

1 **Q. The response to PUB-NP-157 states “*The consistent application of Newfoundland***  
 2 ***Power’s distribution planning activities and processes help to ensure its customers***  
 3 ***receive a cost-effective, uniform and high standard of electrical service throughout the***  
 4 ***Company’s territory”*. What criteria are used to determine if customers are receiving**  
 5 ***“cost-effective” service?***

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 7 **A** There is no exhaustive list of criteria used to determine if customers are receiving “cost-  
 8 effective” service.

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 10 Whether utility facilities are managed and operated in a manner that results in power  
 11 delivery to customers at the lowest possible cost consistent with reliable service is a  
 12 central issue in every utility general rate application in Newfoundland and Labrador.<sup>1</sup>  
 13 This question is considered in each of Newfoundland Power’s general rate applications.<sup>2</sup>

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 15 For further information concerning distribution planning, including maintenance, capital  
 16 investment and electrical system reliability performance, please see the response to  
 17 Request for Information PUB-NP-068.

<sup>1</sup> Please see the power policy of the province as set out in Section 3 of the *Electrical Power Control Act, 1994*.

<sup>2</sup> See, for example, Newfoundland Power’s *2008 General Rate Application*, Company Evidence, Section 2: Customer Operations, Page 22, line 11 *et seq.* where reliability management was described, in effect, as a combination of (i) capital investment, (ii) maintenance practices and (iii) operational deployment. See also Newfoundland Power’s *2010 General Rate Application*, Company Evidence, Section 2: Customer Operations, Page 2-7, line 6 *et seq.* where Newfoundland Power’s evidence was that plant replacement was expected to continue to be the primary focus of capital expenditure for the Company. Finally, see Newfoundland Power’s *2013/2014 General Rate Application*, Company Evidence, Section 2: Customer Operations, Page 2-10, line 9 *et seq.* where Newfoundland Power’s evidence outlined the maintenance costs associated with its aging electricity system assets.