March 21, 2025

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power Inc.- Customer Concerns with Accuracy of Electricity Billings

Newfoundland Power Inc.'s ("Newfoundland Power" or the "Company") customer service operation consists of multiple points of contact with its customers and stakeholders. Beginning in February 2025, the Company became aware of a heightened level of concern from customers regarding their February power bills.

Customer concerns in relation to February 2025 bills were highest during the February 17 to March 7 period. While the volume of calls to the Company's Customer Contact Centre was comparable to previous years, approximately 5% of the 11,000 customer calls during the timeframe were specifically about high bills, up from 2% during the same period in 2024. This, combined with messages and comments on social media, made it clear to Newfoundland Power that customers were receiving power bills in February that were higher than they anticipated. Contacts related to higher bills have returned to normal levels this week.

Whenever Newfoundland Power's customers bring concerns to the Company's attention, every effort is made to investigate and understand those concerns. With respect to customer concerns over unexpectedly higher bills in February, Newfoundland Power initiated a review of contributing factors.

As this review was nearing completion, on March 6, 2025, the Board of Commissioners of Public Utilities of Newfoundland and Labrador (the "PUB"), issued a directive to Newfoundland Power. In its directive, the PUB advised that it too had received a significant number of inquiries from customers. The PUB requested that Newfoundland Power investigate the issue of higher-than-anticipated customer power bills. More specifically, the PUB stated that there was a customer concern about "*the accuracy of meter readings and customer usage*," and directed Newfoundland Power as follows:

Newfoundland Power Inc.
55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6
PHONE (709) 737 5500 ext. 6200 • **FAX** (709) 737-2974 • **dfoley@newfoundlandpower.com**

1. report on the reasons for recent customer billing increases and whether any billing errors were detected while reviewing customer inquiries;
2. advise as to the measures currently employed to ensure billing accuracy and reduce billing fluctuations and whether additional measures are being considered; and
3. advise as to additional measures Newfoundland Power plans to take:
    a. to provide customers flexibility in the payment of increased billings; and
    b. to provide enhanced communication to customers in relation to this matter.

The enclosed report will respond to each of the PUB's above-listed directives. In the first section of the report, Newfoundland Power will provide information on the accuracy of its metering technology and billing practices. After a thorough review of Newfoundland Power's technology and billing systems, the Company confirmed that customer bills are accurate. As a result of this finding, Newfoundland Power broadened the scope of its review to assemble a full explanation for higher-than-anticipated winter power bills. The Company found that several factors, including colder weather, higher wind speeds, longer billing periods, and a rate increase were the primary factors behind higher bills in February.

Newfoundland Power understands the challenges customers are facing because of the rising cost of everyday expenses, including electricity. The Company also recognizes that receiving a higher-than-expected electricity bill adds to these challenges. Newfoundland Power's priority is to serve and support customers in all possible ways. This includes ensuring the accuracy of the Company's monthly bills to customers. Newfoundland Power has taken steps to make it easier for customers to understand the reasons why bills change from month to month and to gain knowledge on ways to use less electricity, while supporting customers who need flexibility in paying their bills.

We trust the foregoing and enclosed are in order. If you have any questions, please contact the undersigned.

Yours truly,

Dominic Foley

Legal Counsel

Enclosures

ec. Shirley Walsh
Newfoundland and Labrador Hydro

Dennis Browne, K.C.
Browne Fitzgerald Morgan & Avis

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2025 Customer Billing Review

March 21, 2025

WHENEVER. WHEREVER.
We'll be there.

NEWFOUNDLAND POWER
A FORTIS COMPANY

Contents

Our Review and Findings – At a Glance

Whenever Newfoundland Power's customers bring concerns to our attention, every effort is made to investigate and understand those concerns.

Here's what we've heard recently from our customers:

- Concerns about bills being higher than expected, particularly in February 2025.
- Questions about accuracy of meters and billing procedures.
- Requests for information on why bills have been higher.
- Requests for information on how to manage and decrease electricity costs.

With respect to customer concerns over unexpectedly higher bills in February, Newfoundland Power initiated a review of contributing factors.

As this review was nearing completion, on March 6, 2025, the Board of Commissioners of Public Utilities of Newfoundland and Labrador (PUB) issued a directive to Newfoundland Power.

In its directive, the PUB advised that it too had received a significant number of inquiries from customers. The PUB requested that Newfoundland Power investigate the issue of higher-than-anticipated customer power bills. More specifically, the PUB stated that there was a concern by customers about "the accuracy of meter readings and customer usage," and directed Newfoundland Power as follows:

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    a. to provide customers flexibility in the payment of increased billings; and
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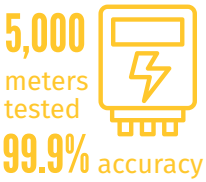
Newfoundland Power has listened closely to the concerns of our customers on higher-than-expected electricity bills in February 2025. This report presents the findings of an in-depth review conducted to address these concerns and provide clarity.

