



Massachusetts Municipal Wholesale Electric Company

**NEWS
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Contact: David Tuohey, Corporate Communications Manager
(413) 589-0141, ext. 392
dtuohey@mmwec.org

Standard & Poor's upgrades ratings on two MMWEC power supply projects

LUDLOW, Mass. – November 9, 2006 - Standard & Poor's (S&P) credit rating agency has upgraded the ratings on two of the seven Massachusetts Municipal Wholesale Electric Company (MMWEC) power supply projects, citing an improvement in the overall credit quality of project participants.

Following its annual credit review of MMWEC, S&P raised from 'A-' to 'A' its rating on MMWEC's Nuclear Project No. 5, through which MMWEC owns a share in the Seabrook Station nuclear power plant in New Hampshire. S&P also raised from 'BBB+' to 'A-' its rating on MMWEC's Wyman Project, through which MMWEC owns a share in the oil-fired Wyman Unit No. 4 in Maine.

S&P reaffirmed its ratings on MMWEC's five other power supply projects, which reflect MMWEC's ownership in the gas-and-oil-fired Stony Brook power plant in Ludlow, the Millstone Unit No. 3 nuclear plant in Connecticut as well as additional ownership in Seabrook Station. Four of these projects are rated 'A-' and one is rated 'BBB+.' S&P assigned a stable outlook to all of its MMWEC ratings.

"The credit ratings on MMWEC's power supply projects have been moving upward steadily over the past few years, reflecting the stable and improving credit quality of MMWEC and its project participants," MMWEC General Manager Glenn O. Steiger said.

"This is a sign that the MMWEC organization is in good financial shape and that MMWEC and its participants are managing their assets wisely," Steiger said. "At the same time, we're moving forward with a number of initiatives that will lead to more competitive and stable power costs for our member utilities," he said.

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These initiatives include MMWEC's proposal to build a new, 280-megawatt power plant at its Stony Brook Energy Center in Ludlow as well as plans to institute an Energy Price Risk Management Program that will help members and participants mitigate risks associated with the uncertainty of energy and fuel prices.

The S&P credit report cites a number of strengths in the MMWEC organization, including solid levels of debt service coverage and liquidity, a supportive regulatory environment in Massachusetts, the ability of participants to recover their power costs without state regulatory approval, and the limited direct debt and capital needs of project participants. Generally, the rates of project participant utilities are below or competitive with rates offered by the state's investor-owned utilities.

MMWEC project participants include 28 Massachusetts municipal utilities, with most of the utilities participating in multiple projects. Each project participant has contracted with MMWEC to pay its share of project costs, which include the cost of debt service on MMWEC bonds and MMWEC's share of project operating costs. MMWEC currently has approximately \$700 million in debt outstanding for all of its power supply projects.

The 28 project participant utilities are based in the communities of Ashburnham, Boylston, Braintree, Danvers, Georgetown, Groton, Hingham, Holden, Holyoke, Hudson, Hull, Ipswich, Littleton, Mansfield, Marblehead, Middleborough, Middleton, North Attleborough, Paxton, Peabody, Reading, Shrewsbury, South Hadley, Sterling, Templeton, Wakefield, West Boylston and Westfield.

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts that provides a variety of power supply, financial and other services to the state's consumer-owned, municipal utilities.