MOODY'S
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Credit Opinion: Empresa de Energía de Bogotá S.A. ESP. (EEB)

Global Credit Research - 29 Nov 2013

Bogota, Colombia

Ratings

Category	**Moody's Rating**
Outlook	Stable
Senior Unsecured	Baa3
Transportadora de Gas Internacional	
Outlook	Stable
Senior Unsecured	Baa3

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Key Indicators

[1]**Empresa de Energía de Bogotá S.A. ESP. (EEB)**

	2008	2009	2010	2011	2012	LTM 3Q'13
(CFO Pre-W/C + Interest) / Interest Expense	3.8x	3.8x	8.8x	2.4x	5.5x	8.6x
(CFO Pre-W/C) / Debt	23.9%	28.8%	67.4%	15.8%	32.6%	49.1%
(CFO Pre-W/C - Dividends) / Debt	6.6%	9.9%	0.3%	15.8%	8.3%	20.3%
Debt / Book Capitalization	21.8%	19.1%	17.3%	16.1%	12.8%	13.6%

[1] All ratios calculated in accordance with the Global Regulated Electric Utilities Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

-Ownership structure

- Material structural subordination amid high reliance on cash upstreams from non-controlled subsidiaries

- Controlled subsidiaries expected to slowly grow in importance with successful completion of projects in Guatemala and Peru

-Uncertainties associated with EEB's aggressive expansion strategy

- EEB's credit metrics expected to remain commensurate with the rating category

Corporate Profile

Headquartered in Bogota, Colombia (Baa3, positive) , Empresa de Energia de Bogota S.A. E.S.P. (EEB) is a Colombian transmission company subject to the purview of the Comision de Regulacion de Energia y Gas (CREG). It is also a holding company with material equity interests in controlled and non-controlled subsidiaries that conduct their electric and natural gas operations in Colombia (Baa3, stable), Peru (Baa2, positive) and Guatemala (Ba1, stable).

EEB's controlled subsidiaries include the Colombian natural gas transportation company, Transportadora de Gas Internacional S.A. E.S.P. (TGI; Baa3, stable; 68.1% ownership stake); the holding company Decsa S.A. E.S.P. (51% interest) which holds a 82% equity interest in the electric utility Empresa de Energia de Cundinamarca S.A. E.S.P. (EEC); Peruvian natural gas transportation and distribution subsidiaries: Calidda (Baa3, stable; total in- and direct interest 66.2%) and Contugas S.A.C. (total in- and direct interest 92%; including TGI's 25%); as well as the Guatemalan subsidiaries: EEB Ingenieria y Servicios S.A. (EEBIS; 100%) and Transportadora de Centroamerica S.A. (Trecsa; 95.3%). The Peruvian and Guatemalan subsidiaries are pursuing material investment programs.

EEB's non-controlled subsidiaries include the Colombian unregulated generation company Emgesa S.A. E.S.P. (43.6% of voting rights), as well as the electric and natural gas utilities Codensa S.A. E.S.P. (42.85% of voting rights) and Gas Natural S.A. E.S.P. (25%). In early 2011, EEB also acquired a 15.6% interest in the Colombian natural gas transportation company Promigas which holds majority stakes in natural gas distribution companies and the remaining 40% equity interest in Calidda. EEB also holds a 40% equity interest in the Peruvian electric transmission companies Red de Energia del Peru (REP) and Consorcio TransMantaro (CTM; Baa3, stable).

The District of Bogota (Baa3, positive) remains EEB's majority shareholder with 76.3% ownership stake (peviously: 81.54%) after the November 2011 share issuance (gross proceeds of around US$400 million). EEB's remaining shareholders consist of Ecopetrol (Baa2, stable; 6.87% albeit it announced in July a potential sale of the stake), Corficolombiana S.A. (3.6%), local pension funds (6%) and retail investors (7.3%). As of June 30, 2013, EEB recorded non-consolidated assets of approximately US$6 billion (about 70% of the consolidated assets), and funds from operations of around US$385 million for the last twelve months ended the same period (around 52% of the consolidated FFO).

Rating Rationale

The Baa3 senior unsecured rating reflects EEB's ownership structure and linkages with the District of Bogota. Given the District's majority ownership stake, EEB falls under the scope of Moody's rating methodology for Government-Related Issuers (GRIs) that as explained later incorporates four components (i) the rating of the District of Bogota (Baa3, positive outlook) along with a (ii) strong probability of extraordinary support from the municipality, and (iii) moderate level of dependence as well as (iv) EEB's Base Credit Assessment (BCA) of ba1.

