

1 Q. (Regulated Activities Evidence page 2.12, Chart 2.3)

2 Is Hydro pursuing programs to improve reliability going forward, and if so, what is
3 the benefit to cost ratio of each program? Please identify each of Hydro's reliability
4 improvement programs going forward, its costs, and the estimated benefits in
5 terms of improved reliability and the value customers place on reliability.

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8 A. The capital program is the primary area of investment for reliability improvements.
9 The focus of the Hydro's capital program is on sustaining and renewing existing
10 aging assets and on bringing new assets into service to meet growing customer
11 demand. The scope and cost of each project is justified on its contribution to safe,
12 least cost, reliable power. Furthermore, the projects do stand on their own merits
13 as demonstrated in their justification sections.

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15 Reliability is inherently considered in the System Planning Criteria used to establish
16 the need for investment for load growth. These criteria, which Hydro provides to
17 the Board, are a part of what Hydro uses to establish what upgrades, replacements
18 or additions are required. Some of these projects contribute to improvements in
19 reliability where existing systems are operating near their design limits.

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21 Hydro does not have a specific measure of the value customers place on reliability.
22 As such, the benefit to cost ratios have not been attempted and are not available.
23 Please refer to CA-NLH-052.

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25 Listed in the following table are sustaining projects planned in 2014 for the
26 distribution systems which have expected reliability improvements identified.

Project Name	Cost [\$000]	Expected Reliability Improvement ¹
Replace Poles – GYR (Grey River), Line 1	487	1%
Upgrade Distribution System - SOK (South Brook), Lines 1, 2,3,5,6,and 7	976	3%
Upgrade L1 & L3 Distribution Feeder – ROD (Roddickton), Lines 1&3	1,260	3%
Upgrade Distribution System – SLE (St. Lewis), Line 1	908	7%
Upgrade Distribution System – CRV (Conne River), Line 1	494	9%
Upgrade Distribution System – BDE (Bay d'Espoir), Line 1	693	28%
Upgrade Distribution System – BCX (Barachoix), Line 1,4 and 5	584	15%

- 1 In addition to the capital program, Hydro is developing and advancing initiatives associated
- 2 with asset management, as outlined in the response to CA-NLH-017, which are expected to
- 3 have a positive impact on reliability.

¹ In terms of SAIFI