

1 **Q. With regard to the response to CA-NP-173:**

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3 (a) **Customer satisfaction is not listed as a factor considered when establishing**
4 **SAIDI and SAIFI targets. Why not? If it is, in what manner is customer**
5 **satisfaction taken into consideration?**
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7 (b) **Given that expectations with respect to reliability performance will**
8 **necessarily vary from year to year, why are targets established for a single**
9 **year (i.e., 2009), and why to a three significant digit level of accuracy (i.e.,**
10 **2.74 and 2.37 for SAIDI and SAIFI, respectively in 2009)? Would a rolling 3**
11 **or 5 year average make more sense? Would establishing targets that are**
12 **consistent with historical performance during a period when customer**
13 **satisfaction was at acceptable levels make sense?**
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15 (c) **Using such criteria and assuming customer satisfaction has been at**
16 **acceptable levels over the past 3 and 5 year periods, what might NP choose as**
17 **SAIDI and SAIFI targets?**
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19 (a) The list provided in CA-NP-173 was not all inclusive. Newfoundland Power does
20 give consideration to reliability concerns expressed by customers in setting annual
21 SAIDI and SAIFI targets. The company receives customer feedback primarily
22 through the day-to-day interaction employees have with customers but also
23 receives feedback through the more formal quarterly satisfaction surveys.
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25 When establishing annual SAIDI and SAIFI targets, customer feedback and
26 customer satisfaction survey results influence the extent to which the targets
27 reflect a need to improve reliability.
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29 Overall customer satisfaction levels have been high in recent years and the need
30 for reliability based upgrades has been driven by specific issues on the worst
31 performing feeders.
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33 (b) The Company's reliability targets are currently based on a rolling three year
34 historic average excluding extraordinary events. The current targets of 2.74 and
35 2.37 for SAIDI and SAIFI are consistent with historical performance during a
36 period when reliability levels are considered acceptable, excluding the impact of
37 the 2007 Bonavista storm. The Company's view that reliability levels are
38 considered acceptable at this time reflects the myriad of factors including those
39 that are listed in CA-NP-173 along with customer feedback as discussed in part
40 (a) to this response. While targets could be set for multiple years into the future,
41 the Company's current process allows for annual consideration of qualitative
42 factors which would not be a practical consideration in a multiyear, strictly
43 formula-based process of setting targets.
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45 The use of three significant digits in the Company targets simply reflects the
46 historical reliability indices that are computed to three significant digits.

- 1 (c) Based on a simple three year rolling average SAIDI and SAIFI targets would be
2 3.83 and 2.49 respectively. Excluding the 2007 Bonavista storm the targets are
3 2.74 and 2.37.