

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, 18, 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 31 de enero de 2017, 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 18, 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 03 de febrero de 2017

Ramón Pérez Hernández  
Consejero Delegado



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

Fitch Ratings-Madrid/London-31 January 2017: Fitch Ratings has affirmed several 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) Limited - Series 3 (Rayo Finance 3): affirmed at 'A-sf'; Outlook Stable

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

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

Fondo de Titulizacion del Deficit del Sistema Electrico, FTA (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 18 (ES0378641171) 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 and 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

#### Improved Financial Profile

Fitch expects Spanish TD debt to continue decreasing to around EUR21bn by end-2017 thanks to the improved profile of the electricity system regulated cash flows. These in turn have been influenced by legal framework enhancements since 2014, when the TD balance reached its peak of almost EUR29bn. The agency projects outstanding TDs to reduce further as long as the regulatory framework is maintained and potential deviations are compensated with tariff adjustments. The Spanish electricity system is generating surpluses since 2013, but Fitch does not give credit to these surpluses in stress scenarios.

#### Key Performance Indicators within Expectations

Leverage and debt service coverage, the key performance indicators (KPIs) of the Spanish electricity system continued improving in 2016, in line with Fitch's expectations. We expect these KPIs to continue improving and the ratio of outstanding TD relative to regulated revenues to decrease to 100% by 2018 or 2019 from around 130% as of YE16. Fitch expects regulated revenues to cover regulated costs, including TD annuity payments of approximately EUR3bn per year over the next three years.

#### Regulatory Intervention Risk

Fitch views the Spanish regulatory framework as a limiting factor for TD securitisation ratings. Alectra, Bliksem, Rayo Finance 3 and 4 and Delta Spark are rated one notch above the Spanish sovereign rating even though a maximum rating uplift of three notches is possible in accordance with the agency applicable rating criteria. This rating limitation reflects that the industry regulator (Comision Nacional de los Mercados y la Competencia CNMC) is not in charge of setting up the access tariffs, which are designed to cover regulated costs such as distribution and transmission costs or renewable subsidies. As access tariffs are set by the Spanish government, Fitch believes the electricity system could be exposed to regulatory intervention risks.

#### FADE Credit Link

The FADE bonds are credit-linked to Spain's Issuer Default Rating 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 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 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 ongoing litigation. The transactions could be upgraded if the regulator independence is strengthened, for example 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.

#### USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

#### DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating 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 dated November 2016.

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

#### Applicable Criteria

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 01 Sep 2016)

(<https://www.fitchratings.com/site/re/886006>)

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 18 Jul 2016)

(<https://www.fitchratings.com/site/re/884964>)

Criteria for Interest Rate Stresses in Structured Finance Transactions and Covered Bonds (pub. 26 Oct 2016)

(<https://www.fitchratings.com/site/re/888492>)

Global Structured Finance Rating Criteria (pub. 27 Jun 2016) (<https://www.fitchratings.com/site/re/883130>)

Rating Criteria for Portuguese and Spanish Utility Credit Rights Securitisations (pub. 17 May 2016)

(<https://www.fitchratings.com/site/re/881476>)

#### Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

([https://www.fitchratings.com/creditdesk/press\\_releases/content/ridf\\_frame.cfm?](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1018370&cf=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJzZXNzaW9uS2V5IjoiVUIWIWIXUVdGRTRNS1k2RVJOSFR)

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[QrbNO5eJbjaSSRr3JyZioM\)](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1018370&cf=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJzZXNzaW9uS2V5IjoiVUIWIWIXUVdGRTRNS1k2RVJOSFR)

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