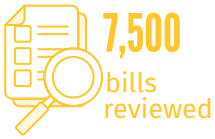
Our Review and Findings – At a Glance

Newfoundland Power investigated customer concerns and arrived at the following findings:



No anomalies were identified with meter readings.

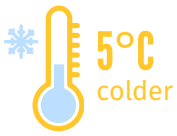
A review of testing results of nearly 5,000 meters independently tested since 2018 showed that Newfoundland Power meters exceeded the requirements of Measurement Canada, which sets standards for accuracy and inspects measuring devices. All Newfoundland Power meters tested were found to be 99.9% accurate, exceeding the standard of 97% accuracy.



No errors in procedures found.

A review of customer billing procedures, which includes examination of all bills for accuracy prior to issuing and careful attention to bills showing much higher usage, confirmed no errors in procedures. Over 7,500 bills were checked through this process, with no issues found.

Several combined factors contributed to higher bills:



Temperature drop across the province

Significantly colder weather for February 2025 billing periods, when compared to January 2025, caused heating systems to use more electricity. 65% of customers experienced a temperature drop of 5°C or more for their February billing period. This compares to about 13% of customers last year.

Wind Speed

Wind speeds were higher in February 2025 for most customers when compared to January 2025. On average, homes in Newfoundland experienced almost 20% more wind in February, contributing to higher heating costs.

Billing Cycles

The number of billing days typically range from 28 to 33 days. Approximately 174,000 customers had more billing days on their February bills when compared to January. Of these, 80,000 saw an increase of 3 days or more. More billing days will result in a higher overall bill amount for that month.

Increased Rates

The 7% rate increase which came into effect August 1, 2024 (even with this increase, Newfoundland Power rates continue to be the lowest in Atlantic Canada).

Newfoundland Power is committed to working with customers to help manage their electricity costs, review payment options, provide information on energy saving tips and share information in advance of the winter season on how to save on winter electricity costs. Further details can be found in this report.

Meter Accuracy

Testing & Standards

Measurement Canada is the Federal Government agency responsible for ensuring accuracy in the sale of measured goods such as electricity, laws related to accuracy, and approval and inspection of measuring devices for electric utilities across Canada.

Newfoundland Power uses proven automated meter reading (AMR) technology. All customer meters installed by Newfoundland Power are certified by Measurement Canada and must be approved by Measurement Canada for use prior to installation. All meters must then meet Measurement Canada's sampling and testing standards.

A review of testing results of nearly 5,000 meters tested since 2018 in an independent Measurement Canada-accredited facility showed that Newfoundland Power meters exceeded the requirements of Measurement Canada. All Newfoundland Power meters tested were found to be 99.9% accurate, exceeding the standard of 97% accuracy set by Measurement Canada. Zero meters failed the testing due to accuracy and no anomalies were identified with meter readings.

Meter Reading

Customer meters are read on a monthly basis by a Newfoundland Power meter reader to create customer bills. The meter reader no longer needs to walk to each meter to record its usage but rather just needs to be in range to receive a signal from the meter. This system ensures more accurate readings and fewer meter reading estimates for customers. For example, less than 0.3% of customer bills were estimated in February 2025.

In addition to Measurement Canada standards noted above, Newfoundland Power has processes in place to ensure meter readings are timely and accurate. This includes automated checks and controls by the Company's meter and billing systems, along with manual reviews.

0
meters failed the testing

less than **0.3%** bills were estimated in February 2025

Customer Billing

The Process

Newfoundland Power sends bills to approximately 277,000 residential, commercial and street lighting customers every month. In total, over three million customer meter readings and customer bills are issued annually.

All customer bills are reviewed for accuracy before being issued to customers. This includes a review by employees with billing expertise in each case where customer usage gets flagged by the billing system as being higher than expected, based on past customer usage. Over 7,500 customer bills were reviewed this winter through this process. A field check of the meter is sometimes completed in cases where usage cannot be explained through their analysis or discussions with the customer.

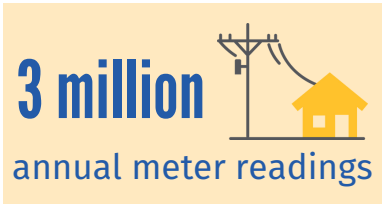
In addition, each time customer rates change, the Company's Internal Audit department reviews the rate change implementation process to ensure the Company's customer billing system is calculating bills correctly based on the new rates. This is verified by Internal Audit by comparing its independent recalculation of the expected charges to the actual charges on the customer bills. No errors have been identified by Internal Audit in the performance of these audits.

