S&P Global
Ratings

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Yorkshire Water Services Finance Ltd.

Primary Credit Analyst:
Tania Tsoneva, CFA, London (44) 20-7176-3489; tania.tsoneva@spglobal.com

Secondary Contact:
Matan Benjamin, London (44) 20-7176-0106; matan.benjamin@spglobal.com

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Yorkshire Water Services Finance Ltd.

Rationale

Issuer Credit Rating
None

Business Risk	Financial Risk
• Mainly focused on low-risk, U.K.-water regulated monopoly activities. • Transparent, credit-supportive regulatory framework resulting in financial stability during regulatory periods. • Investment of outperformance positions the company well for solid operational performance to continue in the next regulatory period. • High regulatory reset risk given approaching regulatory reset in March 31, 2020 and the regulatory indication of future lower rates of return.	• Aggressive financial risk profile, with funds from operations (FFO) to debt of 6%-7% of total debt and 7%-8% for senior debt with limited headroom. • Supportive structural features that increase cash flow certainty for debt holders. • Additional capital expenditure (capex) to strengthen operating performance ahead of the next regulatory period, resulting in negative free operating cash flows (FOCF). • No dividends to ultimate shareholders for the remainder of the current regulatory period.

Outlook

Our view of the Yorkshire Water Services financing group's underlying credit quality reflects our expectation that its sole U.K. water operating subsidiary, Yorkshire Water Services (YWS), will generate stable cash flows from its regulated activities and maintain adequate operating performance. We also expect YWS financing group to maintain weighted average adjusted funds from operations (FFO) to total debt of at least 6% and weighted average adjusted FFO to senior (Class A) debt of at least 7% for the remainder of the current regulatory period to March 31, 2020, which we deem commensurate with the current ratings.

Downside scenario

We could lower the ratings on Yorkshire Water Services group if we see weaker operating performance or reduced profitability, causing credit metrics to fall below our guideline of adjusted FFO to debt of 7% based on senior debt only, and 6% based on the senior (Class A) and the subordinated debt (Class B). This could happen, for example, if the group does not achieve its planned operating and capex efficiencies or fails to meet regulatory targets.

Upside scenario

Due to the limited headroom in credit ratios and the high leverage allowed under the finance documents, we consider an upgrade unlikely in the near term.

Our Base-Case Scenario

Recent developments

- Yorkshire Water Services submitted its business plan to the regulator Ofwat in September 2018. The plan envisions a reduction in bills of about £8 due to the lower allowed cost of capital and due to innovation, offset by several cost pressures and outperformance of operating targets. Overall bills could increase by £14 if one considers the scale of the water industry national environment program. We are currently assessing the impact of YWS's business plan on financial metrics over PR19 period (price review; 2020-2025).
- In preparation for the next regulatory period, YWS announced a multimillion pound investment plan to transform its operational performance, which will enable it to become a top performer in the water industry. The plan aims to dramatically reduce leakage levels, significantly reduce pollution incidents, and considerably reduce how long customers go without water during planned or unplanned interruptions. While the additional investment will have depressed FOCF by the end of the current regulatory period ending March 31, 2020, we believe that, if successful, this program will better place YWS to reap financial rewards for operating performance.
- Other restructuring actions ahead of the next regulatory period include the removal of Cayman-registered companies within the finance group and three swap restructurings in June and December 2017, and in July 2018. The swap restructurings were slightly positive for headroom under interest covenants and cash flow debt service ratios because the group achieved an increase in interest receivables on some swaps by extending their maturities, moving forward swap break dates, while slightly increasing debt.
- We expect tougher regulatory determination for the next regulatory period AMP6 (2020-2025). Ofwat has adjusted its guidance for water companies' allowed cost of capital to 2.8% (representing the average of 2.3% retail price index weighted-average cost of capital [WACC] and 3.3% CPIH WACC), from the current 3.6%. The revised guidance by Ofwat reflects the lower market cost of debt, the shift in equity market conditions (cost of equity of 3.8%-4.5% compared with 5.6% for PR14) and it generally signals the regulator's steer toward affordable bills.

