Consumers Council of Canada and the Vulnerable Energy Consumers Coalition (CCC) and (VECC) INTERROGATORY #1 List 1

Interrogatory

Ref: B1/T3/S1 p. 2

Issue 4.0
Issue: Cost of Capital/Capital Structure

Topic: Executive summary

Request:

Ms. McShane asserts that a debt rating in the A category is critical and yet in the terms of engagement by Hydro, they requested a study by her supporting "continued access to debt markets at reasonable cost while maintaining an investment grade bond rating. " Please indicate

a) why she interpreted investment grade as meaning that an A rating is "critical"

b) explain in detail how her recommendations would change if they changed to support an investment grade recommendation instead of an A rating.

Response

a) Please see pages 14-16 of Ms. McShane's testimony.

b) Please see response to J.1.119.