

1 **Q. (Reference Application, 2021 Capital Plan, pages 9 and 10) A quote by Liberty**
2 **Consulting is included indicating that NP conforms with good utility practice. Did**
3 **Liberty consider cost and customer willingness to pay in its review? If so, please**
4 **reference the statements in its report.**
5

6 A. To Newfoundland Power's knowledge, Liberty's review did not consider cost and
7 customer willingness to pay.
8

9 Liberty's review was conducted following widespread customer outages in January 2014
10 known as #darkNL. This was a 7-day period during which 75% of the Company's
11 customers experienced rotating power outages. The event occurred during cold
12 temperatures, posed serious risks to public health and safety, and was not viewed as
13 acceptable by customers.¹
14

15 Liberty found that #darkNL was caused by the insufficiency of generating resources and
16 issues with the operation of key transmission assets by Newfoundland and Labrador
17 Hydro.² Inadequate maintenance practices contributed to these supply-related failures.
18

19 Since 2014, service reliability has remained one of the most important issues to
20 customers. Quarterly surveys indicate customers are currently satisfied with the
21 reliability of Newfoundland Power's service delivery.
22

23 For more information on customer preferences, see response to Request for Information
24 CA-NP-008.

¹ As noted in response to Request for Information PUB-NP-073 filed as part of Newfoundland Power's 2019/2020 General Rate Application: Of the 80 customer satisfaction surveys issued between 1998 and 2017, the lowest score recorded at any point was in the first quarter of 2014 following #darkNL. Newfoundland Power's customer satisfaction score was 82% during that quarter. This compares to an average of 88% over the 20-year period from 1998 to 2017.

² Liberty, *Executive Summary of Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power Inc.*, December 17, 2014, page ES-1.