



NEWS RELEASE

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

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Moody's Upgrades MMWEC Ratings; Berkshire Wind Plans Advance Refunding of Project Debt

Ludlow, Mass. – December 4, 2017 -- Moody's Investor Service today upgraded the credit ratings on three Massachusetts Municipal Wholesale Electric Company (MMWEC) power supply projects, citing the credit strength of project participants and sound financial structure of MMWEC.

At the same time, favorable market conditions have the Berkshire Wind Power Cooperative Corporation (BWPPC) planning an advance refunding of debt it issued in 2010 to finance the Berkshire Wind Power Project, a 15-megawatt wind farm that is managed by MMWEC.

Moody's upgraded to A1 from A3 the long-term rating on the MMWEC nuclear projects known as Project No. 3, Project No. 5 and Project No. 6, which represent a portion of MMWEC's ownership interests in the Seabrook Station and Millstone Unit 3 nuclear units. The outlook for all three ratings is stable.

All of MMWEC's power supply project debt will be retired by 2019, with only \$10.68 million in project debt currently outstanding. Millstone Unit 3 is licensed to operate until 2045 and Seabrook Station, which is licensed to operate until 2030, is seeking a license extension to 2050.

In addition to the sound operating performance of the Millstone Unit 3 and Seabrook Station nuclear units, Moody's credits the successful implementation of MMWEC's debt amortization plan and the strong unrestricted liquidity at each project.

"The upgrades also reflect the expiration date of the two nuclear unit licenses extending well beyond the debt maturities, making (the projects) valuable to the participants," according to Moody's. As MMWEC's nuclear project debt is paid off, "MMWEC's projects' cost structure will decline significantly, which will result in very competitively-priced power generation in the ISO-New England markets" for project participants, Moody's states.

Among other credit strengths for the three MMWEC projects, Moody's cites the strong credit ratings of the municipal utility project participants and their competitive retail electric rates, MMWEC's take-or-pay power sales contracts, modest projected capital needs at the plants in the near term, and the current New England regulatory environment that values carbon-free attributes.

"This ratings upgrade is a reflection of the strong and improving credit position of MMWEC and its project participants," said MMWEC Chief Executive Officer Ronald C. DeCurzio. "It is a credit to the participants and the

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MMWEC financing program, which has enabled municipal utilities to develop an independent power supply and stabilize rates for their customers.”

Meanwhile, the BWPCC, which consists of MMWEC and 14 Massachusetts municipal utility project participants, is planning an advance refunding of its outstanding debt to produce debt service savings. BWPCC initially issued bonds in 2010 to finance the construction of the 10-turbine, 15-megawatt Berkshire Wind Power Project, located in Hancock, Mass. The refunding bonds are tentatively scheduled to be marketed on December 14, 2017, with a closing date of December 22. Of the initial \$64.7 million in tax-exempt revenue bonds issued to finance the project, approximately \$44.4 million in bonds currently are outstanding.

All of the BWPCC project participants also are MMWEC project participants, and the underlying credit metrics for both entities are similar.

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