

- 1 **Q. (CA-NP-26) It is stated in the footnote “Since 2016, 42% of respondents ranking the**
2 **Company’s overall service level of 6 or lower indicated that price was the reason for**
3 **the low ranking and 25% of respondents indicated that reliability was the reason for**
4 **the low ranking.”**
5
6 **a) Why does NP not pose questions in the customer survey aimed at understanding**
7 **the value that customers place on reliability and willingness to pay?**
8 **b) Do the NP staff who follow up with customers ranking the company at less than**
9 **6 ask the customers what they would be willing to pay for increased reliability**
10 **which might provide a basis for adjustment of the capital and maintenance**
11 **programs accordingly?**
12
13 **A. a) Newfoundland Power understands, through its existing survey practices, that the 2**
14 **most important issues to customers are price and reliability. As a matter of public**
15 **policy, the Company is required to balance both the cost and reliability of the service**
16 **it provides to customers.¹**
17
18 Response to Request for Information PUB-NP-073 shows that, over the period 1997
19 to 2017, Newfoundland Power has reduced both the frequency and duration of
20 customer outages by 39%. Over the same 20-year period, the Company’s
21 contribution to customer rates has decreased by 24% on an inflation-adjusted basis.
22
23 Given Newfoundland Power’s long-term cost management and reliability
24 performance, and customers’ overall satisfaction with the Company’s service
25 delivery, it has not been necessary to survey customers on their willingness to pay for
26 reliable service.²
27
28 b) See part (a) above.

¹ Section 3(b)(iii) of the *Electrical Power Control Act, 1994* requires Newfoundland Power to manage its operations in a manner that results in power being delivered to customers at the lowest possible cost consistent with reliable service.

² In 2017, customers indicated an average satisfaction level of 87%.