

1 **Reference: Section 2: Customer Operations**
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3 **Q. Volume 1, pages 2-17 to 2-22. Explain how Newfoundland Power sets annual system**
4 **reliability performance targets and how performance is measured. In the response**
5 **explain how reliability performance in relation to Canadian peers is considered in**
6 **setting and evaluating reliability performance measures.**
7

8 A. Newfoundland Power measures and sets targets for its electrical system reliability
9 performance using the System Average Interruption Duration Index (“SAIDI”)¹ and
10 System Average Interruption Frequency Index (“SAIFI”).²
11

12 The target set for each year reflects the Company’s SAIDI and SAIFI performance over
13 the most recent 5-year period. This approach reflects Newfoundland Power’s objective
14 of maintaining current levels of overall service reliability for its customers.³ The
15 Company’s targets, as well as progress towards achieving these targets, are reported to
16 the Board on a quarterly basis.
17

18 Newfoundland Power’s reliability performance in relation to its Canadian peers is not
19 currently considered in setting reliability performance targets.
20

21 The Company evaluates its reliability performance in relation to the average performance
22 of Region 2 utilities of the Canadian Electricity Association.⁴ The most recent evaluation
23 determined that the duration of outages experienced by Newfoundland Power’s
24 customers has been approximately ½ the Canadian average since 2010, and the frequency
25 of outages has been broadly consistent with the Canadian average.⁵
26

27 The Company also evaluates its reliability performance in the context of customers’
28 satisfaction with its service delivery. Customers have indicated a reasonable level of
29 overall satisfaction with Newfoundland Power’s service delivery over the last decade.⁶
30

31 In the Company’s view, this evaluation suggests the Company’s objective of maintaining
32 current levels of overall service reliability for customers is reasonable and consistent with
33 customers’ service expectations.

¹ SAIDI is a standard metric used to measure the duration of outages experienced by customers. It is calculated by dividing the total number of customer outage hours by the total number of customers served. Newfoundland Power calculates SAIDI in accordance with Canadian Electricity Association (“CEA”) guidelines.

² SAIFI is a standard metric used to measure the number of outages experienced by customers. It is calculated by dividing the total number of customer interruptions by the total number of customers served. Newfoundland Power calculates SAIFI in accordance with CEA guidelines.

³ See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations*, pages 2-23.

⁴ *Ibid.*, pages 2-20, footnote 49.

⁵ *Ibid.*, pages 2-20 to 2-21.

⁶ *Ibid.*, pages 2-10 to 2-11.