

High Grade Utilities & Power

The Investment Grid – Weekly Recap

Industry Overview

IG Utilities relative performance

The IG Utility Index outperformed the broader IG market for the week ending February 2, 2024, returning 0.86% vs. 0.52% for the ICE BofA US IG Index. On average, OpCo and HoldCo spreads each widened by 3 bps.

This week's best and worst performers

The best performing OpCo bonds this week were Metropolitan Edison Co. 4.00% senior notes due '25, KeySpan Gas East Corp. 2.742% senior notes due '26, and PPL Electric Utilities Corp. 5.20% secured notes due '41. The worst performing OpCo bonds this week were FirstEnergy Transmission 5.45% senior notes due '44, San Diego Gas and Electric 3.00% secured notes due '32, and Sierra Pacific Power Co. 6.75% secured notes due '37.

The best performing HoldCo bonds this week were Spire 4.70% senior notes due '44, Vistra Operations Co. 5.125% secured notes due '25, and Puget Energy 4.10% secured notes due '30. The worst performing HoldCo bonds this week were Eversource Energy 3.35% senior notes due '26, Southern Co. 5.325% junior subordinated notes due '57, and CMS Energy Corp. 3.75% junior subordinated notes due '30.

New Issuance

New issues this week totaled \$4.9bn, led by NextEra Energy Capital Holdings, which came to market for \$4.4bn in first mortgage bonds. Utilities have issued ~\$19.3bn of bonds YTD.

05 February 2024

High Grade Credit
United States
Electric Utilities

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Top headlines, week ending February 2, 2024

Georgia Power delays Vogtle unit 4 in-service date

On Feb 1, Southern Company (SO) subsidiary Georgia Power announced that the in-service date of its Vogtle unit 4 reactor will be pushed back to 2Q 2024 after discovering issues in the startup and pre-operational testing phases. The company does not expect the delay to result in an increase to its total project cost forecast of \$8.3 billion as potential cost overruns were considered in the estimate. However, additional delays beyond 2Q would result in an estimated \$15 million per month, excluding ancillary costs associated with project completion. Additionally, Georgia Power notes that if commercial operation isn't achieved by March 31, 2024, the ROE used to determine the Nuclear Construction Cost Recovery tariff and to calculate the allowance for funds used during construction will decline to zero, causing a negative earnings impact of approximately \$30 million per month until the month following the date of commercial operation.

Dominion receives final federal approvals for its Coastal Virginia Offshore Wind project

On Jan 30, Dominion Energy announced it received approval from the Bureau of Ocean Energy Management (BOEM) and the U.S. Army Corps of Engineers to begin construction of its 2.6 GW Coastal Virginia Offshore Wind (CVOW) project. The company expects to begin construction in the second quarter of 2024. Completion of the project is expected in late 2026.

Rating actions, week ending February 2, 2024

FE: FirstEnergy and subsidiaries affirmed at BBB- by S&P following implementation of new M&G criteria

Under its new management and governance (M&G) criteria, S&P has assigned an M&G assessment of moderately negative to FE and its subsidiaries. The negative assessment reflects pending lawsuits and investigations into the company concerning the actions of its previous management and governance shortfalls, relating to House Bill 6 in Ohio. Nevertheless, S&P notes the negative M&G score is reflected in FE's current issuer rating, thus affirming the rating and positive credit outlook. S&P continues to expect that at the close of its 30% interest sale in FirstEnergy Transmission, FE's financial measures will increase. Specifically, the rating agency expects FE's FFO/Debt will improve to comfortably above 12%.

