

1 **Q. Reference Evidence of Newfoundland power, pages 14-17: Please indicate whether**
2 **either of the two bond rating agencies view regulatory risk as increasing or**
3 **decreasing and whether it is greater or lower than equivalent utilities.**
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5 A. Exhibit 1 of Newfoundland Power's Evidence shows the latest credit rating reports from
6 Dominion Bond Rating Services ("DBRS") and Moody's Investor Services ("Moody's").
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8 In its report dated January 24, 2012, DBRS noted that Newfoundland Power operates in a
9 stable and supportive regulatory environment that is based on cost of service regulation.
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11 In its report dated July 19, 2011, Moody's noted that it considered the Public Utilities
12 Board of Newfoundland and Labrador to be one of the more supportive regulators in
13 Canada.
14

15 Both DBRS and Moody's would consider Newfoundland Power's regulatory
16 environment to be stable. Neither DBRS nor Moody's make specific comments that
17 compare Newfoundland Power's regulatory risk to other equivalent utilities.