MOODY'S
RATINGS

Rating Action: Moody's Ratings affirms Benton County PUD 1, WA's revenue bonds at Aa3; assigns Aa3 to electric revenue and refunding bonds

14 Sep 2026

New York, September 14, 2026 -- Moody's Ratings (Moody's) has affirmed the Aa3 rating on Benton County Public Utility District 1, WA's outstanding electric revenue bonds. Concurrently, we have assigned a Aa3 rating to the district's proposed $47.5 million Electric Revenue and Refunding Bonds, Series 2026. Following the sale, the district will have roughly $100 million in total outstanding debt.

RATINGS RATIONALE

The Aa3 revenue rating reflects the district's strong financial position supported by a capable management team with strong rate management. Projections indicate debt service coverage remaining above 2.5x over the next five years while cash is likely to remain soundly above 100 days. The district benefits from a relatively low-cost power portfolio primarily supplied by Bonneville Power Administration (BPA), though this is somewhat balanced by exposure to resource vulnerability due to BPA's dependence on hydropower. The debt burden is low at 0.7x operating revenue, inclusive of the new issuance, and will remain manageable given a long-standing target to maintain a debt-to-capitalization ratio of 38% or less.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Sustained strengthening of days cash on hand above 150 days

- Reduced exposure to resource vulnerability

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Reduction in days cash on hand to less than 100 days

- Sustained decline in debt service coverage below 2.0x

PROFILE

Benton County Public Utility District 1 provides electricity to 939 square miles of Benton County in central Washington, including the cities of Kennewick, Prosser and Benton City. The district is an independent local government and is governed by an elected three member board.

METHODOLOGY

The principal methodology used in these ratings was US Municipal Utility Revenue Debt published in March 2024 and available at https://ratings.moodys.com/rmc-documents/416489. Alternatively, please see the

Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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