Page 1 of 1

Page 1 of the report state "In 2012 the Canadian Electricity Associati	on began
reporting on 2 additional indices; Customer Hours of Interruption pe	er Kilometei
("CHIKM") and Customers Interrupted per Kilometer ("CIKM").	CHIKM and

CIKM are used to rank the reliability performance of distribution feeders on the length of line exposed to the outage."

4.1 Distribution Reliability Initiative

Q.

Are CIKM and CHIKM going to be the new standards used by Newfoundland Power for all future performance rankings as it relates to distribution and would these statistics be reported in its Quarterly Reports?

A. The CHIKM and CIKM indices are being used *in addition to* customer minutes of interruption, SAIDI and SAIFI as screens to identify the Company's worst performing feeders for detailed reliability assessment.

CHIKM and CIKM indices are not intended to replace SAIDI and SAIFI indices. Trends in SAIDI and SAIFI provide a high level overview of Companywide reliability from a customer perspective. In addition, SAIDI and SAIFI continue to be widely accepted in the utility industry as indicators of overall system performance. For these reasons, Newfoundland Power intends to continue to report SAIDI and SAIFI in quarterly regulatory reports.

Newfoundland Power does not intend to include CHIKM and CIKM in its quarterly regulatory reports. Newfoundland Power does intend to report the results of its assessment of worst performing feeders annually as part of its Capital Budget Applications.