

# Moody's debt rating policies

## Debt Policies: Using Rating Agencies to Inform Policies

### Moody's

	Aaa	Aa	A	Baa	Ba	B and Below
Financial Strength (40%)						
Annual Debt Service Coverage (15%)	> 2.00x	2.00x $\geq$ n > 1.70x	1.70x $\geq$ n > 1.25x	1.25x $\geq$ n > 1.00x	1.00x $\geq$ n > 0.70x	$\leq$ 0.70x
Days Cash on Hand (15%)	> 250 Days	250 Days $\geq$ n > 150 Days	150 Days $\geq$ n > 35 Days	35 Days $\geq$ n > 15 Days	15 Days $\geq$ n > 7 Days	$\leq$ 7 Days
Debt to Operating Revenues (10%)	< 2.00x	2.00x < n $\leq$ 4.00x	4.00x < n $\leq$ 7.00x	7.00x < n $\leq$ 8.00x	8.00x < n $\leq$ 9.00x	$\geq$ 9.00x