

1 Q. What is the basis for the generation reliability criterion for the Isolated Rural
2 Systems (page 12, lines 20 to 22 of Mr. Budgell's Prefiled testimony)?
3 Have customers indicated a willingness to pay for this level of reliability?
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6 A. The basis for the generation reliability criterion for the Isolated Rural
7 Systems is historical in nature and goes back to the initial involvement by
8 Hydro in rural electrification within the province in 1954, which at that time,
9 it is reasonable to assume, included the experience of other Canadian
10 utilities. Today, Canadian utilities with responsibility for the provision of
11 electrical service in the isolated rural areas of their province, that share the
12 same criteria as Hydro are:

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- 14 • Hydro One (Ontario);
- 15 • ATCO Electric (Alberta); and
- 16 • BC Hydro.
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18 Also see Hydro's response to NP-184 (d) and the attached Hydro survey
19 report which contains information regarding the generation reliability
20 criterion of other Canadian utilities that operate in isolated rural areas.
21

22 Hydro has no information with respect to customer views on the specific
23 issue of willingness to pay the level of reliability established by the
24 criterion.