4Q Earnings Highlights

- **CMS Energy (CMS – Not Covered)** reported 4Q23 Adj. EPS of \$1.05, \$0.01 higher than consensus of \$1.04 and up \$0.45 vs. 4Q22 of \$0.60. CMS raised FY24 Adj. EPS guidance to \$3.29-3.35 (\$3.34 cons.) from \$3.27-3.33 and reaffirmed its long-term EPS growth rate of 6-8% with confidence towards the high end. Notably, the company increased its 5-year capex plan by \$1.5bn to \$17bn. Remaining 2024 planned financings include \$700mn of OpCo FMBs.
-
- **WEC Energy Group (WEC – Not Covered)** reported 4Q23 Adj. EPS of \$1.10, \$0.02 higher than cons. of \$1.08; up \$0.30 vs. 4Q22 of \$0.80. The company recorded a non-cash charge of \$0.41 related to capital investments that were disallowed by the Illinois Commerce Commission. Per its Jan. 9 investor update, WEC's 2024 financing plans include \$700-1,200mn of HoldCo debt, \$1,900-2,300mn of OpCo debt, and equity between \$100mn and \$200mn.

Utilities vs. IG Index: Performance for week ending February 2, 2024

Exhibit 1: Utilities vs. IG Index

Utilities returned 0.86% vs. 0.52% for the IG Index

| Sector | Total Return % 1-wk | Rank | Total Return % YTD | Rank |
|--------------------------|---------------------|----------|--------------------|----------|
| Services | 1.09% | 1 | -0.36% | 8 |
| Utility | 0.86% | 2 | -0.36% | 9 |
| Transportation | 0.74% | 3 | -0.73% | 17 |
| Energy | 0.71% | 4 | -0.28% | 7 |
| Basic Industry | 0.68% | 5 | -0.43% | 10 |
| Healthcare | 0.67% | 6 | -0.66% | 14 |
| Telecommunications | 0.65% | 7 | -0.58% | 11 |
| Media | 0.62% | 8 | -0.69% | 16 |
| Insurance | 0.60% | 9 | 0.08% | 4 |
| Capital Goods | 0.54% | 10 | -0.60% | 12 |
| Retail | 0.53% | 11 | -0.75% | 18 |
| Consumer Goods | 0.53% | 12 | -0.66% | 14 |
| Real Estate | 0.39% | 13 | -0.02% | 6 |
| Technology & Electronics | 0.37% | 14 | -0.64% | 13 |
| Leisure | 0.35% | 15 | 0.13% | 2 |
| Financial Services | 0.32% | 16 | 0.09% | 3 |
| Automotive | 0.27% | 17 | 0.08% | 5 |
| Banking | 0.25% | 18 | 0.22% | 1 |
| IG Index | 0.52% | | -0.28% | |

Source: ICE Data Indices, LLC

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OpCos: Top-10 bond leaders and laggards, week ending February 2, 2024

Leaders

Exhibit 2: OpCo Leaders, YTD

Metropolitan Edison Co 4.00% senior notes are the best performing OpCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | 1-Wk Δ STW |
|------|--------|--------------------------------------|-------------------------|----------|--------|-----|------------|
| 1 | FE | Metropolitan Edison Company | 4.000% Senior due 2025 | 4/15/25 | BBB1 | 96 | (50) |
| 2 | NGGLN | KeySpan Gas East Corporation | 2.742% Senior due 2026 | 8/15/26 | BBB1 | 122 | (26) |
| 3 | PPL | PPL Electric Utilities Corporation | 5.200% Secured due 2041 | 7/15/41 | A1 | 118 | (22) |
| 4 | EXC | Baltimore Gas & Electric Company | 2.400% Senior due 2026 | 8/15/26 | A2 | 38 | (15) |
| 5 | AEP | AEP Texas Inc | 3.950% Senior due 2028 | 6/1/28 | BBB1 | 82 | (12) |
| 6 | OGE | Oklahoma Gas and Electric Company | 5.250% Senior due 2041 | 5/15/41 | A3 | 133 | (12) |
| 7 | FE | Ohio Edison Company | 8.250% Secured due 2038 | 10/15/38 | A2 | 150 | (11) |
| 8 | PNM | Public Service Company of New Mexico | 3.850% Senior due 2025 | 8/1/25 | BBB2 | 93 | (11) |
| 9 | EVRG | Eversource Energy | 4.625% Secured due 2043 | 9/1/43 | A2 | 139 | (10) |
| 10 | CNP | CenterPoint Energy Resources Corp. | 4.000% Senior due 2028 | 4/1/28 | A3 | 53 | (9) |

