

1 **Q. (response to CA-NP 69) "The DRI is not being abandoned. The DRI continues to**
 2 **play an important role in meeting the Company's obligation as set out in the**
 3 **Electric Power Control Act, 1994 to equitably deliver power to customers in the**
 4 **province at the lowest possible cost consistent with reliable service." Please provide**
 5 **the forecast annual costs of the DRI for 2008 through 2011 along with the**
 6 **justification for these expenditures including quantification of the benefits to**
 7 **consumers and proof that the DRI is indeed consistent with delivering power at the**
 8 **lowest possible cost consistent with reliable service.**

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 10 A. The Company ranks its distribution feeders based on reliability performance and
 11 completes in-field assessments of those with the poorest performance statistics.
 12 Customers on these feeders experience more frequent and longer duration outages than
 13 the majority of Newfoundland Power's customers.

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 15 Capital upgrades are performed on the worst performing feeders under the capital project
 16 Distribution Reliability Initiative ("DRI").

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 18 Table 1 shows the 2008 to 2011 capital forecast for the DRI.

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	2008	2009	2010	2011
DRI	1,286	1,489	1,523	1,557

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 23 Each year, the justification for the DRI is submitted for the review and approval of the
 24 Board as part of its annual capital budgeting process.

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 26 In 2008, Newfoundland Power is proposing to complete work on the BOT-01¹, LEW-02²
 27 and GLV-02³ feeders.

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 29 Table 2 compares unscheduled distribution outages for these feeders with the Company
 30 average.

¹ BOT-01 feeder serves approximately 1,607 customers in communities including Cottrell's Cove, Moore's Cove and Fortune Harbour.

² LEW-02 feeder serves approximately 1,550 customers in communities including Baytona, Birchy Bay and Campbellton.

³ GLV-02 feeder serves approximately 1,222 customers in communities including Happy Adventure, Sandy Cove and Burnside.

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Table 2
Unscheduled Distribution Related Outages
Annual Five-Year Average: 2002 to 2006

	Customer Interruptions	Customer Minutes of Interruptions	Distribution SAIFI	Distribution SAIDI
BOT-01	5,052	688,459	3.11	7.07
LEW-02	5,282	808,239	3.82	9.74
GLV-02	3,988	552,441	3.19	7.36
Company Average	1,028	86,539	1.45	2.03

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Table 2 shows that the over 4,000 customers on the BOT-01, LEW-02 and GLV-02 feeders experience more frequent and longer duration outages than the Company average.

Newfoundland Power expects that the distribution reliability performance of these feeders will be comparable with the Company average following completion of the projects.

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Since 1999, Newfoundland Power has invested approximately \$2 million per year, predominantly in rural areas, through the DRI. Graph 6 at page 26 of the Company Evidence shows that, as a result of the DRI, SAIDI for the worst performing feeders has improved and is now comparable with the Company average SAIDI.

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Reliability improvements for customers that have seen far worse than average reliability performance are consistent with the Company's obligation to *equitably* deliver power to customers in the province at the lowest possible cost consistent with reliable service as set out in the *Electric Power Control Act, 1994*.