

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 2025 Capital Budget Application. Specifically, please show**
4 **how Newfoundland Power spending and performance compare to a peer**
5 **group and provide relevant information on each peer included in the group.**
6

7 A. With respect to the *2025 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
14 Frequency Index ("SAIFI") over the period 2014 to 2023.¹ The comparison
15 shows that the frequency and duration of customer outages has been reasonably
16 stable over the last decade. The average duration of customer outages has
17 ranged from approximately 2.2 to 3.0 hours of outage annually.² The average
18 frequency of customer outages has ranged from approximately 1.4 to 2.6
19 outages annually.³
20
- 21 (ii) A year-over-year comparison of Newfoundland Power's SAIDI and SAIFI to the
22 Canadian average under normal operating conditions over the period 2014 to
23 2023.⁴ The comparison shows that Newfoundland Power's reliability performance
24 has been reasonable over the last decade in comparison to the Canadian
25 average. The average duration of customer outages has been approximately
26 40% better than the Canadian average. The average frequency of customer
27 outages has been consistent with the Canadian average over this period.⁵
28
- 29 (iii) A year-over-year comparison of Newfoundland Power's capital expenditures over
30 the period 2014 to 2025. The comparison shows that capital expenditures have
31 averaged approximately \$107 million annually from 2014 to 2024, or \$125 million
32 when adjusted for inflation. On an inflation-adjusted basis, annual expenditures
33 have ranged from approximately \$109 million in 2018 to \$146 million in 2014.
34 The 2025 Capital Budget of approximately \$127.9 million is within this range.⁶

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

² See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 6.

³ Ibid.

⁴ 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 include 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, Sask Power, Elexicon Energy, and Blue Mountain Power Corp.

⁵ See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 8.

⁶ See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 9.

- 1 (iv) A comparison of Newfoundland Power's contribution to revenue requirement and
2 customer rates in 2016 and 2025. The comparison shows that the Company's
3 contribution to revenue requirement decreased by approximately 17% on an
4 inflation-adjusted basis over this period.⁷ The Company's contribution to
5 customer rates decreased by approximately 13% on an inflation-adjusted basis
6 over the same period.⁸
7
- 8 (v) A comparison of Newfoundland Power's SAIDI to that of other utilities in Atlantic
9 Canada over the period 2016 to 2022.⁹ The Company's customers have
10 experienced 33% fewer outage hours in comparison to customers of other
11 Atlantic Canadian utilities over this period. The Company's average outage
12 duration was among the lowest of any Atlantic Canadian utility over this period.
13
- 14 (vi) A comparison of changes in Newfoundland Power's investment in transmission
15 and distribution ("T&D") assets over the period 2013 to 2022.¹⁰ The comparison
16 shows Newfoundland Power's investment in T&D assets has increased by 47%
17 compared to 56% for other Atlantic Canadian utilities.¹¹ For the period 2018 to
18 2022, the Company's investment in T&D assets increased by 16% compared to
19 21% for other Atlantic Canadian Provinces.¹²
20
- 21 (vii) A comparison of customers' level of satisfaction with Newfoundland Power's
22 general service delivery over the last ten years. The comparison shows that
23 customer satisfaction with Newfoundland Power's service averaged
24 approximately 86% from 2014 to 2023.¹³

⁷ See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 11.

⁸ See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 12.

⁹ The analysis included Nova Scotia 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. NB Power was excluded from the analysis for this time period as a result of its conversion to IFRS accounting in 2016.

¹⁰ See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 12, Table 3.

¹¹ See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 13. Capital investment amounts outlined in Table 3 do not include NB Power as a result of its conversion to IFRS accounting in 2016. Subsequent to its conversion to IFRS accounting standards in 2016, NB Power's capital investment in T&D assets increased 40% from 2016 to 2022. By comparison, the Company's investment in T&D assets increased by 25% over the same period.

¹² The Atlantic Canadian comparison does not include NB Power. See the response to Request for Information PUB-NP-014.

¹³ See Newfoundland Power's *2025 Capital Budget Application, 2025-2029 Capital Plan*, page 3, footnote 9.