Source: ICE Data Indices, LLC

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Laggards

Exhibit 3: OpCo Laggards, YTD

FirstEnergy Transmission 5.45% senior notes are the worst performing OpCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | 1-Wk Δ STW |
|------|--------|----------------------------------------------|-------------------------|----------|--------|-----|------------|
| 1 | FE | FirstEnergy Transmission LLC | 5.450% Senior due 2044 | 7/15/44 | BBB3 | 149 | 19 |
| 2 | SRE | San Diego Gas & Electric Company | 3.000% Secured due 2032 | 3/15/32 | A2 | 85 | 19 |
| 3 | BRKHEC | Sierra Pacific Power Company | 6.750% Secured due 2037 | 7/1/37 | A2 | 171 | 18 |
| 4 | NGGLN | Massachusetts Electric Company | 5.900% Senior due 2039 | 11/15/39 | BBB1 | 166 | 16 |
| 5 | ED | Consolidated Edison Company of New York Inc. | 3.800% Senior due 2028 | 5/15/28 | A3 | 82 | 15 |
| 6 | EIX | Southern California Edison Company | 6.000% Secured due 2034 | 1/15/34 | A3 | 116 | 14 |
| 7 | FE | The Cleveland Electric Illuminating Company | 5.950% Senior due 2036 | 12/15/36 | BBB2 | 169 | 14 |
| 8 | PCG | Pacific Gas and Electric Company | 4.450% Senior due 2042 | 4/15/42 | BBB3 | 186 | 14 |



Exhibit 3: OpCo Laggards, YTD

FirstEnergy Transmission 5.45% senior notes are the worst performing OpCo bonds YTD

| | | | | | | | |
|----|-----|------------------|-------------------------|---------|----|-----|----|
| 1 | DUK | Duke Energy Ohio | 5.000% Senior due 2027 | 3/15/27 | A2 | 123 | 13 |
| 10 | DUK | Duke Energy Ohio | 3.700% Secured due 2046 | 6/15/46 | A2 | 110 | 13 |

Source: ICE Data Indices, LLC

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HoldCos: Top-10 bond leaders and laggards, week ending February 2, 2024

Leaders**Exhibit 4: HoldCo Leaders, YTD**

Spire 4.70% senior notes are the best performing HoldCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | 1-Wk Δ STW |
|------|--------|---------------------------|-------------------------|----------|--------|-----|------------|
| 1 | SR | Spire Inc | 4.700% Senior due 2044 | 8/15/44 | BBB2 | 176 | (15) |
| 2 | VST | Vistra Operations Co LLC | 5.125% Secured due 2025 | 5/13/25 | BBB3 | 107 | (14) |
| 3 | PSD | Puget Energy Inc | 4.100% Secured due 2030 | 6/15/30 | BBB3 | 160 | (13) |
| 4 | PSD | Puget Energy Inc | 5.483% Secured due 2035 | 6/1/35 | A2 | 125 | (10) |
| 5 | ITC | ITC Holdings Corporation | 5.300% Senior due 2043 | 7/1/43 | BBB2 | 132 | (9) |
| 6 | PSD | Puget Energy Inc | 5.757% Secured due 2039 | 10/1/39 | A2 | 123 | (9) |
| 7 | WEC | WEC Energy Group Inc. | 5.000% Senior due 2025 | 9/27/25 | BBB1 | 56 | (9) |
| 8 | NFG | National Fuel Gas Company | 4.750% Senior due 2028 | 9/1/28 | BBB3 | 137 | (8) |
| 9 | SO | Southern Co. | 3.250% Senior due 2026 | 7/1/26 | BBB2 | 56 | (8) |
| 10 | CNP | Centerpoint Energy Inc | 2.950% Senior due 2030 | 3/1/30 | BBB2 | 110 | (7) |

Source: ICE Data Indices, LLC

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Laggards**Exhibit 5: HoldCo Laggards, YTD**

