

1 **Q. Have the results of the Digital Engagement Initiative conducted by Hydro showing**
 2 **that customers are generally satisfied with current levels of reliability and are not**
 3 **willing to pay higher rates for increased reliability influenced Newfoundland**
 4 **Power's Distribution Reliability Initiative? If not, why not?**

5
 6 A. No, the results of the Digital Engagement Initiative conducted by Hydro have not
 7 influenced Newfoundland Power's *Distribution Reliability Initiative*.

8
 9 The *Distribution Reliability Initiative* is a capital project focusing on the reconstruction of
 10 the Company's worst-performing distribution feeders. Capital investment in these
 11 feeders is targeted to improve the reliability of service experienced by customers in
 12 specific areas where it is significantly below the Company average.

13
 14 Table 1 provides Distribution Interruption Statistics for the three distribution feeders
 15 included in the *2020 Distribution Reliability Initiative* compared to the Company
 16 average.¹

Table 1
Distribution Interruption Statistics
5-Year Average to December 31, 2018

Feeder	Customers	SAIFI	SAIDI	CHIKM	CIKM
DUN-01	1,049	4.90	9.54	62	32
GBY-03	762	3.35	6.94	49	24
GDL-04	1,472	1.27	2.23	222	127
Company Average	-	1.37	1.82	55	45

17 All distribution feeders included in the *2020 Distribution Reliability Initiative* perform
 18 significantly worse than the Company average across one or more statistics.²

19
 20 While broad-based surveys provide general indications of customers' views *overall*, they
 21 do not indicate the views of customers in *specific* areas, including areas where service
 22 reliability is particularly poor.

23
 24 Newfoundland Power's own surveys indicate price *and* reliability are the two most
 25 important service issues for customers. This suggests customers' expectations are
 26 aligned with the requirement for least-cost, reliable service as set out in the provincial
 27 power policy.³

¹ Table 1 can also be found in Newfoundland Power's *2020 Capital Budget Application*, report 4.1 *Distribution Reliability Initiative*, page 2.

² The Distribution Interruption Statistics for the three distribution feeders included in the *2020 Distribution Reliability Initiative* project range from three to five times worse than the Company average.

³ See Section 3(b)(iii) of the *Electrical Power Control Act, 1994*.

- 1 In Newfoundland Power's view, targeting capital expenditures in areas where service
- 2 reliability is the worst is consistent with both customers' service expectations and the
- 3 provincial power policy.