Assumptions

- Revenues are primarily driven by regulated increases rather than economic growth. The key variable is the retail price index (RPI) because the revenue and the regulated capital value are linked to the RPI. We note that RCV is RPI-linked to 2020 and then 50% RPI-linked and 50% CPIH-linked.
- Revenue increase of close to 7% and 4% in 2019 and 2020, consisting of a regulatory tariff increase and our U.K. RPI assumptions of 3.5% in 2018, 3.1% in 2019, and 3.0% in 2020.
- EBITDA margins weakening from 55% in 2017-2018 to 53% in the last year of AMP6 (2020). This is because of the operating cost outperformance invested in the business until the end of the regulatory period to achieve top business performance.
- We include some rewards from operating performance ahead of what is agreed with the regulator. In 2017/18 YWS earned £12.66 million in net rewards.
- Capex peaks at the middle of the regulatory period and we forecast about £1 billion over the last two years of the period (2019-2020).
- No dividend to ultimate shareholders for the remainder of the current regulatory period apart from what is due for management costs and interest payments on debt by the holding companies outside YWS financing group; that is, about £450 million.
- Lower interest expense due to the additional interest receivable after the series of swap restructuring.
- An increase in adjusted debt from £4.88 billion as of March 2018 toward approximately £5.1 billion in 2020.
- Debt to RCV to remain at similar levels as of year-end March 2018 (that is, 75.6%).

Key Metrics

	2018A	2019E	2020E
EBITDA Margin (%)	55.6	53-54	53-54
FFO/Debt (%)	6.2	6.0-7.0	6.0-7.0
Debt/EBITDA (x)	8.6	8-9	8-9

A--Actual. E--Estimate. FFO--Funds from operations.

