Q. Reference: "2027 Capital Budget Application," Newfoundland Power Inc., May 29, 2026, 2027 Capital Budget Overview, pp. 6-8; Supporting Materials, Distribution: 1.1, Distribution Reliability Initiative; and response to Request for Information CA-NP-028, pp. 1-3.

Newfoundland Power states that its 2016–2025 normal-operations SAIDI averaged approximately 2.6 hours per year compared with an Electricity Canada Region 2 average of approximately 4.2 hours per year, while its Distribution Reliability Initiative targets feeders whose reliability is worse than Newfoundland Power's corporate average.

a) Please identify each capital project proposed by Newfoundland Power during the period 2017–2026 for which reliability performance was cited as a material justification and, at the time the project was proposed: (i) the applicable SAIDI and/or SAIFI exceeded Newfoundland Power's corporate average; but (ii) the applicable SAIDI and/or SAIFI was equal to or better than the corresponding Electricity Canada Region 2 average. For each such project, please provide the project name, year proposed, applicable reliability metrics, Newfoundland Power corporate averages, Electricity Canada Region 2 averages, and approved capital expenditure.

b) If Newfoundland Power considers feeder-level and Electricity Canada Region 2 reliability metrics not directly comparable for this purpose, please explain the reasons and identify what external benchmark, if any, Newfoundland Power considers appropriate for assessing whether reliability on an individual feeder is objectively poor.

A. a) Capital projects for which improving reliability performance is the primary justification have historically been proposed under Newfoundland Power's *Distribution Reliability Initiative* ("DRI") project. While Newfoundland Power proposes other distribution-specific projects and programs that may result in reliability improvements, such as distribution feeder refurbishment projects, those projects are proposed solely based on asset condition.[1] Newfoundland Power's DRI project exclusively targets the Company's worst performing feeders based on reliability metrics calculated in accordance with Electricity Canada, such as SAIDI, SAIFI, Customer Hours of Interruption per Kilometre ("CHIKM"), and Customers Interrupted per Kilometre ("CIKM").[2]

[1] See, for example, the *2027 Capital Budget Application*, *Schedule B*, pages 19 to 26.

[2] CHIKM is calculated by dividing the number of customer-outage-hours by the kilometres of line. CIKM is calculated by dividing the number of customers that have experienced an outage by the kilometres of line. Newfoundland Power began using CHIKM and CIKM in its analysis of worst performing feeders in 2015. When using indices that consider customer interruptions and circuit length, the worst performing feeders have generally been found in urban settings where the Company has older poles and associated infrastructure.

For the 2017-2026 period, Newfoundland Power targeted 11 feeders as part of its DRI projects. Of these 11 feeders, five meet criteria (i) and (ii) outlined in the Request for Information. An overview of these projects, along with the requested comparative metrics are provided in Table 1.

Table 1
Distribution Reliability Initiative Projects Involving Feeders with SAIDI and SAIFI Metrics Better than Electricity Canada Region 2[3]
(2017-2026)

Feeder Name	CBA Year Proposed	Feeder 5-yr. Avg. SAIDI | SAIFI	NP 5-yr. Avg. SAIDI | SAIFI	EC Reg. 2 5-yr Avg. SAIDI | SAIFI	Approved Expenditure ($000s)
KEN-03[4]	2018	2.69 | 1.69	1.71 | 1.43	4.26 | 1.90	358
SJM-06[5]	2019	1.70 | 1.89	1.71 | 1.35	4.17 | 1.89	600
GDL-04[6]	2020	2.23 | 1.27	1.82 | 1.37	3.95 | 1.91	550
BCV-04[7]	2022	4.23 | 1.85	1.82 | 1.33	4.27 | 2.00	350
WAV-01[8]	2024	3.35 | 1.85	1.87 | 1.40	4.39 | 1.93	900

While the five feeders listed in Table 1 had SAIDI and/or SAIFI values equal to or better than the corresponding Electricity Canada Region 2 averages, they were proposed on the basis of other established reliability concerns, supported by detailed engineering inspections.

