

C.N.M.V  
Dirección General de Mercados e Inversores  
C/ Edison, 4  
Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **FONDO DE TITULIZACIÓN DEL DÉFICIT DEL SISTEMA ELÉCTRICO, F.T.A. Actuaciones sobre las calificaciones de los Bonos de las Series 3, 4, 10, 14, 16, 17, 18, 19, 20 y 21 por parte de Fitch Ratings.**

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A., comunica el siguiente hecho relevante:

Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings con fecha 29 de febrero de 2016, donde se llevan a cabo las siguientes actuaciones:

- Serie 3, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 4, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 10, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 14, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 16, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 17, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 18, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 19, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.
- Serie 20, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.

- Serie 21, confirmada la calificación de BBB+, Perspectiva Estable / affirmed at BBB +, Outlook Stable.

En Madrid a 1 de marzo de 2016

Ramón Pérez Hernández  
Director General



## Fitch Affirms Spanish Electricity Tariff Deficit Securitisations; Outlooks Stable

Fitch Ratings-Madrid-29 February 2016: Fitch Ratings has affirmed the securitisations backed by Spanish electricity tariff deficit (TD) credit rights, as follows:

Alectra Finance plc (Alectra): affirmed at 'A-sf'; Outlook Stable

Bliksem Funding Ltd (Bliksem): affirmed at 'A-sf'; Outlook Stable

Rayo Finance Ireland (No.1) (Rayo Finance 3) - Series 3: affirmed at 'A-sf'; Outlook Stable

Rayo Finance Ireland (No.1) (Rayo Finance 4) - Series 4: affirmed at 'A-sf'; Outlook Stable

Delta SPARK Limited 2008-1 (Delta Spark): affirmed at 'A-sf'; Outlook Stable

### FADE

Series 3 (ES0378641023) affirmed at 'BBB+'; Outlook Stable

Series 4 (ES0378641031) affirmed at 'BBB+'; Outlook Stable

Series 10 (ES0378641098) affirmed at 'BBB+'; Outlook Stable

Series 14 (ES0378641130) affirmed at 'BBB+'; Outlook Stable

Series 16 (ES0378641155) affirmed at 'BBB+'; Outlook Stable

Series 17 (ES0378641163) affirmed at 'BBB+'; Outlook Stable

Series 18 (ES0378641171) affirmed at 'BBB+'; Outlook Stable

Series 19 (ES0378641189) affirmed at 'BBB+'; Outlook Stable

Series 20 (ES0378641197) affirmed at 'BBB+'; Outlook Stable

Series 21 (ES0378641205) affirmed at 'BBB+'; Outlook Stable

The transactions are backed by Spanish TD, which are credit rights recognised by law. Alectra, Bliksem, Rayo Finance 3 & 4 and Delta Spark are pass-through securitisations without an explicit government guarantee. The FADE bonds are explicitly guaranteed by the Kingdom of Spain (BBB+/Stable) and have bullet maturities.

### KEY RATING DRIVERS

### Net Amortisation of TDs

The regulated cash flows of the Spanish electricity system posted a EUR550m surplus in 2014, a trend that Fitch expects to have continued through last year and to follow in 2016, albeit at a lower amount. This should allow the system to pay down outstanding TDs to close to EUR23bn as of end-2016 (or 130% of regulated revenues) versus the peak balance of around EUR29bn in 2013. Fitch is not incorporating these surpluses in the TD ratios as the deployment of such amounts remains uncertain. Fitch believes the TD balance will continue to amortise as long as the regulatory framework is maintained and potential deviations are compensated with tariff adjustments.

### Regulatory Intervention Risks

Fitch believes the Spanish electricity industry regulator (Comision Nacional de los Mercados y la Competencia - CNMC) lacks sufficient powers to act as a truly independent body in setting access tariffs and managing regulated cash flows. This assessment is the main factor that limits the Spanish TD securitisation ratings from achieving a higher rating in accordance with our criteria for utility credit rights, which set the maximum achievable rating at three notches above the sovereign rating.

