

1 **Q. At Newfoundland Power’s last GRA – Moody’s Credit Opinion, August 3, 2009 (see**
2 **Application 1st Revision, Exhibit 4) acknowledge the differences in operations in the**
3 **U.S. and Canada, stating:**

4
5 **“NPI’s Baaa 1 issues rating reflects the fact that the company’s**
6 **operations are exclusively based in Canada, a jurisdiction where**
7 **regulatory and business environments in general are relatively more**
8 **supportive than those of other international jurisdictions such as the**
9 **United States, in Moody’s view.”**

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11 **In Dr. Vander Weide’s view, was Moody’s wrong when it made this statement**
12 **pertaining to the regulatory and business environments in Canada and the U.S.?**

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14 **A. Moody’s 2009 statement reflects Moody’s opinion from the bond investors’ point of view**
15 **regarding the ability of Newfoundland Power to repay its debt. Dr. Vander Weide’s**
16 **opinion reflects his view regarding the business and financial risks of Newfoundland**
17 **Power from equity investors’ point of view. Dr. Vander Weide has not evaluated**
18 **Newfoundland Power’s risk from the bond investors’ point of view.**