

1 **Vulnerable Energy Consumers' Coalition (VECC) INTERROGATORY #4**

2
3 **Interrogatory**

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5 Reference: August 7th, 2003 Prefiled Evidence of Hydro One, page 12 (lines 5-20)

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7 Preamble: “The credit rating strength of Networks and of other LDCs is based in
8 large part on their service territories being considered a monopoly
9 common carrier wires franchise”

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11 Question:

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13 a) Please provide copies of the Standard & Poors and Dominion Bond
14 Rating Service reports referenced in the evidence.

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17 **Response**

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19 See attached reports. We have also included Moodys Investor Service’s latest report. As
20 you will note, Standard and Poors has stated “Hydro One’s moderately low business risk
21 profile reflects the regulated transmission (58% of consolidated assets) and distribution
22 assets (41 % of consolidated assets) that generate virtually all of the company’s earnings
23 and contribute to relative cashflow stability in the long-term”(Standard & Poors Report
24 dated March 07, 2003). This low business risk profile assessment for the distribution
25 business is premised on the monopoly nature of the utility’s service territory.

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27 Attachments: Standard and Poors
28 Dominion Bond Rating Service
29 Moodys Investor Service