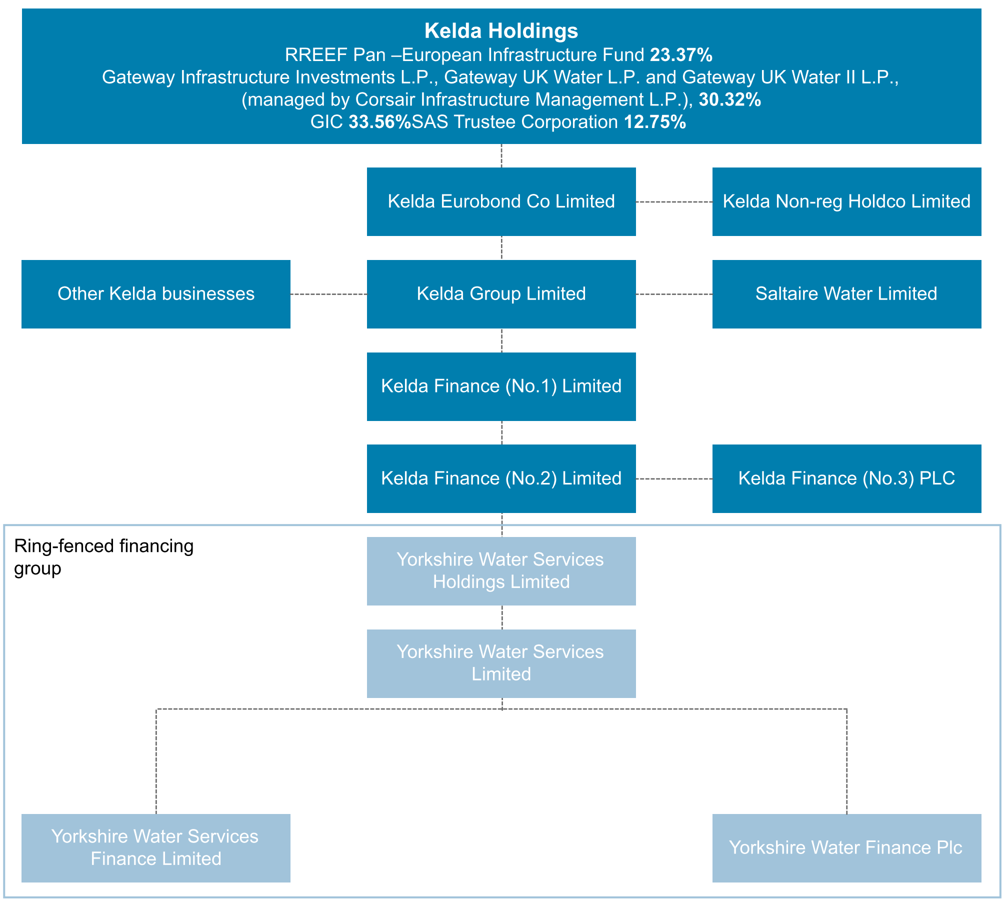
Company Description

Yorkshire Water manages the collection, treatment, and distribution of the region's water. It supplies around 1.3 billion litres of drinking water every day and collects, treats, and safely returns just under 1 billion litres of waste water to the environment. It serves about 5 million domestic customers and around 140,000 businesses.

Our analysis focuses on the ring-fenced YWS financing group, which included three issuers--Yorkshire Water Services Finance Ltd (YWSF), Yorkshire Water Services Bradford Finance (Ltd (YWSBF), and Yorkshire Water Services Odsal Finance Ltd (YWSOF)--plus the holding company, Yorkshire Water Services Holdings Ltd. The two Cayman Islands-registered companies--YWSBF and YWSOF--were replaced with a new finance company with securitization status, Yorkshire Water Finance plc, and their deb was transferred to the new entity.

In the financial year ended March 31, 2018, YWS Financing Group generated revenues of £1,027 million and S&P Global Ratings-adjusted EBITDA of £571 million.

Group Structure



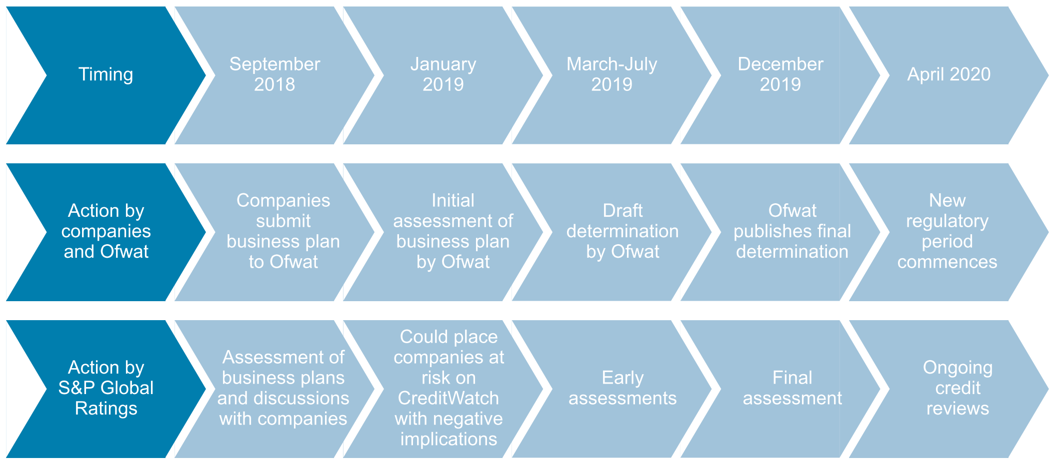
Business Risk

Our assessment of YWS's business risk continues to be supported by its almost exclusive focus on U.K. water and sewage activities, which we view as having relatively low operating risks. The company's natural monopoly in its service area ensures that it will continue to be regulated by Ofwat, which provides effective regulation to protect end-consumers. Although we consider the regulatory framework for the water sector in England and Wales to be credit-supportive, we see a challenging regulatory period ahead (2020-2025), with a reduction in allowed cost of capital and more rigorous benchmarks for cost efficiencies and service performance. Revenues are set prospectively for periods of five years, ensuring transparency and predictability of earnings and cash flows. The strength of Ofwat and its framework is reflected in our assessment of this regulatory framework as being highly supportive (see "Why We See The Regulatory Frameworks For U.K. Utilities As Supportive," published Sept. 26, 2017).

