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## 1Q.What does NP believe to be a reasonable standard of performance for system-wide2SAIFI and SAIDI?

- A. Newfoundland Power believes that a reasonable standard of reliability performance based
   on SAIDI and SAIFI should reflect, amongst other things:
- 7 1) Reliability trending over time;
  - 2) Individual feeder outage data for the past five years;
- 9 3) Known issues impacting reliability;
- 10 4) Worst performing feeders;
  - 5) Variations due to weather conditions;
  - 6) Changing levels of automation;
- 13 7) Customer growth patterns.14

Accordingly, Newfoundland Power's annual targets for SAIDI and SAIFI are established
 having regard to these factors.

Expectations with respect to reliability performance will necessarily vary from year to
year as the impacts of weather, automation and growth are considered, and these changes
will be reflected in Newfoundland Power's annual targets. Newfoundland Power
believes that its annual SAIDI and SAIFI targets established in this manner represent
reasonable standards of reliability performance.

Newfoundland Power's 2009 targets for SAIDI and SAIFI are 2.74 and 2.37,
 respectively.