Moody's has released an updated Credit Opinion for Ontario - There is no change in the rating

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Attachments: Ontario_Credit Opinion_2018.pdf (1.38 MB); Fair Hydro Trust Moody's.pdf (1.51 MB)

Moody's has updated their Credit Opinion for Ontario following the release of their rating on the Fair Hydro Trust on January 22nd. Moody's is now including debt issued by the Fair Hydro Trust in their key debt measure for Ontario. They do note that the total financing required is "nonetheless fairly negligible given the province's high net direct and indirect debt level." They also note that they will review this treatment once revenues from the Clean Energy Adjustment charge is added to consumers' electricity bills in 2021.

In this report, Moody's also reiterated challenges to Ontario's credit that they had raised in their previous report:
» High debt burden and debt will continue to increase despite balanced budget projections
» Elevated interest expense, with higher rates anticipated

They also added a new point:
» Rising expenditures risk to balanced fiscal targets

The report is public but only available to subscribers. There is no press release for this release.

Please let me know if you have any questions.

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