

1 **Q. (Reference Application, 2024 – 2028 Capital Plan, page 2) It is stated**
 2 **"Newfoundland Power has an obligation to provide customers with equitable**
 3 **access to an adequate supply of power."**

4 **a) How does NP determine if levels of reliability better or worse than the**
 5 **system average are fair and equitable?**

6 **b) Does provincial legislation apply equally to NL Hydro and Newfoundland**
 7 **Power?**

8 **c) Is there a statutory obligation in the province to provide reliability that is**
 9 **equal to or better than the Canadian average?**

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 11 A. a) Newfoundland Power measures system reliability primarily using the System Average
 12 Interruption Duration Index ("SAIDI") and the System Average Interruption
 13 Frequency Index ("SAIFI"). SAIDI and SAIFI represent the average reliability
 14 experienced by customers. As such, there will always be customers that experience
 15 worse than average reliability and customers that experience better than average
 16 reliability.

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 18 To address areas where customers experience particularly poor service reliability,
 19 Newfoundland Power completes an engineering review as part of its *Distribution*
 20 *Reliability Initiative* in order to determine whether capital improvements are
 21 necessary. This involves: (i) calculating reliability performance indices for all
 22 distribution feeders; (ii) analyzing the reliability data for the worst performing
 23 feeders to identify the cause of the poor reliability performance; and (iii) completing
 24 engineering assessments for those feeders where poor reliability performance cannot
 25 be directly attributed to isolated events that have already been addressed.¹

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 27 The standards used by electric utilities in identifying worst performing feeders vary.
 28 Two common methodologies include feeders where the SAIDI exceeds the corporate
 29 average by 300% and feeders where the SAIDI is in the top 10% for two
 30 consecutive years.²

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 32 b) Newfoundland Power provides service to customers in a manner consistent with the
 33 provisions of the *Public Utilities Act* (the "Act") and the *Electrical Power Control Act,*
 34 *1994* (the "EPCA"). The Act and the EPCA apply to both Newfoundland Power and
 35 Newfoundland and Labrador Hydro.

36
 37 c) There is no statutory obligation in the province to provide reliability that is equal to
 38 or better than the Canadian average.

¹ See Newfoundland Power's *2024 Capital Budget Application*, report 1.1 *Distribution Reliability Initiative*, page 1. See also the response to Request for Information CA-NP-054.

² *Ibid.*, page 5, footnote 13. The 2024 *Distribution Reliability Initiative* project included in Newfoundland Power's *2024 Capital Budget Application* proposes to rebuild a section of Western Avalon ("WAV") Substation distribution feeder WAV-01. The reliability performance of this section of distribution feeder meets each of the two standards described above.