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## **Vernon Public Utilities Receives “Positive” Outlook from “Stable” in the latest Moody’s Ratings**

Vernon, CA – Vernon Public Utilities (VPU) is pleased to announce that its electric enterprise has received a revised outlook to “positive” from “stable” from Moody’s while concurrently affirming the enterprise’s Baa1 revenue bond ratings.

Moody’s Ratings is a leading global provider of credit ratings, research and analysis, including bonds issued by commercial and government entities.

Each year, public power utilities like VPU are reviewed based on several credit risk factors that include financial strength, cost recovery frameworks, operational considerations, along with power generation and procurement strategies. The principal methodology used in these ratings focuses on public power utilities with generation ownership.

Moody’s rating is a key indicator that determines a utility’s creditworthiness and financial health, which impacts the utility’s ability to issue and refinance municipal bonds. The “positive” outlook reflects Moody’s view of “the utility’s strategy regarding MGS has positioned it to improve its operational and financial positions as it enters the second half of the decade.”

According to the report issued by Moody’s, the ratings rational incorporates VPU’s ongoing transition “from some of its more legacy industrial customers such as food processing to more energy-intensive customers such as data centers, electrification depots, and clean hydrogen production, which we expect will generate future load growth.”

The Moody’s revised rating outlook also highlighted VPU’s operational adjustments, stating that “the positive outlook reflects our view that the utility’s approach to the utilization of its dispatchable natural gas power plant has improved its strategic position and will allow it to better manage its power supply and the needs of its small and concentrated customer base.” Moody’s expects that “the electric enterprise will continue

to deliver stable financial results while managing the transition to new customers as well as an energy portfolio that satisfies state regulatory requirements.”

VPU remains committed to its mission of offering stable and competitive rates while meeting California’s ongoing regulatory obligations.

To view Moody’s Ratings, press release for City of Vernon, California’s Electric Enterprise, please click [here](#).

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#### **About Vernon**

Founded in 1905, the City of Vernon is the only full-service city in California that provides its residents and businesses with reliable and affordable electricity, water, natural gas, fiber optics services, and has its own Public Health Department. With a goal of providing the lowest electric rates in the state by 2030, the city is an economic engine to the Los Angeles area and home to approximately 1,800 businesses that provide \$1.1 billion in taxable spending into the US economy. Learn more by visiting, [www.cityofvernon.org](http://www.cityofvernon.org).

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