

1 **Section 2: Customer Operations/Reliability**

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3 **Q. Volume 1, Section 2, page 2-20. Newfoundland Power SAIDI has been below the**  
4 **Atlantic average since at least 2013. Are there areas of capital/operational spending**  
5 **that can be reduced to limit rate increases while still ensuring SAIDI for**  
6 **Newfoundland Power is comparable with the Atlantic average?**

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8 A. The service reliability experienced by customers reflects both the condition of the  
9 electrical system and the Company's operational responsiveness. In Newfoundland  
10 Power's view, SAIFI performance is most reflective of the condition of the electrical  
11 system. Newfoundland Power observes that, while the Company's SAIDI performance  
12 currently exceeds the Canadian and Atlantic Canadian averages, its SAIFI performance  
13 has been consistent with the Canadian average under normal operating conditions.<sup>1</sup>

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15 Newfoundland Power is focused on maintaining current levels of reliability for its  
16 customers in a least-cost manner. The frequency and duration of customer outages has  
17 been reasonably stable over the last decade under normal operating conditions. In  
18 Newfoundland Power's view, this indicates that its approach to capital planning has been  
19 effective in maintaining the condition of its electrical system.

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21 Maintaining current levels of reliability requires routine expenditures to both maintain the  
22 condition of the electrical system and to support the Company's operational response.  
23 Capital planning priorities such as condition assessments, long-term asset management  
24 strategies and preventative and corrective maintenance programs maintained over time  
25 are essential to managing the number of power outages customers experience on an  
26 annual basis.

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28 In Newfoundland Power's view, a reliable power system can also be a more efficient  
29 power system to operate. Unplanned outage events require a costlier response, and result  
30 in higher overall cost to customers. The Company's capital planning processes and  
31 operational response is a deliberate effort to balance the cost and reliability of service  
32 provided to customers.<sup>2</sup>

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<sup>1</sup> The average number of outages experienced by Newfoundland Power customers has been about two customer outages per year over the past 10 years. This is broadly consistent with the Canadian average under normal operating conditions. See the *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations*, page 2-19.

<sup>2</sup> For further information see Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview, Section 2.3 Balancing Cost and Service*. See also the response to Request for Information PUB-NP-039.