

1 **Q. Evidence of Kathleen McShane – Appendix “B”: Ms. McShane refers to RRA**
2 **Regulatory Climate. On the measure of Regulatory Climate, please confirm that**
3 **Newfoundland Power enjoys a regulatory climate in Newfoundland and Labrador**
4 **that is more supportive than any jurisdiction in the United States. If this cannot be**
5 **confirmed, please name all states that is/are generally as supportive or more**
6 **supportive than Newfoundland Power’s regulatory climate, in Ms. McShane’s**
7 **opinion and provide the basis for this opinion.**

8
9 A. Ms. McShane cannot confirm. Moody’s rating for Newfoundland Power for regulatory
10 framework is A. While Ms. McShane does not have Moody’s reports for all of the U.S.
11 utilities that Moody’s rates, and therefore is unable to provide a complete list, the
12 following utilities in her sample, along with the main states that they operate in, are also
13 rated A on this factor:
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Alliant	Iowa, Minnesota and Wisconsin
Piedmont	North Carolina, South Carolina and Tennessee
Southern Co.	Alabama, Florida, Georgia and Mississippi
Wisconsin Energy	Michigan and Wisconsin

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17
18 The California utilities, Pacific Gas & Electric and Southern California Edison, have also
19 been rated A on this factor.
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21 On Moody’s second factor that is related to regulation, the ability to earn returns and
22 recover costs, as noted in response to CA-NP-259, Newfoundland Power and nine of the
23 13 companies in Ms. McShane’s sample are rated A. The states in which the sample
24 companies operate are all listed in Appendix B.