After two strong years of AMP6, YWS' operational performance in 2017/2018 continued to improve. Some areas such as the number of drinking-water-quality contacts and the percentage of energy generated via renewable technologies remain a challenge. The company moved up the ranks in terms of customer service: its score improved this year to 83.4 from 82.6, but it still lags peers. Overall, YWS has made progress and is a net reward earner of £12.66 million in 2017/2018. Given the re-investment of operating cost outperformance in improving service levels, we anticipate that the company will accelerate its net rewards by the end of AMP6. The next regulatory period is going to be more stringent in terms of maintaining service levels, which not only impose a higher penalty for underperformance but also provide an opportunity to earn additional returns through achieving commitments--which are wider in scope but are more of a stretch.

We expect to be in a better position to determine the credit impact on each company individually once we analyse their submitted business plans to Ofwat and particularly once the regulator provides its initial assessment of the business plan in January 2019. We will place the companies on CreditWatch with negative implications if our forecast indicates that their credit ratios from 2020 are not going to be in line with our expectation for the rating. We will consider Ofwat's view on each company's business plan as it categorizes them into the following four groups: exceptional, fast track, slow track, significant scrutiny. We recognize that under the new methodology, companies' rewards are tied to Ofwat's view and categorization. We will take further rating actions throughout 2019 as the regulator provides its final determination and as we gain more visibility on companies' performance in the new regulatory period.

PR19--Next Steps



Peer comparison

YWS' closest peers are rated U.K. water and sewerage utilities, the vast majority of which have excellent competitive positions due to the supportive regulatory regime. We see a material proportion of non-regulated activities as diluting credit risk, even if the activities complement the core regulated water business. For instance, we view South Staffordshire as having material exposure to nonregulated service-contract business, which contribute up to 25% of group EBITDA. YWS' profit is comparable to peers in the 55%-60% range in terms of EBITDA margin. The company's profitability is supported by additional returns earned for exceeding service levels.

We compare YWS to other highly leveraged transactions in the U.K. water utility sector such as the financing groups of Southern Water, Anglian Water, and Thames Water. These groups exhibit an aggressive capital structure, although we note that many have reduced dividend payments or focused on deleveraging in terms of debt to RCV. This was as high as 85% when the original transactions were put in place declining to 75.6% as of March 31, 2018.

Table 1

Yorkshire Water Services Finance Ltd. -- Peer Comparison

Industry Sector: Water

	Yorkshire Water Services Finance Ltd.	**Anglian Water Services Financing PLC**	**Dwr Cymru (Financing) Ltd.**	**Thames Water Utilities Cayman Finance Ltd.**
Rating as of Aug. 10, 2018	-/-/-	-/-/-	-/-/-	-/-/-
	--Fiscal year ended March 31, 2018--			
(Mil. £)				
Revenues	1,026.7	1,248.9	756.7	2,016.3
EBITDA	571.2	700.1	352.1	971.6
Funds from operations (FFO)	288.1	297.6	170.2	403.1
Net income from cont. oper.	74.3	292.3	(12.2)	133.7
Cash flow from operations	438.0	380.5	223.4	747.0

