

1 **Q. Reference: Pre-Filed Evidence of C. Douglas Bowman, April 17, 2024, page 47, lines**
2 **20-21.**

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4 *“Apparently, there is a controllable cost associated with SAIDI performance.”*

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6 **In Mr. Bowman’s opinion, could there be incremental capital and operating cost**
7 **increases associated with a decline in the overall reliability of the distribution**
8 **system?**

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10 **A.** A utility is required to maintain its asset base. If it fails to do so, there will be increased
11 risk of injury to the public and utility staff, increased risk of environmental degradation,
12 increased operating and maintenance costs, and a decline in reliability performance.
13 Depending on the situation, the cost to replace or refurbish an asset might be exceeded by
14 the increase in operating and maintenance cost if the asset is not replaced or refurbished.
15 However, as stated by NL Hydro (CA-NLH-014b) *“... it is generally understood that*
16 *reliability is correlated with the cost to provide service.”* In Mr. Bowman’s opinion,
17 Newfoundland Power would find a way to provide reliability consistent with Canadian
18 averages while safely reducing capital and operating costs if directed to do so by the
19 Board.