

1    Q.    With regard to the response to CA 56 NLH, how did Hydro reach the decision  
2           to target a 20% reliability improvement when 50% of customers indicated in  
3           the customer survey that they want lower electricity rates over more reliable  
4           service?

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7    A.    Average reliability is a composite of good and poor reliability performance.  
8           Some areas of Hydro's service regions are receiving more reliable service  
9           than others. In the same way, different customers responding to the survey  
10          are receiving different levels of reliability. While the majority of the residential  
11          customers are indicating they prefer lower rates than more reliable service,  
12          there are still a large number of customers (over 40% of residential and over  
13          44% of general service customers) that prefer the most reliable service.  
14          Given these diverse views and levels of performance, Hydro must exercise  
15          judgment supported by reliability indicators to establish its reliability targets.