

1   Q.   With regard to the Haynes/Henderson/Cater evidence (page 15, lines 9 to  
2       11), how does Hydro ensure that customers benefit from its capital  
3       investments from both cost and reliability perspectives? Specifically, how  
4       does Hydro gauge the value customers place on reliability?  
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7   A.   Hydro applies the principle of 'least cost' to capital investments ensuring that  
8       projects are completed in an economic technically acceptable manner  
9       intended to provide safe and reliable levels of service. Hydro monitors  
10      system reliability and Hydro seeks changes to improve performance. Hydro  
11      gauges the value customers place on reliability in a number of ways including  
12      customer surveys, customer inquiries and through regular meetings with  
13      Newfoundland Power and the Industrial Customers. Please also see  
14      response to CA 56 NLH.