

1 **Q. (Reference CA-NP-075a) The question asks, “Has NP modified its customer**  
2 **survey to gain an understanding of customer willingness to pay for reliability**  
3 **improvements (balancing cost and reliability) as required in the development**  
4 **of the Strategic Plan directed by the Board in P.U. 3(2025), or does NP intend**  
5 **to use the results of Hydro’s Digital Engagement Process?” How does NP**  
6 **intend to gain an understanding of customer willingness to pay in its**  
7 **Strategic Plan?**

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9 **A.** Newfoundland Power’s approach to balancing cost and reliability, and the Board’s  
10 regulation thereof, is based on the legislative requirements for the Company to manage  
11 its operations in a manner that results in power being delivered to customers at the  
12 lowest possible cost, in an environmentally responsible manner, consistent with reliable  
13 service.<sup>1</sup>

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15 This Request for Information (“RFI”) implies that surveys of “customer willingness-to-  
16 pay” for reliability improvements should be undertaken for the purpose of balancing cost  
17 and reliability.

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19 For the reasons set out in the response to part A of RFI CA-NP-075, Newfoundland  
20 Power is not modifying its customer surveys to collect data on “customer willingness to  
21 pay” for reliability improvements and similarly does not intend to use the results of  
22 Hydro’s Digital Engagement Process in this regard.

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24 In addition, Newfoundland Power’s approach is to maintain current target levels of  
25 reliability, not to improve or reduce them.<sup>2</sup> In section 8.1 of Order No. P.U. 3 (2025),  
26 the Board summarized its past reviews of Newfoundland Power’s reliability metrics and  
27 determined that the Company’s approach to maintaining current levels of reliability is  
28 reasonable in the circumstances. In reaching its conclusion, the Board was satisfied from  
29 the evidence before it that targeting a reduction in reliability would not reduce costs and  
30 may increase costs.<sup>3</sup>

31  
32 The premise of the Request for Information that it is necessary to carry out surveys of  
33 customer willingness to pay in concert with the strategic plan mandated by the Board in  
34 P.U. 3 (2025) is not supported by the terms of the Board’s Order, nor by the statutory  
35 imperatives of reliability and least cost as set out in the EPCA.

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<sup>1</sup> Section 3(b)(iii) of the *Electrical Power Control Act, 1994* (the “EPCA”).

<sup>2</sup> See Newfoundland Power’s *2026 Capital Budget Application, 2026 Capital Budget Overview*, section 2.3 *Balancing Cost and Service*.

<sup>3</sup> See Order No. P.U. 3 (2025), page 67, lines 20-38.