

1 **Section 2: Customer Operations/Reliability**

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3 **Q. Volume 1, Section 2, page 2-18, lines 7-8. With respect to assessing its reliability**
4 **performance please explain:**

- 5 **a) how Newfoundland Power sets its annual reliability performance targets,**
6 **including criterion used;**
7 **b) how Newfoundland Power evaluates its reliability performance and criterion**
8 **used; and**
9 **c) how Newfoundland Power determined that the evaluation criterion for a) and b)**
10 **above are appropriate.**

11
12 A. a) Newfoundland Power is focused on maintaining current levels of overall service
13 reliability for its customers.¹ Newfoundland Power measures its electrical system
14 reliability performance using the System Average Interruption Duration Index
15 (“SAIDI”)² and System Average Interruption Frequency Index (“SAIFI”).³ The
16 Company sets its annual SAIDI and SAIFI reliability performance targets based on
17 performance over the most recent five-year period, excluding loss of supply from
18 Newfoundland and Labrador Hydro and major events.⁴

19
20 b) Newfoundland Power evaluates its reliability performance in several ways.

21
22 The Company evaluates its current reliability performance in relation to its historical
23 performance. Since 2013, both the frequency and duration of customer outages have
24 been reasonably consistent under normal operating conditions.⁵

25
26 The Company also evaluates its reliability performance in relation to the average
27 performance of Region 2 utilities of Electricity Canada.⁶ The most recent evaluation
28 determined that the frequency of outages experienced by Newfoundland Power’s
29 customers has been broadly consistent with the Canadian average since 2013, and the
30 duration of outages has been approximately 40% better than the Canadian average.⁷

31
32 Finally, the Company evaluates its reliability performance in the context of
33 customers’ satisfaction with its service delivery. Customers have indicated a

1 See the 2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations, pages 2-21.

2 SAIDI is a standard metric used to measure the duration of outages experienced by customers. It is calculated by dividing the total number of customer outage hours by the total number of customers served. Newfoundland Power calculates SAIDI in accordance with Electricity Canada guidelines.

3 SAIFI is a standard metric used to measure the number of outages experienced by customers. It is calculated by dividing the total number of customer interruptions by the total number of customers served. Newfoundland Power calculates SAIFI in accordance with Electricity Canada guidelines.

4 Electricity Canada defines major events as outages “outside the control of the utility and are not caused from a general malaise of the system or equipment.” Major events are determined by applying an accepted Institute of Electrical and Electronic Engineers (“IEEE”) methodology to the utility’s daily performance measures.

5 See the 2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations, pages 2-17 to 2-18.

6 Ibid., pages 2-19, footnote 35.

7 Ibid., pages 2-19 to 2-20.

- 1 reasonable level of overall satisfaction with Newfoundland Power’s service delivery
2 over the last decade.⁸
3
- 4 c) Electricity Canada acknowledges that measurements of SAIDI and SAIFI for
5 reliability performance are widely used among utilities in Canada and are often relied
6 upon by regulators to measure distribution system performance.⁹
7
- 8 Newfoundland Power is a member of the Electricity Canada Service Continuity
9 Committee, which provides benchmarks for reliability performance of utilities
10 relative to peers, depending on the service territory and makeup of the utilities.¹⁰
11 Newfoundland Power is included in Electricity Canada’s Group 2 designation, as an
12 urban/rural mixed service territory utility. As stated above, the most recent evaluation
13 determined that the frequency of outages experienced by Newfoundland Power’s
14 customers has been broadly consistent with the Canadian average since 2013, and the
15 duration of outages has been approximately 40% better than the Canadian average.

⁸ Ibid., pages 2-6 to 2-7.

⁹ See Electricity Canada. (n.d.). *Transmission and Distribution Indicators*. Retrieved on February 15, 2024 from: <https://www.electricity.ca/knowledge-centre/the-grid/distribution/transmission-distribution-indicators/>

¹⁰ Defined groups within Electricity Canada differentiate between utilities with urban, rural and/or remote service territories.