

1 **Q. (Reference Application Volume 2, Distribution Reliability Initiative, page 1) Please**
2 **confirm that there will always be worst performing feeders relative to the system**
3 **average. Is it NP's goal to spend capital until all feeders receive the same level of**
4 **reliability? Have customers, the Consumer Advocate or the Board indicated that all**
5 **customers should receive the same level of service reliability? If so, please provide**
6 **the documentation.**

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8 A. Yes, it is confirmed that there will always be worst-performing feeders relative to the
9 system average. However, the analysis of worst-performing feeders will not always
10 result in the need for a capital project.¹

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12 No, Newfoundland Power does not spend capital with the goal of having all feeders
13 receive the same level of reliability.² The decision to include a *Distribution Reliability*
14 *Initiative* project in annual capital budget applications is based upon actual distribution
15 reliability performance and whether targeted capital investment is warranted to improve
16 service reliability to customers in a specific area. For example, in the 2012 through 2014
17 capital budget applications there were no *Distribution Reliability Initiative* projects
18 included. The only project proposed under the *Distribution Reliability Initiative* for 2021
19 is the continuation of a multi-year project previously approved as part of Newfoundland
20 Power's *2019 Capital Budget Application*. No new expenditures are proposed for 2021
21 under the *Distribution Reliability Initiative* project.³

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23 No, neither customers, the Consumer Advocate or the Board have indicated that all
24 customers should receive the same level of reliability. However, the provincial power
25 policy effectively requires that *all* customers receive reliable service at least cost.⁴ The
26 *Distribution Reliability Initiative* project is consistent with this statutory obligation.

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28 See the response to Request for Information CA-NP-118 for additional information on
29 the *Distribution Reliability Initiative* project.

¹ For example, the reliability analysis considers the cause of customer outages. In cases where customer outages are attributable to environmental factors or one-time events, no capital project would be required. Additionally, where customer outages are attributable to system condition, engineering reviews are completed to determine whether capital projects are necessary. For a detailed listing of worst-performing feeders where no capital projects are required, see the *2021 Capital Budget Application, Volume 2, report 4.1 Distribution Reliability Initiative*, Appendix B.

² For a description of Newfoundland Power's expectation for differing reliability metrics across its service territory, see the response to Request for Information CA-NP-001 of the investigation into Supply Issues and Power Outages on the Island Interconnected System.

³ See the *2021 Capital Budget Application, Volume 2, report 4.1 Distribution Reliability Initiative*, page 3.

⁴ See Section 3(b)(iii) of the *Electrical Power Control Act, 1994*.