

1 **Q. (Reference Application) How has NP ensured that its 2025 Capital Budget**
 2 **provides an appropriate balance between reliability, environment, rate**
 3 **impacts, and the value customers place on service?**
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5 A. See the response to Request for Information CA-NP-015 for an explanation of
 6 Newfoundland Power's view of the relationship between cost and service reliability.
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8 See the response to Request for Information CA-NP-013 parts d) through f) for
 9 information regarding the Company's approach to delivering electrical service in an
 10 environmentally responsible manner.
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12 See the response to Request for Information CA-NP-027 for additional information on
 13 how Newfoundland Power's *2025 Capital Budget Application* reduces costs to customers.
 14

15 Newfoundland Power provides electrical service in a manner consistent with customers'
 16 expectations. The Company's capital planning process used in developing its *2025*
 17 *Capital Budget Application* is a deliberate effort to balance the cost and reliability of the
 18 service provided to its customers.
 19

20 Quarterly surveys show that the two most important issues to customers are reliability
 21 and price. Approximately 1,800 Newfoundland Power customers are surveyed each
 22 quarter. The results of quarterly surveys indicated a reasonable level of customer
 23 satisfaction with the Company's service delivery. Overall customer satisfaction with
 24 Newfoundland Power's service averaged 86% over the last decade.¹
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26 The Company is focused on maintaining current levels of overall service reliability for its
 27 customers at the lowest possible cost. For example, the frequency and duration of
 28 customer outages in Newfoundland Power's service territory have remained reasonably
 29 stable under normal operating conditions over the last decade.² Similarly, Newfoundland
 30 Power's investment in transmission and distribution assets has increased at a rate lower
 31 than the average of other Atlantic Canadian utilities over the 10-year period ending
 32 2022.³ For more information on how Newfoundland Power balances cost and service,
 33 see the Company's *2025 Capital Budget Application*, *2025 Capital Budget Overview*,
 34 *Section 2.2 Capital Planning at Newfoundland Power and Section 2.3 Balancing Cost and*
 35 *Service*.
 36

37 Newfoundland Power routinely works with its customers in the execution of capital
 38 programs and projects to ensure their service expectations are met. For example, when
 39 a new subdivision is planned, Newfoundland Power works with the developer and
 40 municipality to determine the appropriate distribution plant layout. The plans are
 41 ultimately approved by the municipality. The *LED Street Lighting Replacement* project
 42 included engagement with street lighting customers on the costs and benefits of LED
 43 street lighting and that project ultimately received a letter of support from the largest
 44 municipal organization in the province, Municipalities Newfoundland and Labrador. In

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

2 See Newfoundland Power's *2025 Capital Budget Application*, *Capital Budget Overview*, pages 6-7.

3 See Newfoundland Power's *2025 Capital Budget Application*, *Capital Budget Overview*, page 13.

1 addition, when new customers are connected to the electrical system, Newfoundland
2 Power Technologists routinely meet with customers to ensure their service preferences
3 are understood. This would include, as an example, where to install a service on a
4 customer's premise.

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6 Other capital programs and projects reflect broader customer preferences. For example,
7 the *Outage Management System Upgrade* project for 2025 includes updating existing
8 integrations with other systems such as the customer website, which will keep pace with
9 customer's increasing expectations for digital communication.⁴

⁴ See Newfoundland Power's *2025 Capital Budget Application*, report *6.1 Outage Management System Upgrade*, pages 3 and 6. Over 95,000 customers have subscribed to Newfoundland Power's Outage Alerts to date.