

1 **Q. (Reference Application) Please provide a summary of all benchmarking exercises**
2 **performed by NP relating to costs and performance that have been incorporated in**
3 **the 2021 Capital Budget Application. Specifically, show how NP spending and**
4 **performance compares to a peer group and provide relevant information on each**
5 **peer included in the group.**
6

7 A. With respect to the *2021 Capital Budget Application*, the benchmarking exercises
8 performed by Newfoundland Power included both year-over-year comparisons of the
9 Company's costs and performance, as well as comparisons to other utilities. The
10 benchmarking exercises completed were:

- 11
- 12 (i) A year-over-year comparison of Newfoundland Power's SAIDI and SAIFI over
13 the period 1999 to 2019.¹ The comparison showed a 55% improvement in
14 service reliability experienced by customers over the first 10-year period, with
15 reasonably consistent levels of service reliability since 2009.²
16
- 17 (ii) A comparison of Newfoundland Power's contribution to customer rates in 2000
18 and 2020. The comparison shows the Company's contribution to customer rates
19 decreased by 20% on an inflation-adjusted basis over this period.³
20
- 21 (iii) A year-over-year comparison of the cost of Newfoundland Power's customer
22 service delivery over the period 1999 to 2019. The comparison shows the
23 Company's customer service costs were reduced by 13% on an actual basis and
24 43% on an inflation-adjusted basis over this period.⁴
25
- 26 (iv) A year-over-year comparison of Newfoundland Power's customer service
27 delivery costs per customer over the period 1999 to 2019. The comparison
28 showed Newfoundland Power's costs per customer were reduced by
29 approximately 31% on an actual basis and 54% on an inflation-adjusted basis
30 over this period.⁵
31
- 32 (v) A year-over-year comparison of customers' general satisfaction with
33 Newfoundland Power's service delivery over the period 1999 to 2019. The
34 comparison shows customer satisfaction was reasonably consistent over this
35 period, averaging 88%.⁶

¹ The analysis of SAIDI and SAIFI related to normal operating conditions and did not include significant events.

² See the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan*, pages 10 to 11.

³ See the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan*, page 15.

⁴ This reduction in costs was achieved while serving 55,000 additional customers and responding to nearly triple the number of customer enquiries. See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan*, page 4.

⁵ See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment B*, page 8.

⁶ See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan*, page 4.

- 1 (vi) A comparison of Newfoundland Power’s SAIDI and SAIFI to that of other
 2 utilities in Atlantic Canada over the period 2009 to 2018.⁷ The comparison
 3 showed that customers of Newfoundland Power experienced approximately ½
 4 the duration of customer outages in comparison to customers of other Atlantic
 5 Canadian utilities.⁸
 6
- 7 (vii) A comparison of changes in Newfoundland Power’s investment in Transmission
 8 and Distribution (“T&D”) assets over the period 2009 to 2018.⁹ The comparison
 9 showed Newfoundland Power’s investment in T&D assets increased at a rate
 10 10% less than the average of other Atlantic Canadian utilities over this period.¹⁰
 11
- 12 (viii) A comparison of Newfoundland Power’s contribution to revenue requirement in
 13 2014 and 2020. The comparison showed the Company’s contribution to revenue
 14 requirement effectively remained flat on an inflation-adjusted basis over this
 15 period.¹¹
 16
- 17 (ix) A year-over-year comparison of Newfoundland Power’s overall effectiveness in
 18 meeting customers’ service expectations over the period 2015 to 2019, including
 19 comparisons of: (i) operational performance targets; (ii) transactional customer
 20 satisfaction; and (iii) restoration times following customer outages. The
 21 comparisons showed: (i) the Company’s operational performance targets were
 22 routinely met;¹² (ii) satisfaction was the highest among customers who recently
 23 interacted with the Company;¹³ and (iii) Newfoundland Power’s restoration time
 24 following customer outages was approximately 40% less than the Canadian
 25 average.¹⁴

⁷ The analysis included the primary distributors of electricity in Atlantic Canada: Nova Scotia Power, New Brunswick Power and Maritime Electric. These utilities are members of the Canadian Electricity Association (“CEA”) Region 2, meaning they serve a mix of customers living in urban and rural areas. Newfoundland Power is also a CEA Region 2 utility.

⁸ See the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan*, page 17.

⁹ The analysis included the primary distributors of electricity in Atlantic Canada, as described above.

¹⁰ See the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan*, pages 16 to 17.

¹¹ See the *2021 Capital Budget Application, Volume 1, 2021 Capital Plan*, page 14.

¹² See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment B*, pages 4 to 5.

¹³ See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment B*, page 7.

¹⁴ The comparison was completed against the average of CEA Region 2 utilities. See the *2021 Capital Budget Application, Volume 1, Customer Service Continuity Plan, Attachment B*, page 6.