EEB's BCA is a representation of its intrinsic creditworthiness before taking into account possible extraordinary support from the municipality. EEB's BCA largely reflects the structural subordination that results from its strong dependence on the cash up-streamed from its subsidiaries to service its debt, particularly from its non-controlled subsidiaries, despite its own profitable transmission operations. However, the BCA also captures the regulated nature of the operations of most of its subsidiaries and the aggressive dividend policy of its key non-controlled subsidiaries that enhances EEB's cash flow visibility. The BCA assumes the successful completion of the material electric transmission and natural gas capital expenditure (capex) projects currently being pursued in Peru and Guatemala. It acknowledges the resulting diversification benefits and the slowly growing relevance of the controlled subsidiaries as a source of cash flows. It also incorporates the assumption that EEB will further pursue new growth opportunities in Colombia and other regional countries with transparent regulatory frameworks. The BCA assumes that EEB will fund them in a prudent fashion, and maintain a reasonable dividend policy that allows it to continue to report robust credit metrics. In the absence of committed bank credit facilities the BCA also captures EEB's reliance on the capital markets to meet unexpected cash flow shortfalls albeit its current debt maturity profile is considered manageable in our opinion.

DETAILED RATING CONSIDERATIONS

OWNERSHIP STRUCTURE

EEB's Baa3 senior unsecured rating largely reflects its ownership structure and linkages with the District of Bogota (Baa3, positive). It is our understanding that pursuant to Agreement nr 01, 1996, the District of Bogota is required to hold at least a 51% ownership stake in the issuer. Given the District's majority ownership stake, EEB falls under the scope of Moody's rating methodology for Government-Related Issuers (GRIs).

The rating reflects Moody's assessment of a strong probability of extraordinary support from the municipality and a moderate level of dependence. Our assessment factors some potential risk of political interference by the District, particularly in the absence of a governance framework agreement that clearly outlines EEB's relationship with the District of Bogota including dividend distributions; however, our concerns are significantly mitigated by the country's legal and regulatory requirements needed for listed companies like EEB before the implementation of any material corporate reorganizations as evidenced after the last mayorial election at the end of 2011. The dependence assessment reflects the degree to which the District is exposed to the same risks as those that would affect credit quality at EEB. This is considered moderate given the group's businesses outside of Bogota including its international subsidiaries. That said, going forward should the importance of EEB's international activities continue growing we may re-assess our opinion about the District's ability and willingness to provide extraordinary financial support should EEB face significant challenges in its operations abroad.

GROWING OWN TRANSMISSION OPERATIONS

EEB's transmission operations reported for the LTM period ended September 2013 around US$34 million in EBITDA. Around 60% of EEB's transmission assets became operational before 2000. Their tariffs are currently premised on a 11.5% rate of return to be applied on the assets' replacement value and are subject to CREG's reviews every five years with the next one not anticipated before 2015. We believe the Colombian regulatory framework compares well to those in other Latin American countries in terms of predictability and transparency. Albeit it is still subject to some further development it has been in place for over fifteen years, and we believe CREG's decisions are overall credit constructive. The balance of EEB's transmission assets started operations after 2000. For the first 25 operational years the remuneration of the assets is based on the winning bid that included estimated annual revenues in USD, along with Administration, Operation and Maintenance expenses, as well as the opportunity costs of the capital invested. After 25 years, these assets will be also subject to the CREG's transmission charges.

EEB has currently under development five projects won under competitive auctions organized by the Colombian planning authority (UPME). The total investments approximate US$200 million (additional annual gross margin of around $15 million) consisting of works in substations and/or transmission lines. Their construction periods are relatively visible as they range between one and three years, a credit positive. The projects' progress as of the end of September ranged between 95% and 4%. That said, similar to other countries in Latam transmission projects in Colombia are increasingly facing challenges to attain rights of way, easements and environmental permits. Particularly, the latter has caused delays in the completion of EEB's Armenia (capex around US$20 million) and Alferez project (capex: around S$12 million) that at the end of September were reported 67% and 95% completed, respectively. That said, on November 27, 2013, EEB attained Ministry of Mining and Energy's authorization to extend their completion deadline from end November to August (Armenia) and January 2014 (Alferez), respectively; however, EEB will start receiving cash the associated revenues in December given that the cause of the delay was a Force Majeure outside of EEB's control, a credit positive.EEB is currently looking for alternatives to overcome the security challenges faced in the 191km Tesalia-Alferez portion of the Tesalia project, while the rest of the development has the environmental permits and is progressing according to schedule (progress of 59% at the end of 2013). We also understand that EEB's transmission assets were not affected by the by the terrorist group FARC's intensified attacks in October against pieces of infrastructure.

