

- 1 **Q. (Application Volume 1, page 3-38) It is stated “Compared to other electric utilities,**  
2 **Newfoundland Power’s service territory is subject to some of the most severe wind and**  
3 **ice conditions for populated regions of Canada.” Yet Figure 2-7 shows that NP’s**  
4 **SAIDI performance is roughly twice as good as the Canadian average under normal**  
5 **operating conditions.**
- 6 a) Are severe wind and ice conditions accounted for in the SAIDI statistics?  
7 b) Are other Canadian utilities working to improve their SAIDI statistics, or  
8 have they determined that current levels of reliability performance are  
9 commensurate with the value their customers place on service?  
10 c) Does this discrepancy suggest that NP is spending far too much money on  
11 reliability improvements?  
12 d) Have NP customers expressed a willingness to pay for SAIDI performance  
13 that is twice the Canadian average? Provide all documentation indicating  
14 that customers are willing to pay for reliability that is apparently much  
15 better than the Canadian average and that justifies “maintaining overall  
16 levels of service reliability for customers” (as stated on page 1-4 of  
17 Application, Volume 1).
- 18
- 19 A. a) No, severe wind and ice conditions are not accounted for in Figure 2-7. Severe  
20 wind and ice conditions would be considered significant events. For  
21 Newfoundland Power’s reliability performance including significant events, see  
22 Figure 2-9 on page 2-22 of *Section 2: Customer Operations*.
- 23
- 24 b) Newfoundland Power does not have sufficient information to comment on the  
25 operating philosophies of other utilities and whether they are working to improve  
26 their SAIDI statistics.
- 27
- 28 c) No, there is no discrepancy that suggests Newfoundland Power is spending far too  
29 much money on reliability improvements. Newfoundland Power has been  
30 focused on *maintaining* current levels of overall service reliability for its  
31 customers for about a decade.<sup>1</sup>
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- 33 d) Newfoundland Power has not surveyed customers to ascertain their expectations  
34 with respect to the Company’s performance relative to its peers. However,  
35 Newfoundland Power conducts surveys each quarter to understand customers’

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<sup>1</sup> In Newfoundland Power’s 2010 General Rate Application, the Company stated it considered then current levels of service reliability to be satisfactory (see Volume 1 (1st Revision), Section 2: Customer Operations, page 2-8, Line 6). Similarly, the Company has characterized its electrical system performance as reliable in its 2013/2014 General Rate Application (see Volume 1, Section 1: Introduction, page 1-3, Line 10), its 2016/2017 General Rate Application (see Volume 1 (1st Revision), Section 1: Introduction, page 1-3, Line 11), its 2019/2020 General Rate Application (see Volume 1, Section 1: Introduction, page 1-3, Line 21), and in its 2022/2023 General Rate Application (see Volume 2, Section 1: Introduction, page 1-3, Line 21).

1 overall satisfaction with its service delivery. Over the last decade, the Company's  
2 customers have indicated an average satisfaction level of approximately 86%.<sup>2</sup>  
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4 In Newfoundland Power's view, this supports the Company's objective of  
5 maintaining current levels of service reliability for its customers.

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<sup>2</sup> See the 2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations, page 2-10, footnote 28.