Eversource Energy 3.350% senior notes are the worst performing HoldCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | 1-Wk Δ STW |
|------|--------|-------------------------------------|-------------------------------------|----------|--------|-----|------------|
| 1 | ES | Eversource Energy | 3.350% Senior due 2026 | 3/15/26 | BBB2 | 114 | 27 |
| 2 | SO | Southern Co. | 5.325% Junior subordinated due 2057 | 6/21/57 | BBB3 | 150 | 19 |
| 3 | CMS | CMS Energy Corporation | 3.750% Junior subordinated due 2030 | 12/1/30 | BBB3 | 287 | 17 |
| 4 | BRKHEC | Berkshire Hathaway Energy Company | 3.500% Senior due 2025 | 2/1/25 | A3 | 48 | 16 |
| 5 | SRE | Sempra | 3.800% Senior due 2038 | 2/1/38 | BBB2 | 129 | 15 |
| 6 | SRE | Sempra | 4.125% Junior subordinated due 2027 | 4/1/27 | BBB3 | 299 | 15 |
| 7 | NEE | NextEra Energy Capital Holdings Inc | 3.800% Junior subordinated due 2027 | 3/15/27 | BBB2 | 275 | 14 |
| 8 | NFG | National Fuel Gas Company | 5.200% Senior due 2025 | 7/15/25 | BBB3 | 109 | 13 |
| 9 | WEC | WEC Energy Group Inc. | 5.150% Senior due 2027 | 10/1/27 | BBB1 | 80 | 13 |
| 10 | AEP | American Electric Power Co Inc. | 3.875% Junior subordinated due 2027 | 2/15/27 | BBB3 | 288 | 12 |

Source: ICE Data Indices, LLC

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OpCos: Top-10 bond leaders and laggards YTD

Leaders

Exhibit 6: OpCo Leaders, YTD

Cleco Power LLC 6.00% senior notes are the best performing OpCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | Δ STW YTD |
|------|--------|-------------------------------------|-------------------------|----------|--------|-----|-----------|
| 1 | CNL | Cleco Power LLC | 6.000% Senior due 2040 | 12/1/40 | BBB1 | 151 | (45) |
| 2 | FE | Metropolitan Edison Company | 4.000% Senior due 2025 | 4/15/25 | BBB1 | 96 | (41) |
| 3 | PCG | Pacific Gas and Electric Company | 3.450% Secured due 2025 | 7/1/25 | BBB3 | 86 | (37) |
| 4 | PCG | Pacific Gas and Electric Company | 3.500% Senior due 2025 | 6/15/25 | BBB3 | 93 | (33) |
| 5 | XEL | Public Service Company of Colorado | 2.900% Secured due 2025 | 5/15/25 | A1 | 47 | (32) |
| 6 | EIX | Southern California Edison Company | 5.550% Secured due 2037 | 1/15/37 | A3 | 128 | (31) |
| 7 | PCG | Pacific Gas and Electric Company | 4.000% Senior due 2046 | 12/1/46 | BBB3 | 166 | (31) |
| 8 | PCG | Pacific Gas and Electric Company | 3.300% Senior due 2027 | 3/15/27 | BBB3 | 120 | (31) |
| 9 | PPL | Louisville Gas and Electric Company | 4.650% Secured due 2043 | 11/15/43 | A2 | 122 | (30) |
| 10 | PCG | Pacific Gas and Electric Company | 4.500% Secured due 2040 | 7/1/40 | BBB3 | 162 | (28) |

Source: ICE Data Indices, LLC

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Laggards

Exhibit 7: OpCo Laggards, YTD

Boston Gas Co. 3.15% senior notes are the worst performing OpCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | Δ STW YTD |
|------|--------|-----------------------------------------|-------------------------|----------|--------|-----|-----------|
| 1 | NGGLN | Boston Gas Company | 3.150% Senior due 2027 | 8/1/27 | BBB1 | 130 | 29 |
| 2 | EIX | Southern California Edison Company | 6.000% Secured due 2034 | 1/15/34 | A3 | 116 | 27 |
| 3 | SO | Georgia Power Company | 4.650% Senior due 2028 | 5/16/28 | BBB1 | 70 | 19 |
| 4 | SO | Alabama Power Company | 3.940% Senior due 2032 | 9/1/32 | A2 | 88 | 16 |
| 5 | DUK | Duke Energy Carolinas LLC | 2.950% Secured due 2026 | 12/1/26 | A1 | 29 | 15 |
| 6 | CNP | Centerpoint Energy Houston Electric LLC | 5.200% Secured due 2028 | 10/1/28 | A2 | 68 | 15 |
| 7 | EIX | Southern California Edison Company | 5.850% Secured due 2027 | 11/1/27 | A3 | 72 | 14 |
| 8 | ES | NSTAR Electric Company | 2.700% Senior due 2026 | 6/1/26 | A2 | 83 | 14 |
| 9 | DUK | Duke Energy Ohio | 5.250% Secured due 2033 | 4/1/33 | A2 | 109 | 13 |
| 10 | CMS | Consumers Energy Company | 3.250% Secured due 2046 | 8/15/46 | A1 | 70 | 13 |