EEB estimates that upon the successful completion of these latest projects its market share will grow by 2015 to about 11% (currently 8%) in terms of total assets. Despite the inherent construction risk of the new projects the enhancement of EEB's ability to generate its own operating cash flows is credit positive.

STRUCTURAL SUBORDINATION WILL REMAIN SUBSTANTIAL

While the BCA acknowledges EEB's own cash flow generation it also factors those associated cash flows are insufficient to fully cover EEB's aggregate obligations, including interest and expenses incurred in connection not only with its own operations but also its various holding company's activities. Therefore, the BCA is capped by the degree of structural subordination that exists for parent level debt-holders relative to the existing debt outstanding at its various subsidiaries given EEB's dependence on the dividend and interest payments from its controlled and non-controlled subsidiaries to meet its own debt servicing obligations. Moody's calculates that EEB's parent-only debt exceeded 40% of the consolidated indebtedness at September 2013 even before the issuance in November of the US$139 million additional senior unsecured notes, which is material.

The re-leveraging of the holding company's indebtedness following the re-opening of the 2011 Notes (+US$139 million) is also credit negative, particularly considering the declining trend observed in 2012's parent-only indebtedness after the repayment of around US$35 million debt and amid the group's growing consolidated indebtedness. However, we acknowledge that EEB will use the proceeds raised in connection with the 2011 Notes' re-opening to grant intercompany loans to its two Guatemalan subsidiaries, namely EEBIS and Trecsa given EEB's greater access to funding at more competitive market conditions (5.847% the US$139 million re-opening; 6.125% the US$610 million notes). Trecsa will use a portion to repay the US$32 million short-term intercompany loan granted in March 2013. Moreover, about 75% of EEB's outstanding standalone indebtedness was incurred to aid TGI to fund the acquisition of a substantial portion of its natural gas transportation assets. EEB made a US$340 million equity contribution and granted a US$370 million subordinated loan maturing in December 2022 that is currently subject to a 6.125% interest rate (previously 8.75%). Earlier this year, Calidda used part of the proceeds of its US$320 million yankee-notes in March to repay US$47 million subordinated shareholders' loan (EEB total interest of 66.2%).

HIGH DEPENDENCE ON THE RELATIVELY PREDICTABLE CASH UPSTREAMS FROM ITS NON-CONTROLLED SUBSIDIARIES

The BCA assumes that EEB's non-controlled subsidiaries - particularly the unregulated power generation company Emgesa and the regulated utilities Codensa (electric) and Gas Natural (natural gas distribution)- will remain EEB's main source of cash flow over the foreseeable future. The lack of control over these operations, is a credit negative; however, this concern is mitigated by the historical track record of aggressive dividend policies (including capital reductions), the absence of any distribution tests, and EEB's voting rights under the Shareholders' agreement with respect to changing Emgesa's and Codensa's dividend distributions of less than 50% of their net distributable profits. We also acknowledge that these companies' ability to generate robust and predictable cash flows is underpinned by their leading position in their respective market segments and the regulated nature of the operations of most of these Colombian companies with tariffs in place until at least 2014. While Emgesa's operations are unregulated, we believe its overall prudent commercial policy helps to offset the cash flow volatility typically associated with power generation activities, and we anticipate its dividend distributions will remain material despite its material capex program until the completion in December 2014 of the 400MW El Quimbo hydro-plant (capex; US$837 million).

During 2012, EEB received from these three subsidiaries dividend distributions that approximated US$260 million (2011: US$182 million; 2010: around US$600 million including cash up-streams associated with Emgesa's US$250 million capital reduction). EEB's BCA assumes that going forward the annual dividends received from these non-controlled subsidiaries will remain significant exceeding US$250 million albeit we do not anticipate any new capital reductions as the current capital accounts do not meet the legal requirements.

