

1 **Q. Reference: Dr. Booth Evidence, Page 98, Footnote 65: Please provide Dr.**  
2 **Booth's understanding of whether Moody's has changed its view of the credit**  
3 **supportiveness of U.S. regulation, or whether Moody's has only sought comments**  
4 **on this issue.**

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6 A. Moody's has changed its view of US regulatory protection. In a request for  
7 comment on September 23, 2013 Moody's stated:

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9 *"Our revised view that the regulatory environment and timely recovery of costs is*  
10 *in most cases more reliable than we previously believed is expected to lead to a*  
11 *one notch upgrade of most regulated utilities in the US, with some exceptions.*  
12 *This evolving view is independent of the proposed changes in the methodology*  
13 *that are highlighted in the Summary section that follows, and would have taken*  
14 *place even if the 2009 methodology were to remain in place without*  
15 *modification."*

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17 The comment basically says that since the regulatory protection afforded US utilities  
18 seems to have increased it will pretty much apply a one notch upgrade to their credit  
19 ratings independent of their credit metrics. To the extent that Moody's has traditionally  
20 viewed Canadian regulation as more protective than that in the US, this comment  
21 indicates that we can take the US guidelines and add at least a notch for Canadian  
22 utilities, rather than just reading off from the ratio guidelines.