Source: ICE Data Indices, LLC

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HoldCos: Top-10 bond leaders and laggards YTD

Leaders

Exhibit 8: HoldCo Leaders, YTD

NextEra Energy Capital Holdings Inc. 5.65% junior subordinated notes are the best performing HoldCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | Δ STW YTD |
|------|--------|-------------------------------------|-------------------------------------|----------|--------|-----|-----------|
| 1 | NEE | NextEra Energy Capital Holdings Inc | 5.650% Junior subordinated due 2029 | 5/1/29 | BBB2 | 251 | (66) |
| 2 | SO | Southern Co. | 4.000% Junior subordinated due 2026 | 1/15/26 | BBB3 | 184 | (48) |
| 3 | EE | El Paso Electric Co. | 5.000% Senior due 2044 | 12/1/44 | BBB2 | 178 | (44) |
| 4 | NEE | NextEra Energy Capital Holdings Inc | 4.800% Junior subordinated due 2027 | 12/1/27 | BBB2 | 385 | (43) |
| 5 | SO | Southern Co. | 3.750% Junior subordinated due 2026 | 9/15/26 | BBB3 | 240 | (42) |
| 6 | DUK | Duke Energy Corp | 3.250% Junior subordinated due 2026 | 10/15/26 | BBB3 | 293 | (39) |
| 7 | AEP | American Electric Power Co Inc. | 3.875% Junior subordinated due 2027 | 2/15/27 | BBB3 | 288 | (37) |
| 8 | PSD | Puget Energy Inc | 6.724% Secured due 2036 | 6/15/36 | A2 | 139 | (30) |
| 9 | AES | Ipalco Enterprises Inc. | 4.250% Secured due 2030 | 5/1/30 | BBB3 | 153 | (30) |
| 10 | OGS | ONE Gas Inc. | 4.658% Senior due 2044 | 2/1/44 | A3 | 98 | (29) |

Source: ICE Data Indices, LLC

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Laggards

Exhibit 9: HoldCo Laggards, YTD

Oglethorpe Power Corp. 6.191% secured notes are the worst performing HoldCo bonds YTD

| Rank | Ticker | Company | Bond | Maturity | Rating | STW | Δ STW YTD |
|------|--------|-----------------------------------------|-------------------------|----------|--------|-----|-----------|
| 1 | OGLETH | Oglethorpe Power Corporation Membership | 6.191% Secured due 2031 | 1/1/31 | A2 | 193 | 37 |
| 2 | ES | Eversource Energy | 5.450% Senior due 2028 | 3/1/28 | BBB2 | 98 | 23 |
| 3 | ES | Eversource Energy | 2.900% Senior due 2027 | 3/1/27 | BBB2 | 88 | 20 |
| 4 | BRKHEC | Berkshire Hathaway Energy Company | 3.500% Senior due 2025 | 2/1/25 | A3 | 48 | 19 |
| 5 | ES | Eversource Energy | 5.125% Senior due 2033 | 5/15/33 | BBB2 | 137 | 19 |
| 6 | SRE | Sempra | 3.700% Senior due 2029 | 4/1/29 | BBB2 | 101 | 17 |
| 7 | ES | Eversource Energy | 3.300% Senior due 2028 | 1/15/28 | BBB2 | 98 | 17 |
| 8 | DUK | Duke Energy Corp | 4.300% Senior due 2028 | 3/15/28 | BBB2 | 89 | 16 |
| 9 | ES | Eversource Energy | 3.350% Senior due 2026 | 3/15/26 | BBB2 | 114 | 15 |
| 10 | D | Dominion Energy Inc | 4.350% Senior due 2032 | 8/15/32 | BBB2 | 112 | 15 |