EEB anticipates to receive in 2014 total dividends of around US$22 million (2013: US$8 million) from its non-controlled Peruvian subsidiaries REP and CTM (Baa3, stable). CTM's rating assumes that its dividend policy will be prudent and the size of future dividends will take into consideration its current multi-year capex program and any new organic growth opportunities.

SLOW BUT GROWING RELEVANCE OF THE CONTROLLED SUBSIDIARIES

TGI's Baa3 rating assumes that it will start in 2014 distributing dividends (payout ratio of around 50%; EEB's portion of around US$32 million) while funding in a prudent fashion the tail-end of its capex program amid an enhanced footprint in Colombia as the new projects progressively start operations and following the overall credit supportive outcome of its last tariff review (effective since December 2012). This cash upstream will supplement the historical interest payment paid to EEB under the US$370 million intercompany subordinated loan (currently around US$23 million p.a.).

While this will enhance the importance of TGI as a source of cash flows we do not anticipate that over the near to medium term the rest of EEB's controlled subsidiaries will become significant sources of cash flow.

Calidda is making satisfactory progress to expand its gas distribution system under a concession agreement covering the Peruvian departments of Lima and the Province of Callao. Its Baa3 rating assumes that EEB will not be required to make additional equity contributions into Calidda (1Q2013: US$15 million; EEB's direct interest: 60%) but also that EEB will not receive any material dividend distributions before its significant multi-year capex program achieves substantial progress. Also interest payments will longer be payable after the intercompany loan repayment in March mentioned earlier.

We do not anticipate that the natural gas distribution and transportation company Contugas will require additional equity contributions from EEB after it executed in September a US$310 million syndicated bank term-loan. Proceeds have been earmarked to refinance its outstanding US$215 million bridge-loan and to aid funding the balance of the investments required to build a 340km main pipeline and lateral natural gas system in order to supply gas to additional 30,000 end-users. The Peruvian government authorized a 200 day extension to April 2014 from the original completion date due to Force Majeure that we understand resulted from the need to secure certain archaeological sites found during the construction. The project reported at the end of September 86% overall progress with certain key milestones already completed, including the commissioning in July of the Chincha natural gas operation center.

EEB's rating also assumes that Trecsa will successfully complete its electric transmission project in Guatemala (capex approximates US$410 million) to be funded 50% with equity contributions. This project is also not without execution risks as it faced challenges attaining rights of ways in the country's indigenous areas. The resulting delay was also considered Force Majeure with no consequences for EEB. While the project's completion is scheduled in 2015, the system is expected to become partially operational in December 2013. TRECSA's annual tariffs under the original agreement with the Guatemalan authorities is US$35 million (adjusted to reflect changes in the Producer Price Index, IPP) albeit EEB also expects to be compensated for the additional capital outlays required after the extension of the completion date. We understand that Trecsa may be interested in participating in the auctions to allocate a second phase of transmission infrastructure expansions albeit this is unlikely to start before 2016.

We expect that EEB will pursue new investment opportunities in the region by exclusively focusing on operations in stable and predictable regulatory environments where EEB can secure a controlling position. In this regard, we note that its subsidiary EEBIS is focusing in new electric transmission projects in Guatemala (up to US$50 million over the three years), and that EEB participated during 2012 in two auctions to build transmission assets in Chile (planned investments aggregate around US$1 billion).

UNCERTAINTIES ASSOCIATED WITH EEB's AGGRESSIVE GROWTH STRATEGY

We understand that EEB's expansion strategy is largely focused on growing its controlled subsidiaries base of operations. To that end, the rating assumes that EEB will continue pursuing and funding any new growth opportunities in Colombia and other regional countries with transparent regulatory frameworks in a prudent manner.

Importantly, EEB's rating and stable outlook reflect our assumption that EEB will pursue any new growth initiative in a disciplined manner. In this regard, we note that EEB has recently expressed publicly an interest in participating in the Colombian government's plans to divest its 57.66% stake in the unregulated power generation company ISAGEN (Baa3, negative). The government recently increased the asking target share price to around US$1.67/share (+11% over the initial stated price) which results in a valuation of its 57.66% stake at around US$2.5billion. We understand that regulation may require a potential bidder to also make an offer for the remaining publicly held shares for ISAGEN's change of control to become effective. Therefore, the total required investment could exceed US$4 billion, a sizeable investment for a company of EEB's size.

