

1 **RFIs on 2006 Peer Group Report**
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3 **Q. (page 3) The report concludes that it is difficult to draw meaningful conclusions**
4 **regarding company performance through comparison to other utilities. Reconcile**
5 **this statement with NP's agreement to undertake peer group performance reporting**
6 **in the February 26, 2003 Mediation Report, the statement in P.U. 8 (2007) that "The**
7 **Board agrees with the submission of the Consumer Advocate that external**
8 **benchmarking of KPIs is important for measuring the overall performance of**
9 **Hydro in key areas", and the fact that there are 16 COPE participants in 2003 (page**
10 **B-1), and the CEA trend line for SAIDI and SAIFI reflects the composite**
11 **performance of over 30 participants (pages A-5 and A-7).**

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13 A. Newfoundland Power agreed to undertake peer group performance reporting as part of
14 the February 2003 Mediation Report because (i) Newfoundland Power was requested to
15 do so by the Consumer Advocate and (ii) Newfoundland Power was aware of increasing
16 interest within the industry regarding benchmarking. In this context, Newfoundland
17 Power accepted that the request to undertake peer group performance reporting was a
18 reasonable stakeholder request.

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20 The Board's statement from Order No. P.U. 8 (2007) indicates the Board's view on the
21 matter vis-à-vis Hydro. Newfoundland Power does not expect the Board views the
22 matter differently from the perspective of the regulation of Newfoundland Power.

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24 Newfoundland Power participates in the CEA initiative on benchmarking in regulation
25 and intends to continue to do so. The Company expects the comparative data yielded by
26 this initiative will continue to be a matter of regulatory reporting for the foreseeable
27 future. In fact, Newfoundland Power had employed many comparative measures created
28 by CEA in the regulatory forum prior to the current initiative.

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30 The fact that Newfoundland Power has willingly participated in peer group performance
31 reporting does not require reconciliation with the statement contained in the *2006 Peer*
32 *Group Report* to the effect that it was difficult for Newfoundland Power to draw
33 meaningful conclusions regarding its performance based upon the report.

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35 Newfoundland Power accepts the increased regulatory interest in peer group performance
36 reporting and intends to continue to participate in the current CEA initiative which is still
37 developing. This, however, does not preclude Newfoundland Power from expressing its
38 views on peer group comparisons.