Source: ICE Data Indices, LLC

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Average spreads by maturity and rating

OpCos

Exhibit 10: Average spread by maturity and rating – OpCos

OpCo spreads widened by 3 bps this week

OpCos - Average Spreads - Week ending 2/2/24

| Rating | Short | 10 year | 20 year | 30 year | Avg. |
|--------|-------|---------|---------|---------|------|
| AA- | n/a | n/a | n/a | n/a | n/a |
| A+ | 52 | 89 | 103 | 104 | 94 |
| A | 57 | 98 | 111 | 115 | 98 |
| A- | 68 | 110 | 126 | 121 | 110 |
| BBB+ | 100 | 145 | 135 | 149 | 125 |
| BBB | 112 | 158 | n/a | n/a | 136 |
| BBB- | 116 | 169 | 168 | 180 | 149 |
| Total | 76 | 112 | 120 | 118 | 107 |

OpCos - 1-week avg. change in STW

| Rating | Short | 10 year | 20 year | 30 year | Avg. |
|--------|-------|---------|---------|---------|------|
| AA- | n/a | n/a | n/a | n/a | n/a |
| A+ | 3 | 5 | 3 | 5 | 4 |
| A | 2 | 4 | 2 | 5 | 3 |
| A- | 2 | 6 | 2 | 5 | 4 |
| BBB+ | (1) | 3 | 3 | 3 | 2 |
| BBB | (5) | 11 | n/a | n/a | 4 |
| BBB- | 2 | 9 | 10 | 9 | 5 |
| Total | 1 | 5 | 3 | 5 | 3 |

OpCos - YTD avg. change in STW

| Rating | Short | 10 year | 20 year | 30 year | Avg. |
|--------|-------|---------|---------|---------|------|
| AA- | n/a | n/a | n/a | n/a | n/a |
| A+ | (2) | 3 | (8) | (2) | (3) |
| A | (3) | 0 | (8) | (6) | (5) |
| A- | (2) | (0) | (10) | (6) | (6) |
| BBB+ | (4) | (6) | (12) | (12) | (7) |
| BBB | (12) | (9) | n/a | n/a | (6) |
| BBB- | (14) | (8) | (19) | (21) | (16) |
| Total | (4) | (1) | (9) | (6) | (6) |

Source: ICE Data Indices, LLC

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HoldCos

Exhibit 11: Average spread by maturity and rating – HoldCos

HoldCo spreads widened by 3 bps this week

HoldCos - Average Spreads - Week ending 2/2/24

| Rating | Short | 10 year | 20 year | 30 year | Avg. |
|--------|-------|---------|---------|---------|------|
| AA- | n/a | n/a | n/a | n/a | n/a |
| A+ | n/a | n/a | n/a | n/a | n/a |
| A | n/a | 125 | 112 | 113 | 130 |
| A- | 63 | 80 | 90 | 125 | 87 |
| BBB+ | 74 | 131 | 162 | 146 | 108 |
| BBB | 91 | 127 | 136 | 134 | 108 |
| BBB- | 151 | 219 | n/a | n/a | 166 |
| Total | 96 | 132 | 128 | 133 | 114 |

HoldCos - 1-week avg. change in STW

| Rating | Short | 10 year | 20 year | 30 year | Avg. |
|--------|-------|---------|---------|---------|------|
| AA- | n/a | n/a | n/a | n/a | n/a |
| A+ | n/a | n/a | n/a | n/a | n/a |
| A | n/a | (10) | 8 | 8 | 1 |
| A- | 3 | 11 | 4 | 8 | 4 |
| BBB+ | 2 | 6 | (1) | 6 | 3 |
| BBB | 2 | 5 | 0 | 7 | 3 |
| BBB- | 1 | 5 | n/a | n/a | 2 |
| Total | 2 | 5 | 1 | 7 | 3 |

