

1 **Q. Does NP currently have, or plan to initiate development of, a Distribution Reliability**
2 **and Service Standard for customers? If not, why not?**

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4 A. Newfoundland Power does not have a formal Distribution Reliability and Service
5 Standard and does not currently intend to develop such a standard.

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7 Distribution Reliability and Service Standards have been adopted in some jurisdictions in
8 response to service issues created by industry restructuring or the adoption of
9 performance-based regulation (“PBR”).

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11 This matter was specifically considered by the Board in 2007.¹ At that time, the Board
12 stated it “is satisfied that its current regulatory framework has adequate processes and
13 requirements in place to monitor reliability and service quality.” The Board did not
14 accept that the establishment of such a standard was necessary at that time.

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16 Since the Board last considered this issue, Newfoundland Power’s customer service and
17 reliability performance have remained consistent.² Regulatory practices remain in place
18 to ensure adequate reporting of reliability and various service-level performance
19 indicators to the Board.³ This includes quarterly reports to the Board, as well as reporting
20 significant power outages to the Board within 1 business day. Additionally, all capital
21 expenditures aimed at improving reliability performance are considered by the Board
22 through the Company’s annual capital budget applications.⁴

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24 Given there have been no material changes in Newfoundland Power’s performance over
25 the last decade, the adoption of a Distribution Reliability and Service Standard would not,
26 in the Company’s view, provide tangible benefits to customers.

¹ See Order No. P.U. 32(2007), p.37 *et. seq.*

² See *Volume 1, Application, Company Evidence and Exhibits, Section 2.3.2 Electrical System Performance*, page 2-20 *et seq.*

³ Quarterly reporting to the Board has existed since 1997 and the requirement of providing reports for significant customer outages originated in 2000.

⁴ See Section 41 of the *Public Utilities Act* and the *Capital Budget Application Guidelines*, October 2007.