

**Q. Please provide a copy of any information the Company has from utilities in Canada re their collection practices and compare the same to Newfoundland Power's practice.**

**A.** In May 2000, 14 Canadian electrical utilities were surveyed to determine what steps are taken to collect on overdue accounts prior to disconnection.

The results indicate that the average number of steps prior to disconnection amongst the surveyed utilities was three, while Newfoundland Power has a minimum of seven. Newfoundland Power issues four written notices and attempts two telephone contacts and one field contact before entertaining the necessity of disconnection.

The average allowable disconnection date was day 55 for most utilities surveyed. Newfoundland Power's earliest disconnection date is 84 days after initial billing. However, the average time to disconnection is typically longer. In 2002, it was 148 days.

Amongst the utilities surveyed, an average of 2.72% of total customers were disconnected for debt. At the time of the survey in May 2000, Newfoundland Power's most recent annual figure for disconnections for debt was 0.59% (1999).

In 2002, Newfoundland Power disconnected 0.33% of customers for non-payment.

Newfoundland Power is one of only three utilities required to make field visits prior to disconnection of service and one of only three utilities that have specialized field collectors. Several of the utilities charge a fee for every field visit. Newfoundland Power does not charge for field visits; however, a reconnection fee is charged if the customer was disconnected for debt. In addition, other utilities use a courier service to deliver collection notices to customers' residences. Newfoundland Power utilizes its Field Collectors to perform this practice.

Table 1 on page 2 summarizes the results of this survey. In the column headed "Newfoundland Power", the Company's 1999 results (the last year end prior to the survey) and 2002 results are shown.

The following Utilities supplied data for the survey:

Maritime Electric	Alberta Power
Cambridge North Dumfries Hydro	BC Hydro
Halton Hills Hydro	Ottawa Hydro
Manitoba Hydro	NB Power Corporation
Ontario Hydro	Winnipeg Hydro
Saskatchewan Power	City of Calgary
Hydro Mississauga	Lethbridge Power

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<b>Table 1</b> <b>Disconnection Survey Results</b> <b>May 2000</b>			
<b>Questions</b>	<b># of Utilities Responding</b>	<b>Average of Respondents</b>	<b>Newfoundland Power<sup>1</sup></b>
Number of Accounts	14	329,057	213,641 (2002-219,072)
Number of Disconnects	13	4571	1197 (2002-700)
Percentage of Customers that are disconnected for non-payment	14	2.72%	0.59% (2002-0.33%)
Time at which disconnection can occur	15	Day 55	Day 84
Number of written notices (mail) before disconnection	11	1.5	4
Number of telephone attempts/ contacts before disconnection	11	1	2
Number of field contacts before disconnection	11	.13	1
Bad Debt Expense as a % of Revenue	10	.46%	.21 % (2002F – 0.20%)
% Receivables Overdue (over 30 Days)	7	18.6%	23.6% (2002-23.5%)
Use of Load Limiters before disconnection	14	9 – yes 5 – no	No
Is Field contact required before Disconnection Note: one of the utilities responding yes indicated that they add a charge to the customer account for the field visits. The other utility is a municipal utility and they hire a courier service to drop the cards off.	11	2- yes 9 - no	Yes
Disconnecting staff	9	3 – Meter Readers 2 – Field Collectors 4- Field Service Reps	Field Collectors

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3 1. Results for 1999 (the last year end prior to the survey) and 2002.