HoldCos - YTD avg. change in STW

| Rating | Short | 10 year | 20 year | 30 year | Avg. |
|--------|-------|---------|---------|---------|------|
| AA- | n/a | n/a | n/a | n/a | n/a |
| A+ | n/a | n/a | n/a | n/a | n/a |
| A | n/a | (25) | (17) | (1) | (8) |
| A- | 0 | (16) | (15) | (6) | (6) |
| BBB+ | (2) | (8) | (14) | (4) | (4) |
| BBB | (1) | 6 | (12) | (9) | (2) |
| BBB- | (14) | (12) | n/a | n/a | (14) |
| Total | (4) | 1 | (13) | (6) | (5) |

Source: ICE Data Indices, LLC

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New utility bond issuance QTD

Exhibit 12: 1Q new utility bond issuance

Utilities have issued ~\$19 Bn in bonds this quarter

| Date | Ticker | Issuer | Type | Security | Rating (Moody's/S&P/Fitch) | Amount | Coupon | Maturity | SOT | Δ vs IPT | Book |
|---------|--------|---------------------------------|--------|--------------|----------------------------|---------|--------|----------|------|----------|------|
| 1/2/24 | D | Virginia Electric & Power | OpCo | Unsec. Notes | A2/BBB+/A | \$500 | 5.000% | 1/15/34 | +115 | -20 | 4.4x |
| 1/2/24 | D | Virginia Electric & Power | OpCo | Unsec. Notes | A2/BBB+/A | \$500 | 5.300% | 1/15/54 | +127 | -28 | 5.4x |
| 1/2/24 | PPL | PPL Electric Utilities | OpCo | FMBs | A1/A+/NR | \$650 | 4.850% | 2/15/34 | +92 | -31 | 5.4x |
| 1/2/24 | CMS | Consumers Energy | OpCo | FMBs | A1/A/A+ | \$600 | 4.650% | 5/30/29 | +73 | -22 | 3.3x |
| 1/2/24 | DUK | Duke Energy Corp | HoldCo | Unsec. Notes | Baa2/BBB/NR | \$550 | 4.850% | 1/5/27 | +75 | -25 | 2.7x |
| 1/2/24 | DUK | Duke Energy Corp | HoldCo | Unsec. Notes | Baa2/BBB/NR | \$550 | 4.850% | 1/5/29 | +95 | -25 | 2.7x |
| 1/3/24 | DUK | Duke Energy Carolinas | OpCo | FMBs | Aa3/A/NR | \$575 | 4.850% | 1/15/34 | +100 | -18 | 2.5x |
| 1/3/24 | DUK | Duke Energy Carolinas | OpCo | FMBs | Aa3/A/NR | \$425 | 5.400% | 1/15/54 | +118 | -20 | 2.4x |
| 1/3/24 | AEE | Union Electric | OpCo | FMBs | A2/A/NR | \$350 | 5.250% | 1/15/54 | +123 | -22 | 3.9x |
| 1/3/24 | BRKHEC | PacifiCorp | OpCo | FMBs | A2/A/NR | \$500 | 5.100% | 2/15/29 | +120 | -30 | 4.6x |
| 1/3/24 | BRKHEC | PacifiCorp | OpCo | FMBs | A2/A/NR | \$700 | 5.300% | 2/15/31 | +140 | -30 | 2.9x |
| 1/3/24 | BRKHEC | PacifiCorp | OpCo | FMBs | A2/A/NR | \$1,100 | 5.450% | 2/15/34 | +155 | -25 | 2.6x |
| 1/3/24 | BRKHEC | PacifiCorp | OpCo | FMBs | A2/A/NR | \$1,500 | 5.800% | 1/15/55 | +175 | -25 | 2.6x |
| 1/8/24 | EIX | Southern California Edison | OpCo | FMBs | A2/A-/A- | \$500 | 4.875% | 2/1/27 | +75 | -15 | 3.2x |
| 1/8/24 | EIX | Southern California Edison | OpCo | FMBs | A2/A-/A- | \$900 | 5.200% | 6/1/34 | +120 | -18 | 2.3x |
