

1 **Q. (Reference Application, 2023 Capital Budget Overview, page 8) It is stated**  
 2 **"Newfoundland Power is focused on maintaining current levels of overall**  
 3 **service reliability for its customers under normal operating conditions. The**  
 4 **Company's annual targets for service reliability are based on the most recent**  
 5 **five-year average." Does Hydro have information on customer trade-offs**  
 6 **between cost and reliability, and does the information include NP customers?**  
 7 **If so, was it incorporated in NP's 2023 Capital Budget process? If not, why not?**  
 8

9 A. Yes, Newfoundland and Labrador Hydro ("Hydro") has information on customer trade-  
 10 offs between cost and reliability through their digital engagement process in 2018 as  
 11 part of its *Reliability and Resource Adequacy Study*.<sup>1</sup> The information was collected  
 12 from a group that included Newfoundland Power customers.<sup>2</sup>  
 13

14 The results presented by Hydro are consistent with Newfoundland Power's quarterly  
 15 customer survey results. Hydro's results showed that 82% of customers believe they  
 16 receive highly reliable electricity.<sup>3</sup> Results from Newfoundland Power's quarterly  
 17 customer satisfaction survey indicates that customer satisfaction with Newfoundland  
 18 Power's service delivery averaged 86% from 2012 to 2021.  
 19

20 Newfoundland Power provides electrical service in a manner consistent with customers'  
 21 expectations, or preferences. Approximately 1,800 Newfoundland Power customers are  
 22 surveyed each quarter. The results of these surveys consistently indicate the two most  
 23 important issues to customers are reliability and price.<sup>4</sup>  
 24

25 Newfoundland Power's capital planning process is a deliberate effort to balance the cost  
 26 and reliability of the service provided to customers.<sup>5</sup> The frequency and duration of  
 27 customer outages has been reasonably stable over the last decade under normal  
 28 operating conditions.<sup>6</sup> The Company's contribution to customer rates decreased by 1%  
 29 on an inflation-adjusted basis over a 10-year period.<sup>7</sup>

1 See the response to Request for Information CA-NLH-031 from Hydro's *2022 Capital Budget Application*.

2 Approximately 87% of customers surveyed as part of the digital engagement process were Newfoundland Power customers.

3 See the response to Request for Information CA-NLH-031, Attachment 2, from Hydro's *2022 Capital Budget Application*.

4 See the response to Request for Information CA-NP-016 for further information.

5 See the *2023 Capital Budget Application, 2023 Capital Budget Overview*, for additional details on Newfoundland Power's capital planning process.

6 Ibid., page 6.

7 Ibid., page 11.