Table 1

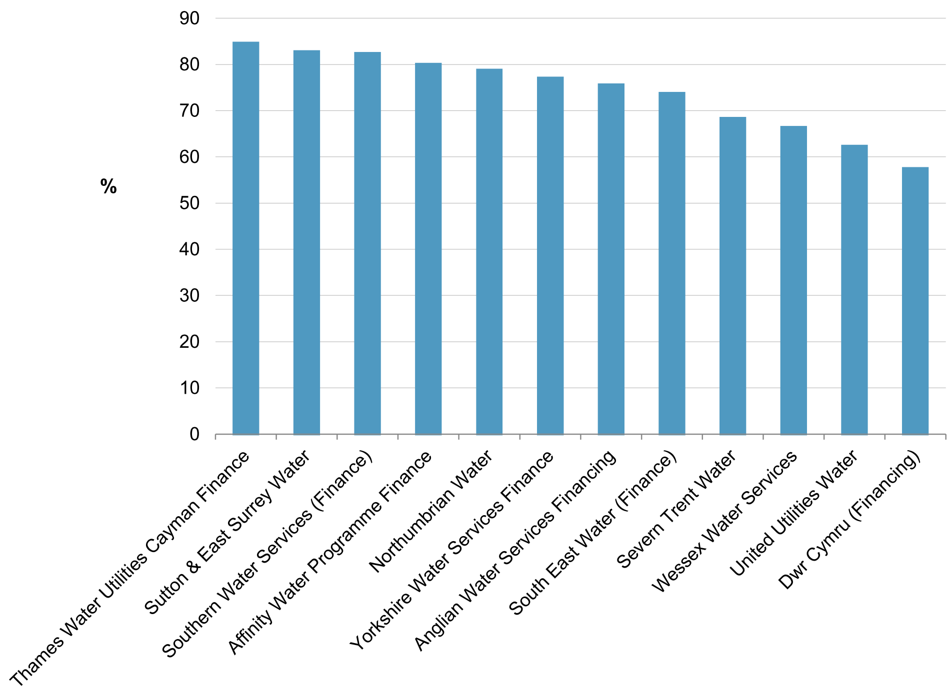
Yorkshire Water Services Finance Ltd. -- Peer Comparison (cont.)

Industry Sector: Water

	Yorkshire Water Services Finance Ltd.	Anglian Water Services Financing PLC	Dwr Cymru (Financing) Ltd.	Thames Water Utilities Cayman Finance Ltd.
Capital expenditures	417.8	426.7	351.1	1,062.5
Free operating cash flow	20.1	(46.2)	(127.7)	(315.5)
Discretionary cash flow	(68.7)	(1,797.6)	(127.7)	(370.5)
Cash and short-term investments	38.5	287.1	288.5	110.3
Debt	4,970.1	5,839.9	3,147.0	11,602.5
Equity	1,147.7	1,278.6	1,244.3	3,188.4
Adjusted ratios				
EBITDA margin (%)	55.6	56.1	46.5	48.2
Return on capital (%)	4.3	4.1	1.7	2.9
EBITDA interest coverage (x)	2.1	1.9	1.9	1.7
FFO cash int. cov. (X)	3.8	2.8	2.7	2.3
Debt/EBITDA (x)	8.7	8.3	8.9	11.9
FFO/debt (%)	5.8	5.1	5.4	3.5
Cash flow from operations/debt (%)	8.8	6.5	7.1	6.4
Free operating cash flow/debt (%)	0.4	(0.8)	(4.1)	(2.7)
Discretionary cash flow/debt (%)	(1.4)	(30.8)	(4.1)	(3.2)

Chart 3

Adjusted Debt To RCV



Source: S&P Global Ratings.

Financial Risk

Financial summary

Given the group's highly leveraged balance sheet and modest cash flow generation we anticipate that YWS' credit metrics will remain weak, but that the group will maintain headroom within its covenant structure. We also expect YWS' ratios to remain above our guidance for the rating, that is adjusted total FFO to debt in line with 6% over the rest of this regulatory period albeit with limited headroom. While adjusted FFO to debt at March 31, 2018, stood at 5.8% we expect this ratio will benefit from the additional interest receivable on the restructured swaps and some immediate gains from the re-investment in the business. We forecast the company's aggregate class A and B net debt to regulated capital value (RCV) will stay at around 75% by the end of the current regulatory period, which we consider consistent--albeit at the high end--with similarly rated peers. We expect DCF to be negative for the next regulatory period because of the company's large capex program and sizable dividend payments.

