

1 Q. With regard to the response to CA-03-NLH (b) please confirm that the  
2 correlation between expenses dedicated to system improvements and  
3 system reliability has not been quantified, and advise;

4 (a) Whether NLH intends to perform a study or analysis quantifying the  
5 relationship between same, and;

6 (b) If NLH intends to do so, when would the reports of any such study or  
7 analysis likely be available?  
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10 A. (a) At this time there is no plan to complete a study or analysis to  
11 correlate expenses dedicated to system improvements and system  
12 reliability by region. Currently, our efforts are focused on measuring  
13 reliability performance and targeting poor performers for  
14 enhancements. Within the poor performers, specific causes are  
15 separated and reliability improvement projects are targeted to provide  
16 the most improvement. There are also cases in which reliability is not  
17 the main driver for the project, such as projects justified based upon  
18 safety (e.g. replacement of deteriorated poles). There will also be  
19 cases in which outages may not be decreased for a specific  
20 improvement due to extreme weather coming through the area. As a  
21 result, Hydro believes its approach in analyzing the performance  
22 indices and selecting poor performers for reliability improvements, on  
23 a go forward basis, adds more value than analyzing the correlation of  
24 historical expenses incurred for reliability improvements to power  
25 outages. As a result, there is no plan to complete such a study.  
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27 (b) As stated in (a) above there is no plan to complete such a study.