

- 1 **Q:** (Liberty December 17, 2014 Report to Board on *Supply Issues and Power*
2 *Outages Review Island Interconnected System* addressing Newfoundland and
3 Labrador Hydro) It is stated (page 4): “*It has generally been the case that*
4 *North American utility customer expectations have risen*”. Please provide
5 support for this statement including research indicating that customers have
6 generally expressed a desire to pay higher rates for higher levels of reliability.
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- 9 **A.** The view that customer expectations have risen is essentially universally accepted.
10 While we have done no research specific to Canada, we have generally found
11 similar opinions among providers and stakeholders we have had occasion to meet
12 with across some ten years or so of experience in Canada. Finding no sense that the
13 widely held U.S. view is not shared, we did not find reason to seek to validate its
14 applicability independently. That said, as our reports indicate in a number of places,
15 we strongly encourage direct efforts by both Hydro and Newfoundland Power to
16 undertake efforts to improve their understanding of customer expectations.