Table 2

Yorkshire Water Services Finance Ltd. -- Financial Summary					
Industry Sector: Water					
	--Fiscal year ended Mar. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
Rating history	-/-/-	-/-/-	-/-/-	-/-/-	-/-/-
(Mil. £)					
Revenues	1,026.7	1,003.1	975.8	1,007.3	992.3
EBITDA	571.2	543.2	550.9	623.6	576.5
Funds from operations (FFO)	288.1	256.2	291.4	334.1	332.1
Net income from continuing operations	74.3	(261.3)	236.2	(90.3)	203.1
Cash flow from operations	438.0	396.1	381.6	471.0	436.1
Capital expenditures	417.8	305.1	236.7	232.8	354.5
Free operating cash flow	20.1	90.9	144.9	238.2	81.6
Dividends paid	88.9	139.1	90.9	93.6	165.5
Discretionary cash flow	(68.7)	(48.1)	54.0	144.6	(83.9)
Debt	4,970.1	4,795.2	4,573.3	4,605.6	4,724.6
Preferred stock	0.0	0.0	0.0	0.0	0.0
Equity	1,147.7	984.5	1,148.0	2,953.5	2,489.9
Debt and equity	6,117.8	5,779.7	5,721.3	7,559.1	7,214.5
Adjusted ratios					
EBITDA margin (%)	55.6	54.1	56.5	61.9	58.1
EBITDA interest coverage (x)	2.1	1.9	2.1	2.1	2.3
FFO cash int. cov. (x)	3.7	2.2	2.3	2.6	2.9
Debt/EBITDA (x)	8.7	8.8	8.3	7.4	8.2
FFO/debt (%)	5.8	5.3	6.4	7.3	7.0
Cash flow from operations/debt (%)	8.8	8.3	8.3	10.2	9.2
Free operating cash flow/debt (%)	0.4	1.9	3.2	5.2	1.7
Discretionary cash flow/debt (%)	(1.4)	(1.0)	1.2	3.1	(1.8)
Net Cash Flow / Capex (%)	47.7	38.4	84.7	103.3	47.0
Return on capital (%)	4.3	4.5	3.7	5.4	5.5
Return on common equity (%)	5.6	(25.6)	10.9	(4.4)	8.0
Common dividend payout ratio (un-adj.) (%)	119.7	(53.2)	0.0	0.0	0.0

Liquidity

We assess YWS' liquidity position as strong, supported by our view that its liquidity resources will exceed its funding needs by more than 1.5x in the 12 months from March 31, 2018. The intercreditor arrangements contain covenants, but we estimate that the group has headroom under its trigger and events of default covenants for leverage and interest costs.

Principal Liquidity Sources	Principal Liquidity Uses
• A cash balance of about £38.5 million as of March 31, 2018; • FFO of about £350 million; and • Committed RCF of which the unused portion is £340 million expiring in October 2022 with an option to extend for up to two years.	• Expected capex of approximately #400 million; • Contractual debt repayment of £59.9 million; and • Dividends of £28.5 million to service debt and external costs at Kelda Financing group.

Additional facilities

In addition to the above credit facilities, which support its class A and class B debt, YWS must also maintain a debt service reserve (DSR) account or DSR facilities which, combined with the amounts available on the DSR accounts, must cover the next 12 months' forecast cash interest and finance charges on the class A and B debt. The DSR facilities will need to be irrevocable and available to be drawn at any time, including during a standstill.

YWS has solid relationships with banks and a generally high standing in the credit market. In our view, all U.K. regulated water companies are well-positioned in the credit markets. The company also has very prudent financial risk management, demonstrated by clear internal guidelines, continuous monitoring and reporting of contracts using a framework, and its use of financial instruments such as swaps.

Debt maturities as of March 31, 2018

- 2019: £76.3m
- 2020: £325.2m
- 2021: £40.9m
- 2022: 168.6m
- Thereafter: £4,261.2m

Covenant Analysis

At the YWS level, the creditors benefit from two levels of covenants:

- A trigger event, including if the YWS senior debt to RCV ratio reaches 85% or if the rating falls below 'BBB' on the class A bonds (currently rated 'A-') or below investment grade for the class B bonds. The primary consequence of a trigger event is that there can be no distribution of any kind to affiliated companies outside the financing group.
- An event of default, including if the operating company's senior debt to RCV ratio reaches 95%. Once an event of default has occurred, an automatic standstill of claims takes effect, and no enforcement action can be taken by creditors for 18 months.

We expect that YWS will remain compliant with its financial covenants. The covenant requirements and covenant compliance expectations are summarized below.