[3] The five-year averages provided reflect the data available when each capital budget application ("CBA") was filed. For example, the 2022 CBA was filed in 2021 and therefore includes five-year average data through December 31, 2020. For multi-year projects, the reported reliability values are those provided in the first year of the applicable CBA. Moreover, the referenced *2027 Capital Budget Overview*, pp. 6-8, provides 10-year averages for both Newfoundland Power and Electricity Canada Region 2. DRI projects are based on five-year averages. Accordingly, all Newfoundland Power and Electricity Canada Region 2 averages in have been adjusted to show five-year averages to facilitate appropriate comparisons.

[4] See the *2018 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.

[5] See the *2019 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.

[6] See the *2020 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.

[7] See the *2022 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.

[8] See the *2024 Capital Budget Application*, report *1.1 Distribution Reliability Initiative*.

Specifically, distribution feeders KEN-03, SJM-06, and GDL-04 were targeted primarily due to abnormally high CHIKM and/or CIKM measures. For these three projects, the CHIKM and CIKM performance was worse than both the Company five-year average and Electricity Canada Region 2 five-year average, as shown in Table 2.[9]

Table 2
CHIKM and CIKM of Feeders
KEN-03, SKM-06 and GDL-04
Targeted Under DRI[10]

Feeder Name	Feeder 5-yr. Avg. CHIKM | CIKM	NP 5-yr. Avg. CHIKM | CIKM	EC Reg. 2 5-yr Avg. CHIKM | CIKM
KEN-03[11]	241 | 151	56 | 49	44 | 19
SJM-06[12]	392 | 437	44 | 34	46 | 20
GDL-04[13]	222 | 127	55 | 45	46 | 22

[9] The data used to calculate the CHIKM and CIKM indices contained in the DRI filings is filtered to include only unplanned distribution outages. Data from Electricity Canada on Region 2 Utilities cannot be filtered in the same method, therefore a direct comparison cannot be made.
[10] See footnote 6.
[11] See the *2018 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.
[12] See the *2019 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.
[13] See the *2020 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.

Distribution feeders BCV-04 and WAV-01 were targeted for specific feeder sections experiencing poor reliability performance. For these two projects, while the SAIDI and SAIFI performance on the entire feeder was better than the Electricity Canada Region 2 five-year average, the performance on the targeted sections of feeder was worse than the five-year average, as shown in Table 3.[14]

Table 3
SAIDI and SAIFI of
Specific Sections of BCV-04 and WAV-01
Targeted under DRI[15]

Feeder Name	Targeted Section 5-yr. Avg. SAIDI | SAIFI	NP 5-yr. Avg. SAIDI | SAIFI	EC Reg. 2 5-yr Avg. SAIDI | SAIFI
BCV-04[16]	16.47 | 5.44	1.82 | 1.33	4.27 | 2.00
WAV-01[17]	8.77 | 3.98	1.87 | 1.40	4.39 | 1.93

b) Newfoundland Power's feeder-level reliability statistics are not directly comparable to Electricity Canada's Region 2 statistics due to differences in how the data has been recorded.[18] The Company does not consider the feeder-level reliability of its distribution feeders relative to that of Electricity Canada Region 2 utilities or other external benchmarks as part of its DRI project.

Newfoundland Power's overall process for assessing whether reliability on an individual feeder is objectively poor considers: (i) analysis of reliability data through OMS tools, (ii) comparisons to the Company average; (iii) detailed engineering inspections and asset condition data; and (iv) reportable extended outage events that may require reporting to the Board.[19]

[14] In 2019, Newfoundland Power implemented a new Outage Management System ("OMS") which provided enhanced data on feeder reliability, including the ability to identify specific sections of feeders that were experiencing poor reliability.
[15] See footnote 6.
[16] See the *2022 Capital Budget Application*, report *4.1 Distribution Reliability Initiative*.
[17] See the *2024 Capital Budget Application*, report *1.1 Distribution Reliability Initiative*.
[18] Feeder-level statistics have been compiled from Newfoundland Power's Worst Performing Feeders list and include only distribution-level unplanned outages. Electricity Canada statistics include transmission and substation outages. Electricity Canada reliability statistics also include planned outages at the substation, transmission and distribution levels. All data excludes major events and loss of supply outages.
[19] See the response to Request for Information CA-NP-027, part a).