

Utility Debt Securitization Authority \$369.465 Million Bonds Series 2017 Assigned Ratings

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OVERVIEW

- Utility Debt Securitization Authority's issuance is an ABS transaction backed by restructuring property.
- We assigned our ratings to the class A1 through A28 bonds.
- The ratings reflect our view of the transaction's structure and each tranche's ability to withstand our cash flow stress scenarios, among other factors.

SAN FRANCISCO (S&P Global Ratings) Nov. 21, 2017--S&P Global Ratings today assigned its ratings to Utility Debt Securitization Authority's \$369.465 million tax-exempt restructuring bonds series 2017 (see list).

The bond issuance is an asset-backed securities transaction backed by restructuring property.

The ratings reflect our view of each tranche's ability to withstand our cash flow stress scenarios and the transaction's reserve subaccount, which functions as a reserve account to cover potential shortfalls. The transaction also benefits from additional credit strength because of the length of time between each tranche's expected and legal final maturity dates, which we accounted for in our analysis.

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RELATED CRITERIA

- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009
- Legal Criteria: Legal Criteria For U.S. Structured Finance Transactions: Special-Purpose Entities, Oct. 1, 2006
- Legal Criteria: U.S. Legal Criteria for "Recycled" Special-Purpose Entities, Sept. 19, 2002
- Criteria - Structured Finance - ABS: Securitizing Stranded Costs, Jan. 18, 2001

RELATED RESEARCH

- Presale: Utility Debt Securitization Authority (Series 2017), Oct. 13, 2017
- Cash Flow Analyses Are Not Generally Needed for Rate Reduction Bond Transaction Surveillance Due to True-Up Mechanisms, June 11, 2015
- Global Structured Finance Scenario and Sensitivity Analysis: Understanding the Effects of Macroeconomic Factors on Credit Quality, July 2, 2014
- The Recession Hasn't Been Hard On "Ratepayer Obligation Charge" Bonds, July 8, 2009

In addition to the criteria specific to this type of security (listed above), the following criteria articles, which are generally applicable to all ratings, may have affected this rating action: "Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'?", March 23, 2015; "Global Framework For Assessing Operational Risk In Structured Finance Transactions," Oct. 9, 2014; "Methodology: Timeliness of Payments: Grace Periods, Guarantees, And Use of 'D' And 'SD' Ratings," Oct. 24, 2013; "Counterparty Risk Framework Methodology And Assumptions," June 25, 2013; "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," Oct. 1, 2012; "Methodology: Credit Stability Criteria," May 3, 2010; and "Use of CreditWatch And Outlooks," Sept. 14, 2009.

RATINGS ASSIGNED

Utility Debt Securitization Authority (Series 2017)

Tranche	Rating	Amount (\$)
A1--Serial	AAA (sf)	1,695,000
A2--Serial	AAA (sf)	1,740,000
A3--Serial	AAA (sf)	10,985,000
A4--Serial	AAA (sf)	11,260,000
A5--Serial	AAA (sf)	11,440,000
A6--Serial	AAA (sf)	11,725,000

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A7--Serial	AAA (sf)	18,130,000
A8--Serial	AAA (sf)	18,585,000
A9--Serial	AAA (sf)	190,000
A10--Serial	AAA (sf)	195,000
A11--Serial	AAA (sf)	195,000
A12--Serial	AAA (sf)	200,000
A13--Serial	AAA (sf)	205,000
A14--Serial	AAA (sf)	210,000
A15--Serial	AAA (sf)	220,000
A16--Serial	AAA (sf)	225,000
A17--Term	AAA (sf)	465,000
A18--Term	AAA (sf)	485,000
A19--Term	AAA (sf)	510,000
A20--Term	AAA (sf)	535,000
A21--Term	AAA (sf)	565,000
A22--Term	AAA (sf)	595,000
A23--Term	AAA (sf)	625,000
A24--Term	AAA (sf)	655,000
A25--Term	AAA (sf)	63,235,000
A26--Term	AAA (sf)	62,085,000
A27--Term	AAA (sf)	69,810,000
A28--Term	AAA (sf)	82,700,000

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