

1 Q. **Reference: Response to CA-NLH-017, part b**

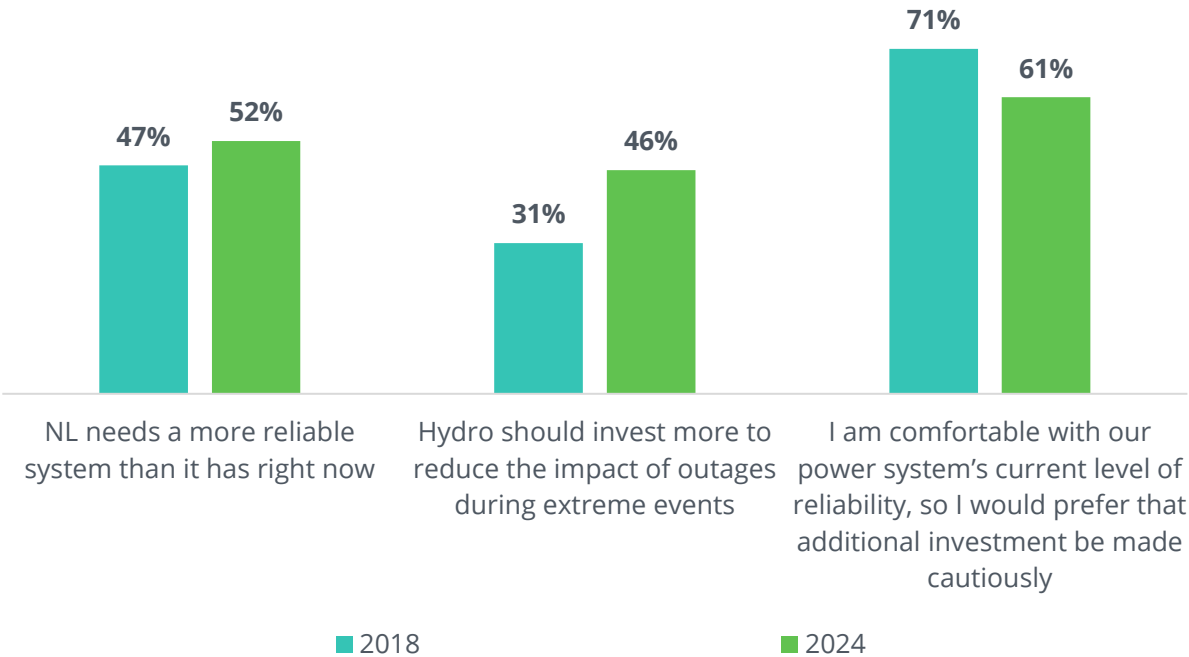
2 Further to the response to CA-NLH-017, part b (Attachment 1 – page 21), please explain Hydro's
3 understanding of why customer satisfaction with respect to the price paid for electricity has
4 decreased from 7.0 in 2010 to 6.0 in 2024.

5
6
7 A. Newfoundland and Labrador Hydro ("Hydro") attributes the decline in customer satisfaction
8 with the price paid for electricity from 2010 to 2024 largely to customers' concerns regarding
9 affordability and the increasing cost of electricity as outlined in the response to Hydro's 2024
10 Customer Engagement Survey.

11 Over this period, electricity rates have increased, primarily as a result of factors such as
12 investment in generation, transmission and distribution infrastructure, inflationary pressures,
13 and the costs associated with maintaining a safe and reliable electrical system. While customers
14 generally continue to value reliable service, the direct impact of electricity costs on customers
15 has become more significant. As shown in Figure 1, in comparison to its 2018 customer
16 engagement, Hydro's 2024 engagement shows that Residential customers remained divided on
17 the topic of reliability and investment. Generally, most were still comfortable with current
18 reliability and prefer cautious investment. There were some slight differences between
19 demographics; for example, young adults (18–34) and Labradorians perceived a need for a more
20 reliable system and older adults (55+) were more likely to perceive that they saw an
21 improvement in reliability over the past few years.¹

¹ For further details on Hydro's 2024 digital engagement, please refer to "2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequacy Study," Newfoundland and Labrador Hydro, rev. August 26, 2024 (originally filed July 9, 2024), app. D.

OPINIONS ON INVESTMENT IN RELIABILITY REMAIN DIVIDED.



Q. To what extent do you agree or disagree with the following? (n=1,667, Score 7–10, 10-point scale).

Figure 1: Investments in Reliability

- 1
- 2
- 3
- 4
- 5
- Although opinions remain divided, since 2018 there has been a small upward shift in recognizing a need for investment in reliability.
- Hydro recognizes that affordability remains a key concern for customers and, when planning and delivering its services, seeks to balance the need for safe and reliable electricity service with efforts to manage costs.