

1 **Q. Reference: Dr. Cleary’s Evidence, Page 16, Lines 15-24**

2
3 **Please list the credit challenges that Newfoundland Power faces to maintaining**
4 **its current credit rating according to the January 31, 2018 Moody’s Investors**
5 **Service report that Dr. Cleary cites.**

6
7 A. The January 31, 2018 Moody’s report lists the following two challenges: 1.
8 “Upward pressure on rates due to the Muskrat Falls project”; and, 2. “Increased risks
9 of timely cost recovery upon completion Muskrat Falls expected in 2020.” Moody’s
10 also lists the following strengths: 1. “Low risk regulated utility, primarily a T&D,
11 with 93% purchased power from provincial generators”; 2. “Supportive regulatory
12 environment”; and, 3. “Stable cash flow metrics with CFO pre-W/C to debt in the
13 mid to high teens”.