Q. **Reference: Volume 1, page 5.1**

Hydro states (lines 3 to 5) "*...rates charged by Hydro should provide it with an opportunity to earn a fair, just, and reasonable rate of return to achieve and maintain a sound credit rating in the financial markets…*" Explain if Newfoundland & Labrador Hydro or Hydro regulated operations have their own standalone credit rating.

A. Neither Newfoundland and Labrador Hydro ("Hydro") nor its regulated operations have standalone credit ratings. Credit ratings are assigned at the Province of Newfoundland and Labrador level or to Hydro's debt obligations supported by the province's guarantee and are considered a flow-through rating to Hydro.