| 1/9/24 | AQN | Liberty Utilities | OpCo | Unsec. Notes | Baa2 / BBB / BBB+ | \$500 | 5.577% | 1/31/29 | +185 | -30 | 3.0x |
| 1/9/24 | AQN | Liberty Utilities | OpCo | Unsec. Notes | Baa2 / BBB / BBB+ | \$350 | 5.869% | 1/31/34 | +195 | -25 | 4.3x |
| 1/11/24 | NGGLN | Niagara Mohawk | OpCo | Unsec. Notes | Baa1/BBB+/NR | \$500 | 5.290% | 1/17/34 | +130 | -30 | 3.5x |
| 1/11/24 | NGGLN | Niagara Mohawk | OpCo | Unsec. Notes | Baa1/BBB+/NR | \$700 | 5.664% | 1/17/54 | +145 | -35 | 6.4x |
| 1/16/24 | ES | Eversource Energy | HoldCo | Unsec. Notes | Baa2/BBB+/BBB | \$350 | 5.000% | 1/1/27 | +100 | -25 | 5.1x |
| 1/16/24 | ES | Eversource Energy | HoldCo | Unsec. Notes | Baa2/BBB+/BBB | \$650 | 5.500% | 1/1/34 | +150 | -25 | 4.4x |
| 1/16/24 | ES | Connecticut Light & Power | OpCo | FMBs | A1/A-/A+ | \$350 | 4.650% | 1/1/29 | +75 | -30 | 5.3x |
| 1/22/24 | BRKHEC | MidAmerican Energy | OpCo | FMBs | Aa2/A/NR | \$600 | 5.300% | 2/1/55 | +98 | -37 | 5.5x |
| 1/25/24 | EMACN | Tampa Electric | OpCo | Unsec. Notes | A3/BBB+/A | \$500 | 4.900% | 3/1/29 | +88 | -28 | 5.0x |
| 1/29/24 | NEE | NextEra Energy Capital Holdings | HoldCo | Unsec. Notes | Baa1/BBB+/A- | \$1,000 | 4.950% | 1/29/26 | +65 | -20 | 1.9x |
| 1/29/24 | NEE | NextEra Energy Capital Holdings | HoldCo | Unsec. Notes | Baa1/BBB+/A- | \$600 | Float | 1/29/26 | S+76 | | 1.3x |
| 1/29/24 | NEE | NextEra Energy Capital Holdings | HoldCo | Unsec. Notes | Baa1/BBB+/A- | \$900 | 4.900% | 3/15/29 | +95 | -20 | 2.1x |
| 1/29/24 | NEE | NextEra Energy Capital Holdings | HoldCo | Unsec. Notes | Baa1/BBB+/A- | \$1,100 | 5.250% | 3/15/34 | +120 | -20 | 2.8x |
| 1/29/24 | NEE | NextEra Energy Capital Holdings | HoldCo | Unsec. Notes | Baa1/BBB+/A- | \$800 | 5.550% | 3/15/54 | +125 | -28 | 3.3x |
| 1/29/24 | BRKHEC | Northern Natural Gas | OpCo | Unsec. Notes | A2/A-/NR | \$500 | 5.620% | 2/1/54 | +128 | -35 | 9.8x |

Source: Bloomberg

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New utility bond issuance YTD vs. historical

Exhibit 13: Utility bond issuance YTD vs. historical

YTD bond issuance is up ~\$11.4 Bn YoY

Debt Issuance (YTD as of Feb-2)

| Debt Issuance (\$Mn) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| OpCo FMBs | 16,100 | 24,690 | 40,660 | 32,055 | 25,875 | 42,225 | 8,750 |
| OpCo Unsecured | 23,695 | 18,500 | 15,555 | 21,225 | 20,625 | 18,800 | 4,050 |
| HoldCo | 22,515 | 26,818 | 52,800 | 36,900 | 31,205 | 37,790 | 6,500 |
| Total Debt Issuance | 9,000 | 4,700 | 6,325 | 1,750 | 7,505 | 7,950 | 19,300 |

Source: Bloomberg

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