Despite the uncertainties related to the completion of the Colombian government's divestiture of its ISAGEN shares and whether EEB will be the winning bidder, and if the subsequent required funding decisions will be pursued on a standalone basis or via a partnership and the proposed capital structure EEB's outlook currently remains stable. Clearly, if a proposed transaction were to materialize, we would need to review both the ratings and the outlook of EEB.

CREDIT METRICS EXPECTED TO REMAIN COMMENSURATE WITH THE RATING CATEGORY

Given EEB's dependence on its subsidiaries' dividend distributions to service its significant parent debt we consider in our assessment mainly EEB's standalone credit metrics albeit we also factor the consolidated credit metrics as well. Recent fluctuations in the cash up-streams received from its non-controlled subsidiaries cited above have largely driven the EEB's credit metrics' development depicted above.

Importantly, the rating reflects our expectation that EEB's credit metrics will remain well positioned within the Baa-rating category outlined in Moody's Regulated Electric and Gas Utilities ratings methodology. We believe the parent only analysis is necessary to recognize the substantial structural subordination of EEB's cash flows, including the material dependence on its non-controlled subsidiaries' cash up-streams.

Specifically, the rating anticipates that EEB will record 3-year average ratios of consolidated and parent only operating cash flows (POCF, defined as EEB's own operating cash flows after overhead costs and interest expense but also including received subsidiaries' divided distributions) to consolidated and parent only level debt that will at least hover around the high teens, as well as consolidated and parent only interest coverage of at least 3.0x. The rating further assumes that the group will maintain an overall prudent dividend policy with a target payout ratio of 50% of its distributable net income, such that its 3-year RCF to debt remains in the mid to high teens, on a sustainable basis. It further assumes that EEB will pursue new capital reductions (last in 2010) only in conjunction with its subsidiaries' future capital distributions.

These ranges further assume that going forward EEB's main source of cash flows will continue to be the dividends up-streamed primarily from regulated utilities. Should EEB's aggressive expansion plans, including the possible acquisition of ISAGEN, result in a deterioration of the group's overall business risk profile, for example, if the acquisition of ISAGEN results in an increased exposure to the unregulated power generation sector via Emgesa, we would, most likely, reassess the minimum key credit metrics required for retaining the current Baa3 rating.

Liquidity Profile

We understand that EEB is currently in the process of executing a committed credit bank facility for up to ColPs900,000 million (around US$475 million) approved by its Board of Directors in August. Its execution would reduce EEB's reliance on the capital markets to meet unexpected cash flow shortfalls, a credit positive. End of September EEB held around US$130 million in cash and short term investments (2012: US$114 million), the holding company continues to record positive free cash flows (2012 about US78 million; 2011: US$160 million) while its current debt maturity profile is deemed manageable, also credit positives. We further acknowledge that the execution during 2013 of the controlled subsidiaries' financial debt arrangements - particularly for Contugas, Calidda, and Trecsa - has reduced both the refinancing and/or their investment funding risks, a credit positive.

Rating Outlook

The stable outlook reflects our expectation that EEB will continue to benefit from the strong cash distributions received from its uncontrolled subsidiaries, the successful completion of its ongoing major capex programs in Guatemala and Peru, and the slowly growing relevance in terms of regulated cash flow contributions of its controlled subsidiaries, including TGI. Despite EEB's aggressive growth strategy its outlook remains stable given the uncertainties related to the possible acquisition of ISAGEN and/or any other potential targets. That said, the stable outlook incorporates our expectation EEB's credit metrics will remain commensurate with the Baa-rating category albeit as mentioned earlier the ranges will depend on the group's overall business risk profile.

What Could Change the Rating - Up

EEB's BCA rating could be upgraded if over the medium-to-long term its reliance on its controlled subsidiaries' dividends increases significantly such that they exceed the dividends received from its non-controlled subsidiaries. Quantitatively, an upgrade could also be triggered if EEB reports parent-only RCF to debt in the high teens, on a sustainable basis. EEB's senior unsecured rating could experience some upward momentum if the rating of the District of Bogota is upgraded assuming our assessment on whether the current levels of moderate dependence and/or strong support by the District of Bogota in terms of willingness and ability remain appropriate taking also into consideration the degree of EEB's non-Colombian expansion initiatives and strategies at that point in time.

