

1 **Q. (Reference Application) Please provide a summary of all benchmarking**  
 2 **exercises performed by NP relating to costs and performance that have been**  
 3 **incorporated in the 2024 Capital Budget Application. Specifically, please show**  
 4 **how Newfoundland Power spending and performance compare to a peer group**  
 5 **and provide relevant information on each peer included in the group.**  
 6

7 A. With respect to the *2024 Capital Budget Application*, the benchmarking exercises  
 8 performed by Newfoundland Power included both year-over-year comparisons of the  
 9 Company's costs and performance, as well as comparisons to other utilities. The  
 10 benchmarking exercises completed were:

11  
 12 (i) A year-over-year comparison of Newfoundland Power's System Average  
 13 Interruption Duration Index ("SAIDI") and System Average Interruption Frequency  
 14 Index ("SAIFI") over the period 2013 to 2022.<sup>1</sup> The comparison shows that the  
 15 frequency and duration of customer outages has been reasonably stable over the  
 16 last decade. The average duration of customer outages has ranged from  
 17 approximately 2.2 to 3.0 hours of outage annually.<sup>2</sup> The average frequency of  
 18 customer outages has ranged from approximately 1.4 to 2.6 outages annually.<sup>3</sup>  
 19

20 (ii) A year-over-year comparison of Newfoundland Power's SAIDI and SAIFI to the  
 21 Canadian average under normal operating conditions over the period 2013 to  
 22 2022.<sup>4</sup> The comparison shows that Newfoundland Power's reliability performance  
 23 has been reasonable over the last decade in comparison to the Canadian average.  
 24 The average duration of customer outages has been approximately half the  
 25 Canadian average since 2013. The average frequency of customer outages has  
 26 been consistent with the Canadian average over this period.<sup>5</sup>  
 27

28 (iii) A year-over-year comparison of Newfoundland Power's capital expenditures over  
 29 the period 2013 to 2024. The comparison shows that capital expenditures have  
 30 averaged approximately \$103 million when adjusted for inflation.<sup>6</sup> On an inflation-  
 31 adjusted basis, expenditures have ranged from approximately \$106 million in 2018  
 32 to \$142 million in 2014.<sup>7</sup> The 2024 Capital Budget of approximately \$115.3 million  
 33 is within this range.  
 34

35 (iv) A comparison of Newfoundland Power's contribution to revenue requirement and  
 36 customer rates in 2015 and 2024. The comparison shows that the Company's  
 37 contribution to revenue requirement decreased by approximately 13% on an

<sup>1</sup> The analysis of SAIDI and SAIFI related to normal operating conditions and did not include significant events.

<sup>2</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 7.

<sup>3</sup> Ibid.

<sup>4</sup> The Canadian average reflects Region 2 utilities of Electricity Canada. Region 2 utilities include Canadian utilities that serve a mix of urban and rural markets. These are ATCO Electric, BC Hydro, FortisAlberta, FortisBC, Hydro One, Hydro-Quebec, Manitoba Hydro, Maritime Electric, NB Power, Newfoundland and Labrador Hydro, Newfoundland Power, Newmark-Tay Power Distribution, Nova Scotia Power, Northwest Territories Power Corporation, Sask Power, Elexicon Energy, Waterloo North Hydro, ATCO Electric Yukon and Yukon Energy.

<sup>5</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, pages 7 and 8.

<sup>6</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 9.

<sup>7</sup> Ibid.

- 1 inflation-adjusted basis over this period.<sup>8</sup> The Company's contribution to customer  
2 rates decreased by approximately 10% on an inflation-adjusted basis over the  
3 same period.<sup>9</sup>  
4
- 5 (v) A comparison of Newfoundland Power's SAIDI and SAIFI to that of other utilities in  
6 Atlantic Canada over the period 2012 to 2021.<sup>10</sup> Over this period, the Company's  
7 customers have experienced 31% fewer outage hours in comparison to customers  
8 of other Atlantic Canadian utilities.<sup>11</sup> The Company's average outage duration was  
9 among the lowest of any Atlantic Canadian utility over this period.<sup>12</sup>  
10
- 11 (vi) A comparison of changes in Newfoundland Power's investment in transmission and  
12 distribution ("T&D") assets over the period 2012 to 2021.<sup>13</sup> The comparison shows  
13 Newfoundland Power's investment in T&D assets has increased at a rate consistent  
14 with the average of other Atlantic Canadian utilities over the 10-year period ending  
15 in 2021, with investments among other Atlantic Canadian utilities ranging from  
16 34% to 61%.<sup>14</sup>  
17
- 18 (vii) A comparison of customers' level of satisfaction with Newfoundland Power's  
19 general service delivery over the last ten years. The comparison shows that  
20 customer satisfaction with Newfoundland Power's service averaged approximately  
21 86% from 2013 to 2022.<sup>15</sup>

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<sup>8</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 11.

<sup>9</sup> Ibid.

<sup>10</sup> The analysis included the primary distributors of electricity in Atlantic Canada: Nova Scotia Power, New Brunswick Power and Maritime Electric. These utilities are members of Electricity Canada Region 2, meaning they serve a mix of customers living in urban and rural areas. Newfoundland Power is also an Electricity Canada Region 2 utility.

<sup>11</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 13.

<sup>12</sup> Ibid.

<sup>13</sup> The analysis included the primary distributors of electricity in Atlantic Canada, as described in footnote 10.

<sup>14</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 13.

<sup>15</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024-2028 Capital Plan*, page 4, footnote 10.