

- 1 **Q. (Reference CA-NP-015a)**  
 2 **The question notes that Mr. Chubbs stated “*the reliability of the electricity***  
 3 ***system is least cost for our customers.” The response states “Mr. Chubbs was***  
 4 ***consistent with the balance of the evidence of that proceeding that, in the***  
 5 ***Company’s view, maintaining current levels of reliability is least cost for***  
 6 ***customers when compared to (i) increasing reliability, or (ii) allowing***  
 7 ***reliability to degrade.”***  
 8 **a) Is this NP’s view, or has NP undertaken an analysis with figures showing**  
 9 **that current levels of reliability are optimum and least cost for consumers**  
 10 **relative to levels that are, for example, 20% better or 20% worse than**  
 11 **current levels of reliability? If so, please file the analysis.**  
 12 **b) Please confirm that NP is targeting current levels of reliability and for**  
 13 **SAIDI, that level of reliability is about 40% better than the Canadian**  
 14 **average.**
- 15  
 16 **A.** a) Newfoundland Power operates its electrical system in a manner that provides least-  
 17 cost, reliable service to customers. This is underpinned by Newfoundland Power’s  
 18 capital planning process which results in the justified capital expenditures included in  
 19 the Company’s annual capital budget applications. The Board has recognized that  
 20 fully justified capital expenditures contribute to the delivery of least-cost service to  
 21 customers.<sup>1</sup> Furthermore, the Consumer Advocate’s expert, Mr. C. Douglas Bowman,  
 22 acknowledged in Newfoundland Powers *2025/2026 General Rate Application* (the  
 23 “2025/2026 GRA”) that a less reliable electricity system can be more costly to  
 24 operate.<sup>2</sup>  
 25  
 26 b) See the response to Request for Information CA-NP-071. To reiterate, the average  
 27 reliability performance of Canadian Region 2 utilities is not used in determining the  
 28 Company’s SAIDI reliability target. Newfoundland Power sets its annual SAIDI  
 29 reliability target based on the Company’s reliability performance over the most  
 30 recent five-year period. For a year-over-year comparison of Newfoundland Power’s  
 31 SAIDI performance to the Canadian average, see the response to Request for  
 32 Information CA-NP-012.<sup>3</sup>

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<sup>1</sup> See Order No. P.U. 7 (2002-2003), page 31.

<sup>2</sup> See the Response to Request for Information NP-CA-038 in relation to the 2025/2026 GRA.

<sup>3</sup> See also Newfoundland Power’s *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 8.