



## Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Gainesville (City of) FL Combined Util. Ent.

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New York, February 18, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Gainesville (City of) FL Combined Util. Ent. and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

Gainesville (City of) FL Combined Utility Enterprise's ("GRU") Aa3 utility system revenue bonds rating benefits from its resilient and stable service territory, diversified operations as a combined utility enterprise and a track record of producing solid financial metrics and raising rates when necessary. GRU successfully integrated a 102.5 MW biomass plant facility into its generation and dispatch profile following the completion of the buyout at the end of 2017 and remains focused on maintenance investments across the enterprise.

GRU's rating is constrained by high leverage, high electric rates, the age of some of its coal and natural-gas fired generation assets and high annual transfers to the city's general fund which reduces the utility's ability to apply free cash flow generation towards rate reductions or investments into the system.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was US Public Power Electric Utilities with Generation Ownership Exposure Methodology published in August 2019. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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