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## **Fitch Ratings Updates U.S. Public Power Rating Criteria.**

Fitch Ratings-Austin/New York-24 February 2025: Fitch Ratings has updated its criteria for rating U.S. public power and electric cooperative entities. The criteria updates and replaces the criteria from March 2024.

Notable revisions include:

- Updated operating cost burden thresholds to adjust for rates of inflation, and to ensure accurate comparative evaluation. Periodic updates to the thresholds to recognize changes in sector-wide costs are likely to continue going forward.
- Inclusion of language clarifying when capital planning and management may be more influential in the assessment of operating risk than operating cost burden.
- Expanded language noting that a neutral liquidity cushion may require more than 30 days cash on hand and more than 90 days of total liquidity, vis-à-vis certain risks.
- Confirmation that when factors suggest that an entity's financial profile may be higher or lower from what the Rating Positioning Table indicates, alternative operating, financial and liquidity metrics, along with attribute assessments, may be considered in determining the financial profile assessment and rating.
- Inclusion of secondary coverage metrics that may be used as additional guidance when assessing the credit quality and financial profile of entities where debt balances and leverage metrics are, or are expected to be, temporarily distorted, including as a result of an entity's capex profile and its position within the capital life cycle.

The key criteria elements remain consistent with those of the prior report. There is no impact on outstanding ratings. The previous version of the criteria has been retired.

The updated criteria report is available at [www.fitchratings.com](http://www.fitchratings.com).

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