What Could Change the Rating - Down

EEB's BCA could be downgraded if the current capex programs being pursued via Trecsa (Guatemala) Calidda (Peru), and/or Contugas (Peru) are poorly executed. Negative momentum could be triggered if the cash up-streams received by EEB deteriorate substantially and/or indebtedness increases significantly such that the consolidated and/or standalone credit metrics deteriorate and are not commensurate with the ranges outlined for the Baa-rating under the applicable Moody's ratings methodology. Specifically, if CFO pre-W/C interest coverage and CFO pre-W/C to debt falls below 2.0x and the mid teens on a consolidated and/or standalone basis, respectively, for an extended period of time. Apart from a change in the standalone fundamental credit quality of the issuer, the rating of the notes could be downgraded if EEB decided to incur significant amounts of secured debt as a proportion of its total debt, the proportion of EEB's stand alone debt over consolidated indebtedness continues to grow to levels that warrant an additional notching downgrade versus the rated debt at its operating subsidiaries, and/or upon a substantial increase in the group's exposure to unregulated operations or subsidiaries that operate under less credit supportive regulatory environments. Moreover, EEB's rating could be negatively affected by a downgrade in the District of Bogota's rating and/or a perception that a lower degree of extraordinary support from the District is more appropriate, particularly in terms of its ability to provide such extraordinary support given EEB's aggressive expansion strategy.

Other Considerations

The rating also assumes that EEB will continue to prudently manage the foreign exchange risk exposure. The bulk of EEB's indebtedness (around 94%) is denominated in US dollars. It is our understanding that EEB has not executed new derivatives on top of its 2008 swap with a notional amount of US$133 million that helps offset its foreign exchange risk in combination with the natural hedges. The later considers the indexation for the first 25 years of operation of a portion of its transmission revenues to US$ (post-2000 assets). Moreover, similar to TGI's existing 6.125% US$320 million intercompany loan, the around US$140 million intercompany loans to be granted to the Guatemalan subsidiaries TRECSA and EEBIS will be also in US$ such that the servicing will be also in US$. Over 50% of TGI's revenues are indexed to US$ and it has executed hedges to offset its foreign currency risk exposure, while as mentioned earlier TRECSA's tariffs consists of a pre-agreed annuity (currently US$32 million). EEBIS' services are marked in US$ albeit paid by the local end-users.

We note that after EEB's US$610 million 6.125% 10-year notes due in November 2021 attained their second investment grade rating the financial covenants under the indenture that limited EEB's ability to incur new indebtedness and make restricted payments are no longer applicable.

Moody's evaluates EEB's BCA mainly relative to Moody's Regulated Electric and Natural Gas Utilities methodology published in August 2009. As depicted in the grid below, the issuer's indicated BCA rating based on both historical and projected credit metrics is baa. The assigned ba1 BCA results after the notching exercise to reflect the above mentioned material structural subordination.

Rating Factors

Empresa de Energía de Bogotá S.A. ESP. (EEB)

Regulated Electric and Gas Utilities Industry [1][2]	**Current LTM 09/30/2013**		**Moody's 12-18 month Forward View* As of November 2013**	
Factor 1: Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Regulatory Framework		Ba		Ba
Factor 2: Ability To Recover Costs And Earn Returns (25%)				
a) Ability To Recover Costs And Earn Returns		Ba		Ba
Factor 3: Diversification (10%)				
a) Market Position (10%)		Ba		Ba
b) Generation and Fuel Diversity (0%)				
Factor 4: Financial Strength, Liquidity And Key Financial Metrics (40%)				
a) Liquidity (10%)		Ba		Ba
b) CFO pre-WC + Interest/ Interest (3 Year Avg) (7.5%)	5.6x	A	3.0x-4.5x	Baa
c) CFO pre-WC / Debt (3 Year Avg) (7.5%)	41.1%	Aa	13%-22%	Baa
d) CFO pre-WC - Dividends / Debt (3 Year Avg) (7.5%)	8.7%	Ba	9%-17%	Baa
e) Debt/Capitalization (3 Year Avg) (7.5%)	15.2%	Aaa	25%-35%	Aa
Rating:				
a) Indicated BCA Rating from Grid		baa		baa
b) Actual BCA Assigned		ba1		ba1

* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] LTM 09/30/2013; Source: Moody's Financial Metrics