Requirements

Particulars	Event of Default	2018A	2019E	2020E
Class A RAR (%)	75.0	67.2	68.4	68.0
Senior RAR (%)	85.0	75.6	76.5	75.8
Conformed Class A Adjusted ICR (x)	1.3	1.8	2.0	1.8
Conformed Senior Adjusted ICR (x)	1.1	1.5	1.8	1.6
Conformed Class A Average Adjusted ICR (x)	1.4	1.8	1.9	1.9
Conformed Senior Average Adjusted ICR (x)	1.2	1.5	1.7	1.7

- Regulatory Asset Ratio – Net Debt/RAV
- Class A RAR – Class A Debt only
- Senior RAR – Total Debt (Class A + Class B)

Index-linked swaps

The YWS transaction includes index-linked swaps (notional value of £1.289 million as of year-end [YE] 2018) that have mandatory breaks at regular intervals according to the transaction hedging policy. The break dates for these swaps are summarized below. The fair value liability associated with those swaps as of YE2018 stood at £1,754.1 million. If the swaps are out of money and cannot be renegotiated or transferred to new swap counterparties, then there is potential for significant cash outflow from the transaction. We understand from management that YWS has actively managed its swap exposure related to swaps in 2020 and will resolve the mandatory swap breaks and associated cash outflows at least two years before any breaks date. Furthermore, we recognize that the company completed three swap restructurings in June and December 2017, and in July 2018. The swap restructurings were slightly positive for headroom under interest covenants and cash flow debt service ratios because the group achieved an increase in interest receivables on some swaps by extending their maturities and pushing forward swap break dates, while slightly increasing debt.

Mandatory swap breaks (Mil. £):

- February 2023: 151.5
- February 2025: 23.4
- February 2030: 117.5

Rating Methodology and Structural Enhancements

YWSF issues two types of debt; senior (class A) and subordinated (class B). We assess the subordinated debt as having a greater risk of default than the senior debt because it would be paid after the senior debt, has no claim on the security until the senior debt is paid, and its default could not cause the senior debt to default. As a result, we analyze the company in two steps:

- We rate class A debt 'A-' based on credit metrics excluding the subordinated debt, and including one notch of uplift for various structural features.
- We rate class B debt 'BBB' based on credit metrics including senior and subordinated debt.

The issue ratings on the bonds, which benefit from unconditional and irrevocable guarantee of payment of scheduled interest and principal from Assured Guarantee (Europe) plc (AA/Stable), reflect the higher of the rating on the guarantor or the S&P Underlying Rating (SPUR).

The various structural features of the transaction are designed to increase cash flow certainty for debtholders, including restricted payment conditions and a covenanted liquidity structure that should, in our opinion, enable YWSF to manage temporary cash flow stress. Although they are available to both class A and class B debtholders, we believe that they do not benefit class B debtholders to the same extent due to their subordinated status. In particular, debtholders benefit from:

- Three levels of financial covenants (a restricted payment condition, trigger events, and events of default) and an automatic 18-month stand-still period after an event of default. These provide creditors with significant control over YWS at the earliest stage of financial or operational difficulty, or following material changes in business circumstances. The covenants prevent special administration, minimize the borrower's probability of default, and create an additional credit cushion.
- Ring-fencing of the financing group, which is achieved through the special-purpose status of the entities within the financing group; independent representation on the YWS board; and some business, legal, and regulatory restrictions.
- Liquidity facilities that are irrevocable and available to be drawn at any time, including during a standstill. However, such reserves are only required when the class A debt exceeds 67.5% of RCV. In addition, once drawn, the liquidity facilities can be repaid until the liquidity facilities termination date.
- Liquidity facilities allowing YWS to fund capex to significant levels before needing to access capital markets. These revolving facilities comprise capex and working capital facilities of £560 million.
- The DSR facility was reduced to £189 million, from £239.75 million, to reduce interest costs and the operating and maintenance reserve facility increased by £10 million to £90.0 million for the additional planned operating expenditure and capex to achieve an upper quartile performance.
- A strong covenant package to protect debtholders, including limitations on additional debt, a defined cash waterfall of payments giving senior debt priority, a minimum level of financial performance, and restrictions on distributions. There is also a pledge on YWS' shares and on all assets in the operating subsidiary, to the extent allowed by legislation.
- Prudent debt management policies that include a covenanted spread of maturities and interest-rate hedging. We see as a weakness the possibility that super-senior hedging agreements linked to RPI within the class A debt and with a lock-up threshold of 6% of the RCV for accretions, could create a super-senior expense that would rank ahead of the class A notes.

