**Volume 1, Section 2 – Customer Operations**

**Q. What recent initiatives has NP undertaken to cooperate with Hydro to reduce the cost of supply to consumers?**

A. Newfoundland Power and Newfoundland and Labrador Hydro ("Hydro") cooperate on a continuous basis to ensure the Island interconnected system operates efficiently and reliably. The System Control Centers for both utilities are in daily contact to ensure switching activities, power interruptions and generation dispatch are handled in a safe and cost effective manner. Both utilities meet regularly to discuss system planning and reliability matters and there are arrangements for the sharing of services and equipment.

Four recent initiatives undertaken by Newfoundland Power and Hydro to reduce the cost of supply to customers are detailed below.

The joint power system switching initiative provides a protocol where employees of one utility can complete switching procedures on equipment owned by the other utility. Prior to the establishment of the joint switching initiative, employees of both utilities had to be present when one utility required equipment owned by the other utility to be operated. The joint switching initiative removes the requirement for this duplication of effort, improving productivity and reducing costs to customers.

Newfoundland Power and Hydro worked together to help minimize costs through Hydro's recent competitive bidding process to acquire wind generation. Before the bidding process began, both utilities determined that much of the wind generation could be connected most economically to the Island interconnected system through Newfoundland Power's system. Therefore, both utilities worked together to ensure that interconnection costs were minimized. The St. Lawrence wind farm was recently selected as a successful bidder. This wind farm will be connected through Newfoundland Power's Laurentian substation. Both utilities continue to work together with the developer to ensure that the wind farm becomes a viable economic supplier of electricity to the Island interconnected system.

Newfoundland Power and Hydro are conducting a joint Conservation and Demand Management Potential Study. See response to CA-NP-78.

A new high speed data link has been established between Newfoundland Power's SCADA system and Hydro's Energy Management System. The new link gives both System Control Centers greater visibility of the integrated power network. This improves responsiveness to power disruptions which enhances reliability and lowers overall cost.