

1 **Q. What actions is NP taking to alleviate the impact of electricity prices on the**
2 **economy during this very difficult time?**
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4 A. Section 3(b)(iii) of the *Electrical Power Control Act, 1994*, requires Newfoundland
5 Power to manage its operations in a manner that results in power being delivered to
6 customers at the lowest possible cost consistent with reliable service. Over the last 20
7 years, the Company has achieved sustained improvements in operating efficiency, while
8 at the same time improving reliability.¹
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10 Newfoundland Power's efforts to manage its costs are ongoing. Throughout the 2015 to
11 2020 period, operating costs are forecast to increase at a rate that is less than inflation.²
12 These costs are reflected in the customer rates proposed in the Application. The
13 Company has undertaken a number of initiatives to achieve these cost efficiencies. These
14 include automated meter reading, paperless billing, online customer self-service options,
15 electrical system automation, a new outage management system, and more efficient LED
16 street lights.³
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18 In addition to managing its own costs, Newfoundland Power helps customers manage
19 their electricity costs through customer conservation programming. The Company is
20 currently at the midway point of implementing its *Five-Year Conservation Plan: 2016-*
21 *2020*. The plan includes: (i) instant rebates on certain energy efficient products;
22 (ii) on-bill rebates for insulation, thermostats, and heat recovery ventilators; (iii) rebates
23 to businesses through the Business Efficiency Program; (iv) financing for home energy
24 savings upgrades; and (v) educational initiatives to inform customers of how to reduce
25 their electricity use.

¹ See the response to Request for Information PUB-NP-003 for details of the Company's operating cost efficiency and reliability performance over the past 20 years.

² See Table 1 of the response to Request for Information PUB-NP-023 for a comparison of the Company's forecast costs compared to inflation.

³ See the response to Request for Information PUB-NP-002 for a description of these initiatives.