

1 **Section 3: Finance/Fair Return**

2
3 **Q. (Section 3) Please indicate the last time that representatives from Moody's and**
4 **DBRS met with Newfoundland Power (or communicated in a substantive manner**
5 **via Zoom or equivalent) and whether Newfoundland Power fully briefed them on its**
6 **business risk. Did Newfoundland Power receive advance copies of these reports and**
7 **was it asked to check for any errors and omissions before their publication?**

8
9 A. Newfoundland Power meets or communicates with representatives from Moody's and
10 DBRS on an annual basis. Specifically, the Company communicates with both credit
11 rating agencies: (i) as part of their respective annual rating reviews; (ii) upon issuance of
12 new ratings associated with new first mortgage bonds; and (iii) regarding other relevant
13 matters.¹

14
15 In determining credit ratings, a rating agency will primarily use information from
16 publicly available sources.² An agency may also use Company provided data or have
17 conversations with the Company to substantiate its view on a particular area, including
18 business risks.

19
20 Newfoundland Power did receive draft copies of the annual credit rating reports from
21 Moody's and DBRS. Review of the draft provides the Company the opportunity to
22 identify any factual errors and/or inadvertent disclosure of confidential information in the
23 reports in advance of being published.

¹ The Company had discussions with Moody's and DBRS in 2022 and 2023 related to its annual credit rating reviews. Newfoundland Power also had discussions with Moody's and DBRS: (i) in 2022 related to the issuance of Series AR bonds; (ii) in 2023 related to the issuance of Series AS bonds; and (iii) in 2023 related to the filing of its *2024 Rate of Return on Rate Base Application* and its *2025/2026 General Rate Application*.

² See, for example, Moody's report, *Rating System in Brief*, page 2.