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Rating Approach to Availability Payment Based Projects

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Agenda

Availability Payment Model

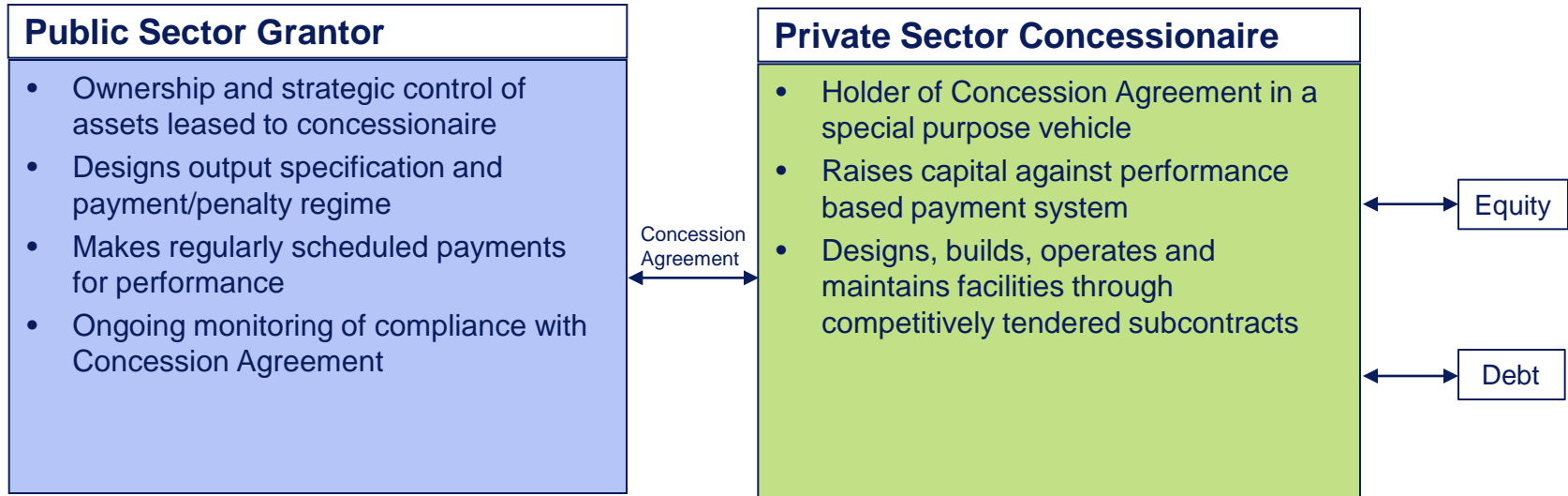
Approach to Rating Availability Payment Transactions

Key Features of IG Availability Transactions

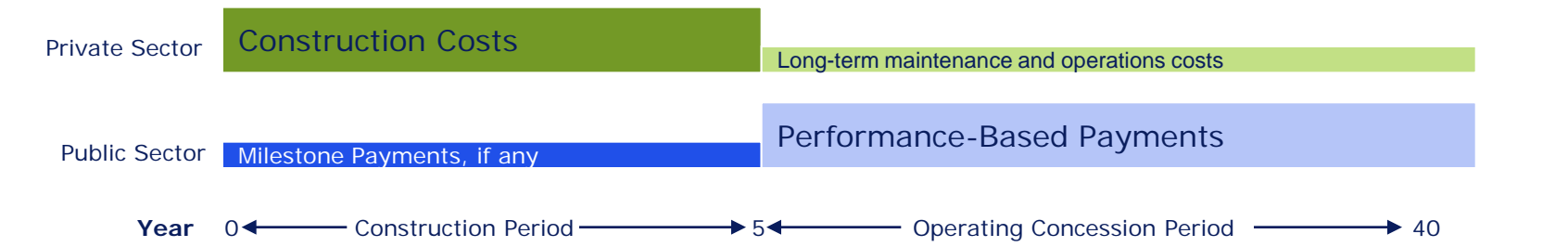
Recent Availability Transactions

“Availability Payment” Model

Partnership Structure



Partnership Cost Distribution over Time



Global Rating Rationale for Availability Based Projects

- I. Revenue Risk
- II. Operation Risk
- III. Debt Structure
- IV. Debt Service – Financial Metrics
- V. Infrastructure Development/Renewal
- VI. Completion Risk

Description and Relevant Benchmarks

- Attribute Assessments:



Revenue Risk Factors for Analysis

- Counterparty risk of the grantor
- Project's insulation from inflation risk
- Clarity and size of the deduction scheme
- Exposure to volume risk

Operations Risk Factors of Analysis

- Experience of operator with similar projects
- Ease of finding replacement operator
- Level of complexity of operating requirements
- Pass through of O&M responsibility to operator

Key Features of IG Availability Transactions

- Stable cash flows
- Unambiguous operating deductions
- Limited inflation risk
- Low completion risk

Figure 5
Indicative 'BBB' Category Cover Ratios

(x)	Average DSCR
Schools, libraries, courts, transmission projects	1.20–1.40 (typically at lower end of the range)
Hospitals, social housing, prisons, roads and street lighting, light rail	1.20–1.40 (typically slightly higher in the range)
Other rail	1.30 and above depending on risk profile

Source: Fitch

Availability Transactions

- I 595 (Florida)
- Presidio Parkway
- Ohio River Bridges (Indiana portion)
- Goethals Bridge

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