

1 **Q. In reference to the evidence of Earl Ludlow, page 42, lines 2 to 4 - “Electronic**
2 **payment, which includes payment by Internet banking and through automated**
3 **teller machines, is now the most popular payment option. Use of this option**
4 **increased by 181 per cent between 1998 and 2001, and this trend is forecast to**
5 **continue.” - Quantify the savings to Newfoundland Power’s customers as a result of**
6 **this payment option.**

7
8 A. Electronic payment options including Internet and telephone banking are the most
9 economical form of payment in terms of the payment processing costs to Newfoundland
10 Power per transaction. The payment processing cost associated with an electronic
11 payment is approximately \$0.02 per transaction. This compares to \$0.06 for pre-
12 authorized payments, \$0.15 for mail payments, \$0.06 for payments made at banks and
13 \$1.44 for cashier processed payments. The savings associated with electronic payment
14 by Internet or telephone banking therefore ranges between approximately \$0.04 and
15 \$1.42 per transaction depending on the alternative payment option chosen.