

1 **Volume 1, Section 2 – Customer Operations**2
3 **Q. (page 26)**

- 4
- 5 **a. At what point is the reliability of a feeder considered acceptable and further**
6 **expenditures to improve reliability are no longer warranted?**
- 7 **b. What other Canadian distribution utilities have similar programs to the**
8 **DRI?**
- 9 **c. Please provide a list of projects planned for completion under the DRI in**
10 **2007 and 2008 along with cost and expected reliability improvement.**
- 11 **d. Given that SAIDI for the worst performing feeders is now comparable to the**
12 **Company average (page 26, lines 7-8), is the DRI program being abandoned?**
13 **What justification is there for its continuation?**

- 14
- 15 (a) Direct expenditure aimed at improving reliability is based on an evaluation of the
16 Company's worst performing feeders and is supported by an engineering analysis
17 filed with the Company's capital budget applications. Based on year end 2006
18 statistics the worst performing feeders continue to have an average annual
19 distribution SAIDI over the past five years of 3 to 5 times the Company average.
20 The policy of the province as set out in the *Electrical Power Control Act, 1994*
21 requires, in effect, that customers should have equitable access to power and
22 should pay the lowest possible cost for electricity that is consistent with reliable
23 service.
- 24
- 25 (b) Many Canadian distribution utilities perform some form of analysis on their worst
26 performing feeders. For example, ATCO Electric and Fortis Alberta monitor
27 feeder reliability and undertake capital refurbishment similar to the Newfoundland
28 Power DRI. The type of analysis and the reliability indicators used vary from
29 utility to utility but many distribution utilities in Canada rely on their own
30 reliability statistics as an indicator of where to focus capital expenditure.
- 31
- 32 (c) There are no projects proposed under the Distribution Reliability Initiative in
33 2007. In 2008 expenditure is proposed as outlined in Table 1.
- 34
35

Table 1**Distribution Reliability Initiative
2008**

Feeder	Cost (\$000s)
BOT-01	820
LEW - 02	260
GLV-02	206
Total	1,286

1 Newfoundland Power expects that the distribution reliability performance of these
2 feeders will be comparable with the Company average following completion of
3 the projects.
4

- 5 (d) The SAIDI for the Company's worst performing feeders based on year end 2006
6 statistics continues to be 3 to 5 times the Company average.
7

8 Graph 6 on page 26 of the Company evidence refers to the *former* worst
9 performing feeders that have been upgraded under the DRI from 1999 to 2005.
10 The graph provides a before and after assessment of the service reliability
11 provided to what are essentially rural customers.
12

13 The DRI is not being abandoned. The DRI continues to play an important role in
14 meeting the Company's obligation as set out in the *Electric Power Control Act,*
15 *1994* to equitably deliver power to customers in the province at the lowest
16 possible cost consistent with reliable service.