowered the rating on municipal bonds sold by Los Angeles Department of Water and Power, downgrading the utility's power system bonds by two notches to A from AA-.

The ratings company said that the rating on the power system bonds "face further and significant downward pressure" after the devastating wildfires in Los Angeles. S&P also lowered its rating on the utility's water system revenue bonds by two notches to AA- from AA+. Prices on LADWP power bonds have already dropped in recent days as investors assess the damage posed by the fires.

"Although the utility's infrastructure has so far not been implicated as the cause of the ongoing wildfires, the increasing frequency and severity of highly destructive wildfires within LADWP's service territory and recent spread into more urban areas highlights the utility's potential vulnerability to financial liability claims that could eclipse its liquidity and insurance coverage," said S&P Global Ratings credit analyst Paul Dyson.

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### **Bloomberg Markets**

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