

- 1 **Q. (Application Volume 1, page 2-10) It is stated “Customers’ satisfaction with the**
2 **Company’s service delivery was lowest in 2014, which was marked by widespread**
3 **customer outages due to a loss of supply. This highlights the importance of service**
4 **reliability to Newfoundland Power’s customers.”**
- 5 **a) To what extent was NP at fault for these supply interruptions?**
6 **b) Given that customer satisfaction was low at this time what steps has NP**
7 **taken to address the cause of these outages?**
8 **c) Does NP believe that outages of generation and transmission on Hydro’s**
9 **system that led to loss of load to its customers is justification to spend money**
10 **to improve reliability on the distribution system, or would the money be**
11 **better spent on alleviating the cause of the outages? Please explain.**
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- 13 **A. a) The Liberty Consulting Group (“Liberty”) concluded that the supply interruptions**
14 **which led to the outages in January 2014 were caused by the insufficiency of**
15 **generating resources and issues with the operation of key transmission assets by**
16 **Newfoundland and Labrador Hydro.¹ Inadequate maintenance practices**
17 **contributed to these supply-related failures. To no extent was Newfoundland**
18 **Power at fault for these supply interruptions.**
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- 20 **b) The Company has implemented a number of recommendations that arose from**
21 **Liberty’s review. As examples:**
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- 23 **(i) Liberty recommended that Newfoundland Power increase its emphasis on**
24 **the Rebuild Distribution Lines segment of its annual capital budgeting.²**
25 **The Company has carried out work on its *Rebuild Distribution Lines***
26 **project each year since 2015.³ This project is part of the Company’s**
27 **preventative maintenance program aimed at maintaining the condition of**
28 **the electrical system.**
- 29
- 30 **(ii) Liberty recommended that Newfoundland Power evaluate reinstating an**
31 **annual program for addressing its worst-performing feeders.⁴ The**
32 **Company has addressed its worst-performing feeders on an annual basis**
33 **under the *Distribution Reliability Initiative* since 2015.⁵ This project is**
34 **consistent with maintaining acceptable levels of service reliability for all**
35 **customers.**

¹ See Liberty’s Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power, December 17, 2014, page ES-1.

² See recommendation 2.1 of Liberty’s Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power, December 17, 2014, page A-2.

³ For more information on the Rebuild Distribution Lines project, see the 2022 Capital Budget Application, Section B, pages 40-42.

⁴ See recommendation 2.2 of Liberty’s Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power, December 17, 2014, page A-2.

⁵ For more information on the Distribution Reliability Initiative project, see the 2022 Capital Budget Application, Section B, pages 46-47 and Report 4.1 Distribution Reliability Initiative.

- 1 (iii) Liberty recommended that Newfoundland Power investigate the
2 installation of downstream feeder reclosers.⁶ In 2015, the Company
3 introduced the *Distribution Feeder Automation* project to increase the
4 level of automation in its distribution system.⁷ Increased automation
5 supports an efficient and timely response to customer outages.⁸
6
- 7 c) Newfoundland Power is focused on *maintaining* current levels of overall service
8 reliability for its customers. Accordingly, the Company is not seeking
9 justification to spend money to improve overall reliability on the distribution
10 system.

⁶ See recommendation 2.4 of Liberty's *Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power*, December 17, 2014, page A-2.

⁷ For more information on the *Distribution Feeder Automation* project, see the *2022 Capital Budget Application, Section B*, pages 50-51.

⁸ For example, the operation of 5 downline reclosers during a severe blizzard in January 2020 avoided approximately 3.5 million customer outage minutes without the assistance of field crews. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations*, page 2-30.