

1 **Q. (Reference Application, 2023 – 2027 Capital Plan, page 2) It is stated**
 2 **"Newfoundland Power has an obligation to provide customers with equitable**
 3 **access to an adequate supply of power."**
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5 **a) Do all customers on the system receive the same level of reliability? If**
 6 **not, how does NP determine if levels of reliability worse than the system**
 7 **average are tolerable?**

8 **b) Does Hydro strive to provide its customers the same level of reliability**
 9 **as NP? If not, why not? Does the legislation apply equally to Hydro?**

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 11 A. a) No, all customers on the system do not receive the same level of reliability. The
 12 System Average Interruption Duration Index ("SAIDI") and System Average
 13 Interruption Frequency Index ("SAIFI") represent the average reliability
 14 experienced by customers. As such, there will always be customers that
 15 experience worse than average reliability, and customers that experience better
 16 than average reliability.

17
 18 Newfoundland Power completes an engineering review as part of its *Distribution*
 19 *Reliability Initiative* to determine whether capital improvements are necessary to
 20 address areas where customers experience particularly poor service reliability.
 21 This involves: (i) calculating reliability performance indices for all feeders;
 22 (ii) analyzing the reliability data for the worst performing feeders to identify the
 23 cause of the poor reliability performance; and (iii) completing engineering
 24 assessments for those feeders where poor reliability performance cannot be
 25 directly related to isolated events that have already been addressed.

26
 27 Newfoundland Power has proposed one distribution feeder for refurbishment
 28 under the *Distribution Reliability Initiative* in 2023, distribution feeder SUM-01.
 29 Customers served by this feeder experience an average outage duration that is
 30 approximately 4.4 times the Company average.

31
 32 The reliability performance of distribution feeder SUM-01 is consistent with what
 33 would generally be considered a worst performing feeder in the electric utility
 34 industry. The standards used by electric utilities in identifying worst performing
 35 feeders vary. Two common methodologies include feeders where the SAIDI
 36 exceeds the corporate average by 300% and feeders where the SAIDI is in the
 37 top 10% for two consecutive years.¹ Distribution feeder SUM-01 would meet
 38 both of these standards.

39
 40 b) Newfoundland Power is unable to offer an opinion on what level of service
 41 reliability Hydro strives to provide to its customers.

42
 43 For a discussion of the applicability of provincial legislation, see the response to
 44 Request to Information CA-NP-043.

¹ See the *2023 Capital Budget Application*, report 1.1 *Distribution Reliability Initiative*, page 4, footnote 9.