

1 **Q. With regard to the response to CA-NP-181:**

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- 3 (a) On page 3 it is stated that it is difficult to draw meaningful conclusions  
4 regarding company performance through comparisons with other utilities.  
5 The reason provided is that there are continued concerns with data  
6 availability and quality and observed differences in participating utilities'  
7 operating profile. Given the limited use of such comparisons, does NP believe  
8 that all testimony in the Application that uses benchmark comparisons  
9 should be ignored by the Board?
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- 11 (b) Please provide a plan upon which NP is prepared to embark to allow  
12 meaningful conclusions to be drawn from future Peer Group Reports.
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- 14 (c) Please provide the names and titles of the reviewers of the Peer Group  
15 Report who were unable to draw any meaningful conclusions.
- 16
- 17 (d) Can it be concluded that NP reliability performance represented by SAIDI  
18 and SAIFI has improved relative to the benchmark? On the basis of the  
19 benchmark comparison can it be concluded that NP reliability performance  
20 has reached acceptable levels, or should there be additional expenditures to  
21 improve reliability performance?
- 22
- 23 (e) Can it be concluded that safety performance represented by the all-injury  
24 frequency rate has improved significantly relative to the benchmark? Was  
25 NP not significantly above the benchmark in the late 1990s/early 2000s, but  
26 has been consistently below the benchmark for the past four years?
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- 28 (f) Would it be appropriate to show cost benchmarking data both with and  
29 without the US\$/Can\$ exchange rate? Do operating costs occur throughout  
30 the year lending itself to use of an average exchange rate for the year?
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- 32 (g) Can any conclusions be drawn from the benchmark cost data relating to the  
33 advent of competition in the electricity sector in the United States versus the  
34 absence of competition in the electricity sector of the Province of  
35 Newfoundland and Labrador?
- 36

37 **A. (a) No.**

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- 39 (b) Newfoundland Power is not in a position to provide a plan which would allow for  
40 meaningful conclusions to be drawn from future peer group reports. The  
41 difficulties in drawing meaningful conclusions referred to in the report involve the  
42 quality and availability of data supplied by others and observed differences in the  
43 utilities supplying the data. Newfoundland Power is not in a position to influence  
44 these matters.
- 45

- (c) The annual reports on peer group performance submitted to the Board by the Company since 2005 have consistently concluded that it was not possible to draw meaningful conclusions regarding the Company's performance through comparisons with other utilities. Newfoundland Power is unable to provide an exhaustive list of the individuals who participated in the preparation or review of these reports, and who could therefore be said to have been unable to draw meaningful conclusions from the comparisons.
- (d) Yes, it can be concluded that Newfoundland Power's reliability performance as represented by SAIDI and SAIFI has improved *relative to the benchmark*. However, concerns with data quality combined with observed differences in the participating utilities make it difficult to draw any meaningful conclusions from performance *relative to the benchmark*.
- Newfoundland Power's reliability performance has improved over the last number of years. The improvement in reliability performance has been the result of the Company's efforts since the late 1990s to improve reliability. Newfoundland Power does believe that its reliability performance is currently acceptable, as explained in response to Request for Information CA-NP-160.
- Newfoundland Power continues to monitor reliability data for instances of poorly performing assets. From time to time, actions such as the Distribution Reliability Initiative will be required to improve specific asset performance, which, in turn, contributes to broader system reliability performance.
- (e) Yes, it can be concluded that Newfoundland Power's safety performance as represented by the all-injury frequency rate has improved *relative to the benchmark*. However, concerns with observed differences in the participating utilities make it difficult to draw any meaningful conclusions from performance *relative to the benchmark*.
- From 1998 to 2003, and again in 2006, Newfoundland Power's all injury frequency rate was above the benchmark. In 2004, 2005 and 2007, Newfoundland Power's all injury frequency rate was below the benchmark.
- (f) The U.S. peer group data can be converted to Canadian dollars if it is desired to attempt comparisons of the U.S. and Canadian peer group data on an equal dollar basis. However, the use of exchange rates to convert U.S. dollars to Canadian dollars would have significant impact on cost trends, as the exchange rates have varied significantly over the reporting period. Furthermore, the deficiencies in the peer group data as noted in the report would remain.
- (g) Newfoundland Power is not able to draw meaningful conclusions relating to the advent of competition in the electricity sector in the United States versus the absence of competition in the electricity sector in Newfoundland and Labrador from the benchmark cost data contained in the report.