

1 **Reference: 2024 Capital Budget Overview**

2  
3 **Q. Page 8. It is stated that the average duration of Newfoundland Power**  
4 **customer outages is half the Canadian average while the frequency of**  
5 **customer outages is consistent with the Canadian average since 2013. On**  
6 **pages 12-13, SAIDI data is provided for Atlantic Canadian utilities which**  
7 **indicates that Newfoundland Power’s service reliability performance has been**  
8 **better than the average for Atlantic Canadian utilities from 2012 to 2021.**  
9 **How does Newfoundland Power consider the reliability performance of**  
10 **Canadian peer utilities in establishing reliability targets and in its capital**  
11 **planning process? Why, in Newfoundland Power’s opinion, has its SAIDI**  
12 **reliability performance exceeded the Canadian average and the Atlantic**  
13 **Canadian utilities average?**

14  
15 A. Newfoundland Power’s reliability targets for System Average Interruption Frequency  
16 Index (“SAIFI”) and System Average Interruption Duration Index (“SAIDI”) are based on  
17 its most recent five-year average, and therefore, do not consider the results of other  
18 Canadian utilities.

19  
20 Reliability results for the Canadian average provide context for the Company’s reliability  
21 performance, as discussed in section *B. Distribution Reliability* in the response to  
22 Request for Information PUB-NP-002. However, due to differences in utility operations,  
23 there is no direct relationship between the reliability results of the Canadian average to  
24 the condition of Newfoundland Power’s electrical system. As such, Canadian average  
25 reliability results are not a direct consideration in Newfoundland Power’s capital planning  
26 process.

27  
28 With respect to the SAIDI performance of the utilities in the Canadian and Atlantic  
29 Canadian comparative groups, Newfoundland Power does not have access to the data or  
30 the requisite knowledge of each utility’s operations to sufficiently analyze why the  
31 Company’s SAIDI performance is currently better than those respective comparative  
32 groups.

33  
34 Newfoundland Power does observe that in the 1990s, both the Company’s SAIFI and  
35 SAIDI results were worse than the Canadian average.<sup>1</sup> In 1998, the Board retained a  
36 consultant to review and report on the quality of service provided by Newfoundland  
37 Power to its customers. The Board’s consultant recommended that the Company seek  
38 to improve its service reliability.<sup>2</sup>

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<sup>1</sup> See *D.G. Brown, P. Eng., Report on Newfoundland Light and Power Co., Limited Re Quality of Service and Reliability of Supply*, page 7.

<sup>2</sup> *Ibid.*, page v.

1 Over the following decade or so, Newfoundland Power improved both its SAIFI and  
 2 SAIDI performance.<sup>3</sup> During the same time period, the Canadian average worsened.<sup>4</sup>  
 3 As such, the Company's SAIDI performance exceeding the averages of its comparative  
 4 groups is partly attributable to the improvement in its own service reliability since the  
 5 late 1990s.

6  
 7 Improvement in Newfoundland Power's reliability performance over the past 20 years  
 8 can be attributed to its design and construction standards, asset management practices,  
 9 including preventative maintenance programs, and operational response.<sup>5</sup> See the  
 10 response to Request for Information PUB-NP-020 for further information on these  
 11 factors, including how they support an effective response to system failure throughout  
 12 Newfoundland Power's service territory.<sup>6</sup>

13  
 14 While the Company's SAIDI performance currently exceeds the Canadian and Atlantic  
 15 Canadian averages, Newfoundland Power observes that:

- 16  
 17 • Its SAIFI performance is consistent with the Canadian average of about two  
 18 customer outages per year under normal operating conditions over the past 15  
 19 years.<sup>7</sup>
- 20  
 21 • The SAIDI performance for the Canadian average has improved in recent years,  
 22 while the Company's has remained relatively flat.<sup>8</sup>
- 23  
 24 • Newfoundland Power's SAIFI and SAIDI performance has been relatively  
 25 consistent over the past 15 years.<sup>9</sup>
- 26  
 27 • There are a number of factors that could impact the level of reliability currently  
 28 being experienced by the Company's customers.<sup>10</sup>
- 29  
 30 • Newfoundland Power's investment in Transmission and Distribution assets has  
 31 increased at a rate consistent with the average of other Atlantic Canadian utilities  
 32 over the 10-year period ending 2021.<sup>11</sup>

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<sup>3</sup> See Table 2 in the response to Request for Information PUB-NP-002.

<sup>4</sup> For example, in 1993 and 1996, respectively the Canadian average SAIDI performance was roughly in the three to four-hour range. See reference in footnote 1. Over the 2003 to 2007 time period, the Canadian average SAIDI performance was roughly in the four to six-hour range as shown in Figure 1 in the response to Request for Information PUB-NP-021.

<sup>5</sup> As an example, national standards require that Newfoundland Power's electrical system be constructed to reflect the harsh weather conditions experienced throughout the Company's service territory. This contributes to Newfoundland Power's reliability performance relative to its Canadian peers.

<sup>6</sup> As an example, advancements in technology, combined with the Company's outage management and emergency response capabilities, tend to improve customer outage response.

<sup>7</sup> See Figure 2 in the response to Request for Information PUB-NP-021, which shows that both Newfoundland Power's and the Canadian average SAIFI performance has been approximately two outages per year since 2007.

<sup>8</sup> See Figure 1 in the response to Request for Information PUB-NP-021, which shows that the Canadian average SAIDI performance has improved from 2017 to 2022.

<sup>9</sup> See both Figures 1 and 2 in the response to Request for Information PUB-NP-021.

<sup>10</sup> For a discussion on these factors, see the response to Request for Information PUB-NP-002.

<sup>11</sup> See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview*, section 2.3.4 *Atlantic Canadian Comparison*.

- 1 For a fulsome discussion on Newfoundland Power's reliability performance, including an
- 2 assessment on current reliability levels, see the response to Request for Information
- 3 PUB-NP-002.