

RECORD OF TELEPHONE CONVERSATION
July 19, 1979

Mr. Bob Burke
Senior Vice President -
Regulated Industries
Moody's Investors Service, Inc.
(202) 553-0364

(reduced from A)

First Mortgage bond ratings now Baa₁ for Met. Ed, Penelec, and Jersey Central.
(See below for history of rate changes and rating scale.)

Moody's conducts a full scale review every time company has new financing.
However, without files in front of him, difficult to answer questions.

Through 1978 and 1979, before the accident, there was no chance of Met. Ed's
bond ratings being upgraded from then A to Aa.

When asked what other than an accident would have caused Moody's to decrease
Met. Ed's ratings, Burke reponded that no one single factor would have dropped
the rating. Burke added that Moody's is reluctant to reduce ratings and doesn't
like to precipitously reduce ratings.

He felt that the delays in putting TMI-2 in commercial service were not such
that would cause a rate reduction and that Met. Ed was in position to absorb
some delay. However, sometimes delays can reduce financial protection measure-
ments to point where ratings are reduced. An indefinite delay on TMI-2 would
cause Moody's to seriously review Met. Ed's ratings. Transferring TMI-2 from
Construction Work in Progress to Utility Plant is an important part of rating
determination.

Burke can't say for sure if delay of one year in securing investment tax
credit would cause a change in Moody's ratings.

When asked to send copies of work papers, Burke responded that he could send
copies of published reports but ~~don't~~ usually release work papers.
don't

I asked him to call me back when he had the Met. Ed files available, especially
the last two reviews in 1978 and first review in 1979. Either he or Peter
Jadrosich will call.

R. L. Vandenberg

Moody's Bond Ratings

Aaa	Eaa	Caa
Aa	E	Ca
A	B	C

Moody's Pfd. Stock Ratings

aaa	baa	caa
aa	ba	
a	b	

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