

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

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3 **(Section 3) Please confirm that in Fortis 2023 AIF the DBRS rating on**
4 **Newfoundland Power is A stable and exceeds that for all other subsidiaries of Fortis**
5 **except FortisBC Energy which is also A stable.**

6
7 A. Newfoundland Power confirms that in the Fortis 2023 Annual Information Form, the
8 DBRS rating on Newfoundland Power's First Mortgage Bonds is "A, Stable", which
9 exceeds the DBRS rating for the secured or unsecured debt of all other subsidiaries of
10 Fortis, except FortisBC Energy, which is also "A, Stable".¹

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12 The Company notes that in all instances but one, Fortis subsidiary debt ratings from
13 DBRS that are lower than "A, Stable" are ratings of unsecured debt, whereas
14 Newfoundland Power's First Mortgage Bonds are secured debt.

15
16 DBRS rates commercial paper on a different scale than secured and unsecured debt,
17 however, the Company observes that the rating of "R-1(low), Stable" for commercial
18 paper is comparable to an "A" rating on secured and unsecured debt (i.e. each are
19 described as "good credit quality").²

¹ See the Fortis Inc. Annual Information Form for the year ended December 31, 2023, page 23.

² See the Morningstar DBRS Product Guide, February 2024, pages 14-15.