



*Massachusetts Municipal Wholesale Electric Company*

## NEWS RELEASE

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### **Fitch upgrades credit ratings on all MMWEC power supply projects**

LUDLOW, Mass. – February 13, 2008 – Fitch Ratings has upgraded its credit ratings on all seven Massachusetts Municipal Wholesale Electric Company (MMWEC) power supply projects to A from A-, citing the “increased financial and operating flexibility” of the MMWEC organization and its project participant utilities.

The ratings upgrade is the result of a periodic credit review in which Fitch highlights the approaching retirement of MMWEC’s outstanding debt, the extended life of the nuclear power plants owned in part by MMWEC and the favorable competitive position of MMWEC’s project participants.

MMWEC Chief Operating Officer Ronald C. DeCurzio said the Fitch upgrades continue a trend of improvement in MMWEC’s credit ratings in recent years, reflecting the steadily improving credit quality of MMWEC and the municipal utilities participating in its power supply projects.

“This indicates that MMWEC’s credit is strong and gaining strength as we move toward retirement of the organization’s existing debt,” DeCurzio said. “Higher credit ratings will help keep interest costs down in financing any new projects, including the proposed new unit at Stony Brook,” he said. MMWEC is planning to build a new 280-megawatt power plant at its Stony Brook site in Ludlow.

Fitch reports that the upgrade is due primarily to “the rapid amortization of outstanding debt, with current debt of \$658 million expected to be fully repaid by 2019, while MMWEC’s nuclear facilities have extended useful lives, through at least 2030.” This provides the MMWEC organization with greater financial and operating flexibility at a time when many other utilities are facing higher costs associated with greenhouse gas emissions, according to Fitch.

“MMWEC will likely benefit from its more environmentally friendly fuel sources, compared with fossil-fueled generators,” the report states. “In addition, the debt associated with MMWEC’s Wyman Project and Stony Brook Intermediate Project will mature in 2008.”

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Other MMWEC credit strengths cited in the Fitch report include a favorable fuel mix relative to the region, stable finances and competitive rates for electricity.

“The rating reflects the members’ stable financial positions and rates that are below or competitive with the investor-owned utilities in the area,” the Fitch report states.

MMWEC’s seven power supply projects represent a 135-megawatt ownership interest in the Seabrook Station nuclear plant, a 55-megawatt ownership interest in the Millstone Unit No. 3 nuclear plant, an approximate 292-megawatt ownership interest in the gas-and-oil fired Stony Brook Intermediate Unit and a 22.7-megawatt ownership interest in the oil-fired Wyman Unit No. 4 plant.

The participants in these projects include 28 Massachusetts municipal utilities, the Pascoag (RI) Utility District and six Vermont utilities. Most of the Massachusetts utilities participate 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.

The 28 Massachusetts 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.