

1 **Q. Reference: Pre-Filed Evidence of C. Douglas Bowman, April 17, 2024, page 49, lines**
2 **7-16.**

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4 **Please provide the utilities Mr. Bowman is aware of that ask the questions provided**
5 **by Mr. Bowman, including what they provide for “X”, “Y”, and “Z”.**

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7 **A.** Mr. Bowman does not know which utilities might be asking the question provided. He
8 presents two sample questions that might be included in a customer survey as part of an
9 effort to determine the value customers place on service reliability. Mr. Bowman explains
10 his position on reliability in Section 6.2 of his Pre-filed Evidence. It includes excerpts
11 from his pre-filed evidence submitted on August 6, 2007 at Newfoundland Power’s 2008
12 GRA. The excerpts from the referenced NEB report, and the survey documented in The
13 McKinsey Quarterly, are clear that utilities have tended to inflate the value customers
14 place on service reliability. Yet, 17 years later, Newfoundland Power still makes no
15 attempt to quantify the value customers place on service reliability. A utility should be
16 required to provide service commensurate with the value customers place on service.
17 Newfoundland Power cannot claim that it is doing so in the absence of information on the
18 value its customers place on service reliability.

19
20 The first sample question relates to customer willingness to pay higher electricity bills in
21 exchange for improved reliability. The “X” and “Y” values should reflect actual
22 experience on Newfoundland Power’s system, so in that sense, figures used by other
23 utilities would not be relevant. In the first sample question, the “X” figure should be
24 representative of Newfoundland Power’s cost, and the impact on customer bills, of
25 improving SAIFI from the current level of 2 interruptions per year to, for example, 1.5
26 interruptions per year (the “Y” value). This could be based on Newfoundland Power’s
27 past experience.

28
29 The second sample question relates to customer willingness to accept reduced levels of
30 reliability in exchange for reduced electricity bills. The “X” value represents
31 Newfoundland Power’s cost savings, and the impact on customer bills, owing to reduced
32 SAIFI levels, from the current level of 2 interruptions per year to, for example, 2.5
33 interruptions per year (the “Z” value). This could also be based on Newfoundland Power’s
34 past experience. The “X” value in the sample questions might be the same number.

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36 Again, these two questions are presented as samples of questions that might be included
37 in Newfoundland Power’s customer surveys. Mr. Bowman is in no way claiming that this
38 is an exhaustive list, and encourages Newfoundland Power to explore all options.