

1 **Q. In reference to the Direct Testimony (page 15, lines 11 to 13) of M.J. Erbland in**  
2 **Newfoundland Power's 1995 rate application which states that Newfoundland**  
3 **Power's customers have come to expect an increasingly sophisticated array of**  
4 **options, is Newfoundland Power still of the view that its customers expect an**  
5 **increased array of options?**

6  
7 A. In its response to DMB-126 in 1996, Newfoundland Power provided the following  
8 information in relation to a similar question to that asked above.  
9

10 "The Company is undertaking a number of initiatives to position itself to meet  
11 future customer expectations.  
12

13 The Company is planning to evaluate various automated meter reading  
14 technologies. These systems can create the basis for a wide range of additional  
15 customer options including: "smart card" electricity purchases, real-time pricing,  
16 and customer feedback displays of usage (\$ and kWh). Advanced prototype  
17 systems being developed elsewhere even go so far as to display the usage (\$ and  
18 kWh) of individual circuits within the home.  
19

20 Voice response technology is being evaluated for our customer call center.  
21 Utilizing this type of technology some customer inquiries could be handled any  
22 time of day or night without the intervention of a Customer Account  
23 Representative.  
24

25 The Company is considering the feasibility of providing new payment options  
26 including preauthorized bank debits and credit cards or debit card payments.  
27 Future options might include "pay by phone" or, eventually, even payments made  
28 over the Internet."  
29

30 In 1996, automated meter reading, automated response to customer inquiries, debit card  
31 payments, pay by phone, and Internet payments were among the "sophisticated array of  
32 options" Newfoundland Power anticipated that customers would expect in the future. In  
33 2002, only six years later, each of these options are in place and are no longer considered  
34 sophisticated. On the contrary, options such as debit payments and preauthorised  
35 payments are quite commonplace, and approximately 30 percent of telephone contacts  
36 from customers utilize our automated account balance feature.  
37

38 As in 1996, Newfoundland Power continues to predict that customer expectations will  
39 evolve as our society evolves and that we must continue to adapt our service options to  
40 meet these changing expectations.