

- 1 **Q. (Reference Application, 2025 – 2029 Capital Plan, page 1) It is stated “*the***
 2 ***Company is targeting stability in its reliability performance.*” Please provide:**
 3 **a) The number of annual customer complaints relating to reliability in each of**
 4 **the past 20 years.**
 5 **b) Reliability criteria used by NP that balance the level of reliability with the**
 6 **cost to provide that level of reliability.**
 7 **c) Confirmation that NP has not surveyed its customers about willingness to**
 8 **pay for reliability and the value that customers place on reliability. If not**
 9 **confirmed, please provide supporting documentation.**
 10 **d) Confirmation that NP believes there is no incremental cost associated with**
 11 **maintaining current levels of reliability and documentation supporting this**
 12 **claim.**
 13 **e) Confirmation that there is no savings in targeting a level of reliability that**
 14 **is comparable to the Canadian average.**
 15 **f) Confirmation that if the Board were to reduce the budgets for technology**
 16 **and automation there would be no impact on reliability.**

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 18 **A. a) Newfoundland Power does not track customer complaints related to reliability.**
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 20 **b) See Newfoundland Power’s *2025 Capital Budget Application, 2025 Capital Budget***
 21 ***Overview*, section *2.3 Balancing Cost and Service* and the response to Request for**
 22 **Information CA-NP-015 for information pertaining to how Newfoundland Power**
 23 **balances costs and reliability in the service delivered to customers.**

24
 25 The Company notes that there is no direct correlation between levels of reliability
 26 and customer rates.¹ The Board has recognized that fully justified capital
 27 expenditures contribute to the delivery of least-cost service to customers. In Order
 28 No. P.U. 7 (2002-2003), the Board stated:

29
 30 *From a regulatory perspective, efficient operations, fully justified capital*
 31 *expenditures and a low cost capital structure all combine to minimize*
 32 *revenue requirement, and hence provide least cost electricity to ratepayers.*
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- 34 **c) Newfoundland Power surveys its customers to determine their overall satisfaction**
 35 **with its service delivery. Customers have indicated a reasonable level of satisfaction**
 36 **with the Company’s service delivery over the last decade.² Newfoundland Power is**
 37 **focused on maintaining current levels of overall service reliability for its customers.**
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39 See the response to Request for Information CA-NP-019 for information on how
 40 customer preferences are considered in Newfoundland Power’s *2025 Capital Budget*
 41 *Application*.
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¹ For a discussion on the relationship between the Company’s capital investments, revenue requirements and customer rates, see the *2025 Capital Budget Application, 2025 Capital Budget Overview*, section *2.3.3 Customer Rates*.

² Overall customer satisfaction with Newfoundland Power’s service averaged 86% from 2014 to 2023.

- 1 d) Newfoundland Power is focused on maintaining current levels of reliability for
2 customers. As stated, capital expenditures are required to maintain the condition of
3 the electrical system. In Newfoundland Power's view, there are no *incremental* costs
4 to customers to continue receiving current levels of reliability. As stated in the
5 response to request for Information CA-NP-015, in the Company's view, maintaining
6 current levels of service reliability is least cost for customers when compared to (i)
7 degrading reliability, or (ii) increasing reliability. As such, customers would incur
8 *incremental* costs if Newfoundland Power were to seek to improve or degrade
9 system reliability.
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- 11 e) See the response to Request for Information CA-NP-015.
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- 13 f) See part a) of the response to Request for Information CA-NP-013.