

1 **Q. (Reference Application, 2023 – 2027 Capital Plan, page 1) It is stated “*the***
 2 ***Company is targeting stability in its reliability performance.*” Please provide:**
 3 **1) customer complaints relating to reliability over time, 2) documentation**
 4 **informing customers of the cost of maintaining current levels of reliability, 3)**
 5 **customer survey responses identifying: i) the value customers place on**
 6 **maintaining current levels of reliability, ii) customer willingness to pay more**
 7 **for increased levels of reliability, iii) customer willingness to accept lower**
 8 **levels of reliability in exchange for lower rates, and 4) current reliability criteria**
 9 **used by NP that balance the level of reliability with the cost to provide that**
 10 **level of reliability.**

11
 12 A. Newfoundland Power does not track customer contacts according to the overall level of
 13 reliability they experience, nor does the Company survey its customers on the value that
 14 customers place on current levels of reliability. Further, the Company notes that there is
 15 no direct correlation between levels of reliability with customer rates.¹ For example, the
 16 Muskrat Falls Project is expected to cost \$13.4 billion; however, reliability for
 17 Newfoundland Power’s customers remains uncertain.

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 19 The Company further observes that the Board has recognized that fully justified capital
 20 expenditures contribute to the delivery of least-cost service to customers. In Order No.
 21 P.U. 7 (2002-2003), the Board stated:

22
 23 *“From a regulatory perspective, efficient operations, fully justified capital*
 24 *expenditures and a low cost capital structure all combine to minimize*
 25 *revenue requirement, and hence provide least cost electricity to ratepayers.”*

26
 27 Newfoundland Power surveys its customers to determine their overall satisfaction with
 28 its service delivery. Customers have indicated a reasonable level of satisfaction with the
 29 Company’s service delivery over the last decade.² Newfoundland Power is focused on
 30 maintaining current levels of overall service reliability for its customers.

31
 32 See the *2023 Capital Budget Application, 2023 Capital Budget Overview, Section 2.3*
 33 *Balancing Cost and Service* and the response to Request for Information CA-NP-011 for
 34 information pertaining to how Newfoundland Power balances costs and reliability in the
 35 service delivered to customers.

36
 37 See the response to Request for Information CA-NP-016 for information on how
 38 customer preferences are considered in the *2023 Capital Budget Application*.

¹ For a discussion on the relationship between the Company’s capital investments, revenue requirements and customer rates, see the *2023 Capital Budget Application, 2023 Capital Budget Overview, Section 2.3.3 Customer Rates*.

² Customers’ satisfaction with Newfoundland Power’s service delivery averaged approximately 86% over the period 2012 to 2021.