### Key Performance Indicators within Expectations

Leverage and debt service coverage key performance indicators (KPIs) of the Spanish electricity system continued their improving trend in 2015, in line with Fitch's expectations. Furthermore, Fitch expects the outstanding TD relative to regulated revenues to decrease to around 100% by 2018 or 2019 and regulated revenues to be sufficient to cover regulated costs, including TD annuity payments of approximately EUR3bn per annum over the next three years.

### FADE Credit Link

The FADE bonds are credit-linked to Spain's Issuer Default Rating (BBB+/Stable) as they benefit from an explicit and irrevocable guarantee from the government. FADE bonds are exposed to refinancing risk because the underlying TD receivables are collected over a horizon of approximately 15 years, while all FADE bonds have bullet maturities and cash flow mismatches between assets and liabilities are expected. In Fitch's view, the FADE programme's ability to roll over its scheduled amortisation is commensurate with Spain's sovereign risk.

### RATING SENSITIVITIES

Alectra, Bliksem, Rayo Finance 3 and 4 and Delta Spark could be downgraded if additional regulatory uncertainties arise affecting the electricity system governance framework and its ability to implement corrective measures in times of stress. Moreover, the transactions could be downgraded if electricity KPIs deteriorate beyond Fitch's expectations as a consequence of a sharp and prolonged fall in electricity demand, or if large compensation payments to renewables producers and investors result from on-going litigations.

Alectra, Bliksem, Rayo Finance 3 and 4 and Delta Spark could be upgraded if the regulator strengthens and demonstrates independence, mainly in its ability to set access tariffs, all else being equal.

As the FADE bonds ratings are credit-linked to Spain, a change in the sovereign rating would lead to a change in the bonds' rating. Changes to the terms of the full and unconditional guarantee from the Spanish government could also impact the FADE bonds' ratings.

#### DUE DILIGENCE USAGE

No third party due diligence was provided or reviewed in relation to this rating action.

#### DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the transaction. There were no findings that were material to this analysis. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Prior to the transactions' closing, Fitch did not review the results of a third party assessment conducted on the asset portfolio information.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

#### SOURCES OF INFORMATION

The sources of information used to assess these ratings were reports from CNMC and transaction investor reports.

#### REPRESENTATIONS AND WARRANTIES

A comparison of the transaction's Representations, Warranties & Enforcement Mechanisms to those typical for the asset class is available by accessing the appendix that accompanies the new issue reports. In addition refer to the special report "Representations, Warranties, and Enforcement Mechanisms in Global Structured Finance Transactions" dated 12 June 2015 available on the Fitch website.

#### Contacts:

Lead Surveillance Analyst

Manuel Conthe, CFA

Analyst

+34 91 702 46 25

Fitch Ratings Espana S.A.U.

Plaza Colon 2, Torre II

28046 Madrid

Committee Chairperson  
Juan David Garcia  
Senior Director  
+34 91 702 5774

Media Relations: Athos Larkou, London, Tel: +44 203 530 1549, Email: athos.larkou@fitchratings.com.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

### **Applicable Criteria**

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 14 May 2014)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=744158&cft=0](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=744158&cft=0))

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 14 May 2014)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=744175&cft=0](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=744175&cft=0))

Criteria for Servicing Continuity Risk in Structured Finance (pub. 17 Dec 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=875586&cft=0](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=875586&cft=0))

Global Structured Finance Rating Criteria (pub. 06 Jul 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=867952&cft=0](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=867952&cft=0))

Rating Criteria for Portuguese and Spanish Utility Credit Rights Securitisations (pub. 17 Mar 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=863532&cft=0](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=863532&cft=0))

### **Additional Disclosures**

Dodd-Frank Rating Information Disclosure Form

([https://www.fitchratings.com/creditdesk/press\\_releases/content/ridf\\_frame.cfm?pr\\_id=1000147&cft=0](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1000147&cft=0))

Solicitation Status ([https://www.fitchratings.com/gws/en/disclosure/solicitation?pr\\_id=1000147](https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1000147))

Endorsement Policy (<https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces?context=2&detail=31>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://fitchratings.com/understandingcreditratings)

(<http://fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE

SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

**Endorsement Policy** - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.