

- 1 **Q. (Reference Application, 2024 – 2028 Capital Plan, page 1) It is stated “*the***  
 2 ***Company is targeting stability in its reliability performance.” Please provide:***  
 3 **a) Customer complaints relating to reliability over time.**  
 4 **b) Documentation informing customers of the cost of maintaining current**  
 5 **levels of reliability.**  
 6 **c) Customer survey responses identifying: i) the value customers place on**  
 7 **maintaining current levels of reliability, ii) customer willingness to pay**  
 8 **more for increased levels of reliability, iii) customer willingness to accept**  
 9 **lower levels of reliability in exchange for lower rates.**  
 10 **d) Current reliability criteria used by NP that balance the level of reliability**  
 11 **with the cost to provide that level of reliability.**

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 13 **A. a) Newfoundland Power does not track customer complaints relating to reliability.**  
 14  
 15 **b) There is no documentation to provide informing customers of the cost of maintaining**  
 16 **current levels of reliability. See Newfoundland Power’s *2024 Capital Budget***  
 17 ***Application, 2024 Capital Budget Overview, Section 2.3 Balancing Cost and Service***  
 18 **and the responses to Requests for Information CA-NP-010 and CA-NP-016 for**  
 19 **information pertaining to how Newfoundland Power balances costs and reliability in**  
 20 **the service delivered to customers.**

21  
 22 The Company notes that there is no direct correlation between levels of reliability  
 23 and customer rates.<sup>1</sup> The Company observes that the Board has recognized that  
 24 fully justified capital expenditures contribute to the delivery of least-cost service to  
 25 customers. In Order No. P.U. 7 (2002-2003), the Board stated:

26  
 27 *From a regulatory perspective, efficient operations, fully justified capital*  
 28 *expenditures and a low cost capital structure all combine to minimize*  
 29 *revenue requirement, and hence provide least cost electricity to*  
 30 *ratepayers.*

- 31  
 32 **c) Newfoundland Power surveys its customers to determine their overall satisfaction**  
 33 **with its service delivery. Customers have indicated a reasonable level of satisfaction**  
 34 **with the Company’s service delivery over the last decade.<sup>2</sup> Newfoundland Power is**  
 35 **focused on maintaining current levels of overall service reliability for its customers.**

36  
 37 See the response to Request for Information CA-NP-016 for information on how  
 38 customer preferences are considered in Newfoundland Power’s *2024 Capital Budget*  
 39 *Application.*

- 40  
 41 **d) See part b). See also the response to Request for Information PUB-NP-002 for**  
 42 **additional information on Newfoundland Power’s reliability performance and targets**  
 43 **for the 2013 to 2022 period.**

<sup>1</sup> For a discussion on the relationship between the Company’s capital investments, revenue requirements and customer rates, see the *2024 Capital Budget Application, 2024 Capital Budget Overview, Section 2.3.3 Customer Rates.*

<sup>2</sup> Overall customer satisfaction with Newfoundland Power’s service averaged 86% over the last decade.