

- 1 **Q.** Reference: *Fair Return and Capital Structure for Newfoundland Power (NP)*,
2 Evidence of Laurence D. Booth, April 2024, page 81, line 14.
3
4 *“I would add that Moody’s has changed its view of U.S. regulatory protection.”*
5
6 a) Please confirm that the referenced Moody’s report dated September 23, 2013,
7 indicates that this report supersedes the previous report published in August
8 2009.
9
10 b) If confirmed, then why does Dr. Booth continue to quote the 2005 and 2009
11 Moody’s reports on pages 80-81 of his report?
12
13 **A.** a) It has superseded it in several critical areas such as the value of secured debt
14 financing, which caused Moody’s to upgrade some issued bonds, but there is no
15 indication that the general comments about US versus Canada have materially
16 changed except that timely cost recovery in the US is now “more reliable”.
17
18 b) See a) above, but note that the earlier report explicitly referenced Canada as a
19 benchmark. Also note that Pacific Gas and Electric is a new bankruptcy, as they
20 filed in 2019 and then exited Chapter 11 in 2020 after they raised \$58 billion to
21 fund their reorganisation and distribute \$13.5 billion to 70,000 victims of wildfires
22 in California. Dr. Booth would expect the next version of Moody’s analysis to
23 reflect yet another US utility bankruptcy.