

1 **Section 2: Customer Operations/Capital Expenditures**
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3 **Q. Volume 1, Section 2, pages 2-36 to 2-38. Please provide a table that shows**
4 **Newfoundland Power’s investment in transmission and distribution assets, on a**
5 **total dollars basis and on a per customer basis, in comparison with the average of**
6 **other Atlantic Canadian utilities over the ten-year period 2013 to 2022. If other**
7 **benchmark data is available, please also provide it.**
8

9 A. Table 1 provides Newfoundland Power’s investment in transmission and distribution
10 assets, on a total dollar basis and on a per customer basis, in comparison with the average
11 of other Atlantic Canadian utilities over the ten-year period 2013 to 2022.

**Table 1:
Atlantic Canadian Comparison
Transmission and Distribution Capital Investment**

Utility	Capital Investment (<u>\$Millions</u>) ¹		Customers (<u>000s</u>)		Capital Investment per Customer (<u>\$</u>)	
	2013	2022	2013	2022	2013	2022
Newfoundland Power	1,077	1,580	256	274	4,212	5,772
Atlantic Canadian Utilities ²	1,198	1,871	289	314	4,535	6,483

12 Newfoundland Power’s capital investment increased by 47% over the 2013 to 2022
13 period.³ The average growth rate experienced by the remaining two utilities in the
14 Atlantic Canadian comparison was 56%.⁴ On a per customer basis, the Company’s
15 investment was 7% lower than the average of the two remaining utilities in 2013, and
16 11% lower in 2022.⁵ NB Power changed its accounting standards in 2016. Subsequent to
17 that change, Newfoundland Power observes that NB Power’s property, plant and
18 equipment relating to Transmission and Distribution (“T&D”) assets increased by
19 approximately 40% from 2016 to 2022.⁶ By comparison, Newfoundland Power’s T&D
20 assets increased by approximately 25% over the same period.
21

22 Additionally, exercises performed by Newfoundland Power in completing its annual
23 capital planning include both analyses of the Company’s costs and performance, as well

¹ Reflects the reported gross value of property, plant, and equipment in transmission and distribution assets.

² Includes Nova Scotia Power and Maritime Electric.

³ $(1,580 / 1,077) - 1 \times 100\% = 47\%$.

⁴ $(1,871 / 1,198) - 1 \times 100\% = 56\%$.

⁵ For 2013, $(\$4,212 / \$4,535) - 1 \times 100\% = -7\%$. For 2022 $(\$5,772 / \$6,483) - 1 \times 100\% = -11\%$.

⁶ This comparison was based on the utility’s financial statements that were all completed using International Financial Reporting Standards.

1 as comparisons to other utilities. The exercises completed for the most recent capital
2 budget application included:

- 3
- 4 (i) A year-over-year analysis of Newfoundland Power’s System Average Interruption
5 Duration Index (“SAIDI”) and System Average Interruption Frequency Index
6 (“SAIFI”) over the period 2013 to 2022.⁷ The frequency and duration of customer
7 outages has been reasonably stable over the last decade. The average duration of
8 customer outages has ranged from approximately 2.2 to 3.0 hours of outage
9 annually.⁸ The average frequency of customer outages has ranged from
10 approximately 1.4 to 2.6 outages annually.⁹
- 11
- 12 (ii) A year-over-year comparison of Newfoundland Power’s SAIDI and SAIFI to the
13 Canadian average under normal operating conditions over the period 2013 to
14 2022.¹⁰ The comparison shows that Newfoundland Power’s reliability
15 performance has been reasonable over the last decade in comparison to the
16 Canadian average. The average duration of customer outages has been 40% better
17 than the Canadian average since 2013.¹¹ The average frequency of customer
18 outages has been broadly consistent with the Canadian average over this period.¹²
- 19
- 20 (iii) A comparison of Newfoundland Power’s SAIDI and SAIFI to that of other
21 utilities in Atlantic Canada over the period 2012 to 2021.¹³ Over this period, the
22 Company’s customers have experienced 31% fewer outage hours in comparison
23 to customers of other Atlantic Canadian utilities.¹⁴ The Company’s average
24 outage duration was among the lowest of any Atlantic Canadian utility over this
25 period.¹⁵
- 26
- 27 (iv) Tracking customers’ level of satisfaction with Newfoundland Power’s general
28 service delivery over the last ten years. The analysis shows that customer
29 satisfaction with Newfoundland Power’s service averaged approximately 86%
30 from 2013 to 2022.¹⁶

⁷ The analysis of SAIDI and SAIFI related to normal operating conditions and did not include major events.

⁸ See Newfoundland Power’s *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 7.

⁹ Ibid.

¹⁰ The Canadian average reflects Region 2 utilities of Electricity Canada. Region 2 utilities include Canadian utilities that serve a mix of urban and rural markets.

¹¹ See the *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2 Customer Operations*, page 2-20.

¹² Ibid, page 2-19.

¹³ The analysis included the primary distributors of electricity in Atlantic Canada: Nova Scotia Power, New Brunswick Power and Maritime Electric. These utilities are members of Electricity Canada Region 2, meaning they serve a mix of customers living in urban and rural areas. Newfoundland Power is also an Electricity Canada Region 2 utility.

¹⁴ See Newfoundland Power’s *2024 Capital Budget Application, 2024 Capital Budget Overview*, page 13.

¹⁵ Ibid.

¹⁶ See Newfoundland Power’s *2024 Capital Budget Application, 2024-2028 Capital Plan*, page 4, footnote 10.