

Research Update:

West Boylston Municipal Lighting Plant, MA Issuer Credit Rating Raised To 'A+' On Improved Financial Metrics

May 18, 2026

Overview

- S&P Global Ratings raised its issuer credit rating (ICR) on [West Boylston Municipal Lighting Plant](#) (WBMLP), Massachusetts, to 'A+' from 'A'.
- The outlook is stable.
- The upgrade reflects our view of WBMLP's consistently stronger financial metrics, characterized by healthy fixed-charge coverage (FCC) and liquidity, supported by effective cost recovery mechanisms.

Rationale

Security

The ICR reflects our view of the electric utility's capacity and willingness to meet financial commitments as they come due and does not apply to any specific obligation. As of Dec. 31, 2025, WBMLP had \$131,000 of series 2013 obligations outstanding. We also note it has an additional \$1.7 million obligation outstanding from a 2016 secured pool loan financing to mature in 2032. The outstanding bonds are secured by net revenues of the electric system.

Credit highlights

The raised rating reflects our assessment of WBMLP's sound financial performance and stable service area with high median incomes. Highlights include three-year average FCC of 1.5x and strong liquidity, with 355 days' cash on hand at the end of fiscal 2025. According to management's projections, FCC will modestly decline in the next couple of years but remain supportive of the rating. The revenue base is diverse, anchored by residential customers (46% of revenues), and rates are 30% below the state average.

The rating further reflects our view of WBMLP's:

- Diverse power portfolio that includes joint ownership of assets through Massachusetts Municipal Wholesale Electric Co. (MMWEC) and purchase power agreements (PPAs), with a focus on noncarbon-emitting, including nuclear, hydro, wind, and solar power resources;

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- Planned rate increases and regular use of its discretionary power cost adjustment (PCA) mechanism to offset increased costs and unbudgeted power supply costs; and
- Low debt burden, with direct debt fully amortized by 2027, and no plans for additional debt issuances in the next few years.

Partially offsetting the above strengths, in our opinion, are WBMLP's:

- Limited economies of scale with a small customer base of 3,785 accounts and nominal customer growth expectations; and
- Modest revenue concentration in the leading customer, Worcester County Jail (8% of total revenues in 2025), though we recognize it as a stable customer.

Environmental, social, and governance

WBMLP's environmental risk factors are credit neutral and minimize its climate transition exposure. The utility does not use coal-fired generation; in fiscal 2025, 59% of its electricity was derived from non-carbon-emitting resources, including nuclear, hydro, wind, and solar, with the remaining sourced from oil, natural gas, and through market or bilateral purchases. WBMLP currently exceeds Massachusetts' decarbonization mandate, which requires 50% non-carbon generation by 2030.

WBMLP's social risk factors, including rate competitiveness and affordability, are credit supportive. The service area is characterized by high median incomes and rates that remain well below the state average, providing significant rate-setting flexibility. However, because of the high unpredictability of federal policy--along with the economy's stressors and the associated financial pressures consumers are facing--we are monitoring the strength and stability of electric utilities' revenue streams for evidence of delinquent payments or other revenue erosion (see "[Economic Outlook U.S. Q2 2026: Curb Your Enthusiasm](#)," March 25, 2026).

We consider the WBMLP's governance factors to be credit neutral. Management demonstrates proactive oversight through detailed financial and power supply forecasting and completing a cost-of-service study in 2025. Additionally, WBMLP uses its discretionary PCA mechanism for cost recovery. WBMLP's cyber risk mitigation measures align with our view of its overall risk management policies and practices.

Outlook

The stable outlook reflects our expectation over the next two years that WBMLP will continue to use its rate-setting authority and discretionary PCA mechanism to maintain healthy coverage and liquidity levels commensurate with the rating.

Downside scenario

We could lower the rating if WBMLP's coverage and/or liquidity declines significantly, potentially due to unbudgeted power costs or unbudgeted expenses.

Upside scenario

An upgrade is unlikely given WBMLP's limited economies of scale and the modest customer growth prospects within its service area.

Credit Opinion

WBMLP receives nearly half of its supply requirements through MMWEC-sourced nuclear entitlements from the Millstone and Seabrook plants set to last through 2045 and 2050, respectively. Management is focusing on new non-carbon-emitting PPAs to further ensure their environmental regulation compliance and efforts to reach carbon neutrality, which we believe reduces WBMLP's climate transition risk. Currently, management is actively monitoring its power portfolio to ensure an approximate 90%-10% mix of committed PPAs and market purchases, which we view as a prudent hedging strategy.

In addition to its power supply from joint ownership through MMWEC and PPAs, WBMLP is in the process of commissioning a Battery Energy Storage System (BESS) with plans to be operational by summer 2026. The private developer will finance and operate the BESS, with WBMLP receiving about one-third of cost savings associated with the BESS, which we think could help stabilize costs for customers.

West Boylston Municipal Light Plant, Massachusetts--key credit metrics

	--Fiscal year ended Dec. 31--		
	2025	2024	2023
Operational metrics			
Electric customer accounts	3,785	3,785	3,766
% of electric retail revenues from residential customers	46	44	45
Top 10 electric customers' revenues as % of total electric operating revenue	21	20	20
Service area median household effective buying income as % of U.S.	N.A.	124	132
Weighted average retail electric rate as % of state	69	69	69
Financial metrics			
Gross revenues (\$000s)	10,564	9,577	9,048
Total operating expenses less depreciation and amortization (\$000s)	8,951	8,415	7,886
Debt service (\$000s)	530	533	546
Debt service coverage (x)	3.0	2.2	2.1
Fixed-charge coverage (x)	1.7	1.4	1.4
Total available liquidity (\$000s)*	8,707	8,846	10,334
Days' liquidity	355	384	478
Total on-balance-sheet debt (\$000s)	2,229	2,673	3,094
Debt-to-capitalization (%)	11	14	16

*Total available liquidity includes available committed credit line balances, where applicable. Debt service coverage--Revenues minus expenses divided by debt service. Fixed-charge coverage--Sum of revenues minus expenses minus total net transfers out plus capacity payments (or their proxy), divided by the sum of debt service plus capacity payments (or their proxy). N.A.--Not available.

Ratings List

Upgraded

	To	From
West Boylston Mun Ltg Plant, MA Issuer Credit Rating	A+/Stable	A/Stable

Public Power

West Boylston Mun Ltg Plant, MA Retail Electric System	A+/Stable	A/Stable
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The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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