

1 **Q. Reference: Dr. Cleary Evidence, Page 37: Is it Dr. Cleary's opinion that a**  
2 **reduction in Newfoundland Power's equity ratio to 40% and a reduction in the**  
3 **allowed ROE would permit Newfoundland Power to maintain its existing credit**  
4 **rating? Please explain.**

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6 **A. Yes. Dr. Cleary's evidence shows that NP's credit metrics would remain solid,**  
7 **and well within the metric ranges required to maintain their existing credit ratings.**  
8 **Further, Dr. Cleary's responses to PUB-CA-019 and PUB-CA-020 demonstrate why he**  
9 **believes that NP's regulatory regime would continue to be viewed as supportive if such**  
10 **changes were implemented. Finally, Dr. Cleary's analysis of NP's business risk,**  
11 **combined with his views expressed in response to NP-CA-20, show why NP should**  
12 **continue to be viewed as a low business risk regulated Canadian electric distribution**  
13 **company under such changes.**

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