

1 **Q. Does NP currently have, or plan to initiate development of, a Distribution Reliability**
2 **and Service Standard? If not, why not?**

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4 A. Newfoundland Power does not currently have a formal Distribution Reliability and
5 Service Standard nor does it have a plan to initiate development of such a standard.

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7 Newfoundland Power does, however, have established practices for reliability and service
8 level reporting and for justification of reliability based capital expenditures.

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10 Regulatory legislation in Newfoundland and Labrador requires Newfoundland Power to
11 file annual capital budgets with the Board of Commissioners of Public Utilities (the
12 “Board”).¹ Current regulatory practice requires Newfoundland Power to identify and
13 justify proposed expenditures which are aimed at maintaining or improving distribution
14 reliability² as well as report on actual capital expenditures.³

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16 Current regulatory practice also requires Newfoundland Power to report reliability and
17 various service level performance indicators to the Board on a quarterly basis.⁴
18 Significant power outages are required to be reported to the Board within 1 business day.⁵

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20 In Newfoundland Power’s view, there would be no tangible improvement in actual
21 reliability and service level reporting or costs resulting from the adoption of a
22 Distribution Reliability and Service Standard at this time.

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24 This matter was specifically considered by the Board in 2007.⁶ There has been no
25 material change in circumstances since that time which would justify adoption of a
26 Distribution Reliability and Service Standard.

¹ See section 41 of the *Public Utilities Act*.

² See the *Capital Budget Application Guidelines*, October 2007.

³ Board approvals of capital budgets require the utility to file annual reports on actual capital expenditures within 60 days of year-end.

⁴ The practice of quarterly reporting has existed since 1997.

⁵ This requirement originated in 2000 at the direction of Board staff.

⁶ See Order No. P.U. 32 (2007), p.37 *et. seq.*