Ratings Score Snapshot

Issue Credit Rating A-/Stable

Business risk: Excellent

- Country risk: Low
- Industry risk: Very low
- Competitive position: Excellent

Financial risk: Significant

- Cash flow/Leverage: Aggressive

Anchor: bbb

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Strong (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Positive (+1 notch)

Stand-alone credit profile: bbb+

Structural enhancements (+1 notch)

Class B Debt

Issue Credit Rating BBB/Stable

Business risk: Excellent

- Country risk: Low
- Industry risk: Very low
- Competitive position: Excellent

Financial risk: Significant

- Cash flow/Leverage: Aggressive

Anchor: bbb

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)

- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Strong (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: bbb

Reconciliation

Table 3

Reconciliation Of Yorkshire Water Services Finance Ltd. Reported Amounts With S&P Global Ratings Adjusted Amounts (Mil. £)

	--Fiscal year ended Mar. 31, 2018--						
Yorkshire Water Services Finance Ltd. reported amounts							
	Debt	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**	**Capital expenditures**
Reported	4,909.2	569.0	273.0	268.0	569.0	450.8	432.1
S&P Global Ratings adjustments							
Interest expense (reported)	--	--	--	--	(268.0)	--	--
Interest income (reported)	--	--	--	--	--	--	--
Current tax expense (reported)	--	--	--	--	(15.1)	--	--
Operating leases	9.7	2.2	0.7	0.7	1.5	1.5	--
Surplus cash	(38.5)	--	--	--	--	--	--
Capitalized interest	--	--	--	14.3	(14.3)	(14.3)	(14.3)
Debt - Accrued interest not included in reported debt	58.9	--	--	--	--	--	--
Debt - Fair value adjustments	45.3	--	--	--	--	--	--
Debt - Issuance cost	11.3	--	--	--	--	--	--
Debt - Intergroup loan	(25.8)	--	--	--	--	--	--
D&A - Reverse Goodwill amortisation	--	--	0.9	--	--	--	--
Interest expense - One off expense related to swap restructuring	--	--	--	(15.0)	15.0	--	--
Total adjustments	60.9	2.2	1.6	0.0	(280.9)	(12.8)	(14.3)
S&P Global Ratings adjusted amounts							
	Debt	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Capital expenditures**
Adjusted	4,970.1	571.2	274.6	268.0	288.1	438.0	417.8

Related Criteria

- Criteria - Corporates - General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria - Corporates - Utilities: Rating Structurally Enhanced Debt Issued By Regulated Utilities And Transportation Infrastructure Businesses, Feb. 24, 2016
- Criteria - Corporates - General: Methodology: Holding Companies That Own Corporate Securitizations And Structurally Enhanced Debt Transactions, Feb. 24, 2016
- Criteria - Corporates - Recovery: Methodology: Jurisdiction Ranking Assessments, Jan. 20, 2016
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Project Finance: Project Finance Framework Methodology, Sept. 16, 2014
- Criteria - Corporates - Project Finance: Project Finance Transaction Structure Methodology, Sept. 16, 2014
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings Detail (As Of Sept. 18, 2018)	
Yorkshire Water Services Finance Ltd.	
Senior Secured	A-/Stable
Senior Secured	AA/Stable
Yorkshire Water Finance Plc	
Senior Secured	A-
Senior Secured	A-/ Stable
Subordinated	BBB
Subordinated	BBB/Stable
Related Entities	
Kelda Finance (No. 3) PLC	
Issuer Credit Rating	BB-/Stable/--

Ratings Detail (As Of September 18, 2018)	
Yorkshire Water Services Finance Ltd.	
Related Entities	
Kelda Finance (No. 3) PLC	
Issuer Credit Rating	BB-/Stable/--
Senior Secured	BB-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.