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## **Vernon Public Utilities Receives an Upgrade Rating from S&P Global Ratings**

Vernon, CA – Vernon Public Utilities (VPU) is pleased to share that it recently received an upgraded rating to A- from BBB+ with a “stable” outlook from Standard and Poor’s (S&P). S&P is a nationally recognized financial rating agency, that measures a utility's overall creditworthiness.

Public power utilities throughout the United States, including VPU, are reviewed annually based on credit factors such as business strategy, finance, operations, and resource management.

Higher credit ratings are important indicators for demonstrating strong performance over time — and the rating increase reflects S&P’s view of VPU's risk management practices, including natural gas hedging, which impacts VPU’s rates and the utility’s ability to seek municipal bond financing.

In the report issued by S&P, “We view VPU's management, policies, and planning as comprehensive and prudent, and senior-level staff as generally strong and proactive. Management and its consultants regularly update its strategic plan and produce a long-term financial forecast and capital plan. The city has improved its financial management policies and procedures over the past several years, adopting new guidelines on long-term planning, debt management, and interfund transfers, among other areas. Projections are generally reasonable. Vernon is also finalizing a revised financial risk policy that sets minimal guidelines with regard to various reserve designations.”

S&P further stated that “the stable outlook reflects our expectation that, over the next two years, the electric system will maintain ample liquidity, at least adequate coverage, and successfully execute risk management practices to offset the operating risks inherent to the system's almost entirely commercial and industrial customer base.”

The utility has a goal of continuing to offer stable and competitive rates while surrounding public power utilities and investor-owned utilities have announced several years of rate increases.

To learn more, [click here](#).

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### **About Vernon**

Founded in 1905, the City of Vernon is the only full-service city in California that provides its residents and businesses with reliable and affordable electricity, water, natural gas, fiber optics services, and has its own Public Health Department. With a goal of providing the lowest electric rates by 2030, the city is an economic engine to the Los Angeles area and home to approximately 1,800 businesses that provide \$1.1 billion in taxable spending into the US economy. Learn more by visiting, [www.cityofvernon.org](http://www.cityofvernon.org).

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