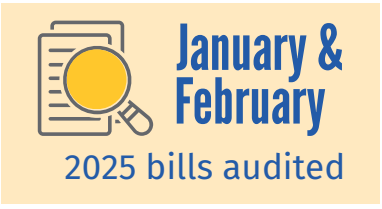
As a result of recent customer inquiries, a review was performed by Internal Audit to ensure billing accuracy. The recalculation of customer bills included all residential customers billed in January and February 2025. No errors were identified.

External Reviews

Newfoundland Power's customer rates are reviewed and approved by the PUB as part of a general rate application and through the annual July 1st customer rate adjustment process. The Company's regulatory filings are also subject to audit by the PUB's own independent financial consultant to ensure customer rates appropriately recover Newfoundland Power's approved costs.

In addition to reviews conducted by the PUB, Newfoundland Power's financial statements are audited by an independent financial auditing firm. In 2024, the Independent Auditor's Report by Deloitte LLP, which includes a review of meter reading and billing controls, concluded that Newfoundland Power's financial statements were presented fairly and accurately. This review is completed as part of the Annual Audited Financial Statements, which are available on the Company's website.





Customer Interaction

Newfoundland Power's Customer Service team handles over 500,000 customer inquiries and requests every year on a range of topics, including billing.

When customers reach out to Newfoundland Power with questions or concerns about their bills, our Customer Service Team thoroughly investigates each individual customer situation and works with the customer to identify the reasons behind bill changes.

Newfoundland Power's Customer Service employees are experienced and trained to help customers understand their energy usage. These employees assess reasons for changes in energy usage and answer complex billing questions. Our Customer Contact Centre handled 32,000 calls from January 1 to March 3, 2025. Customer surveys showed a 94.4% satisfaction rate with the service received. From February 17 to March 7, 577 calls on higher bills were received – 97% were resolved with a single call.

32,000

calls received in 2025 until March 3

94.4%

customer satisfaction

Below is an example to show how Customer Service Representatives address questions from a customer whose bill increased from January to February.

The customer received the following bill in January 2025:

This Month's Electric Charges	
Basic Customer Charge	15.79
Energy Charge: 3,106 kWh @ $0.14237/kWh	442.20
Discount: -1.5%	6.87CR
Subtotal electric charges	**451.12**
Harmonized Sales Tax: 15% (10386 4831 RT0001)	67.67
Total Charges	**518.79**

A month later the customer received this bill in February 2025:

This Month's Electric Charges	
Basic Customer Charge	15.79
Energy Charge: 4,349 kWh @ $0.14237/kWh	619.17
Discount: -1.5%	9.52CR
Subtotal electric charges	**625.44**
Harmonized Sales Tax: 15% (10386 4831 RT0001)	93.82
Total Charges	**719.26**

This customer did not make any major changes to their living situation, but the customer's bill increased by over $200 in a single month.

Let's review this bill

The tables below show the key parts of a customer's bill to focus on in order to understand changes from month to month.

Step 1: Monthly kWh

Month	Monthly kWh	Daily Average kWh	Daily Average Heating Degree Days	Billing Days
January	3,106	111	19	28
February	4,349	136	23	32

The first thing Customer Service Representatives assess is how much energy the customer has used (measured in kWh). This is simpler to compare than costs, which can vary as rates change. This customer's usage increased from 3,106 kWh in January to 4,349 kWh in February, an increase of 1,243 kWh or 40%.

Step 2: Daily Average kWh

Month	Monthly kWh	Daily Average kWh	Daily Average Heating Degree Days	Billing Days
January	3,106	111	19	28
February	4,349	136	23	32

Changes in kWh are often driven by outdoor temperatures.

Daily average kWh are the best way to compare changes in usage because the daily average is not impacted by changes in cost or the number of billing days. This customer's usage increased from an average of 111 kWh per day to an average of 136 kWh per day, amounting to a 23% increase.

Step 3: Heating Degree Days

Month	Monthly kWh	Daily Average kWh	Daily Average Heating Degree Days	Billing Days
January	3,106	111	19	28
February	4,349	136	23	32

Customer Service Representatives will then review the heating degree days[1] that indicate how much heating was needed to keep the home warm.

[1] Use of Heating Degree days (HDD) to estimate energy use relative to temperature is a long-standing international practice. HDDs are reported by meteorological organizations throughout the world, including Environment and Climate Change Canada. When the outside temperature is lower than the HDD baseline (usually 18°C), the home's heating system will typically need to be used. HDD can be calculated by subtracting the outdoor temperature from 18°C. For example, if the outside temperature is 10°C, that's 8 HDD (18°C - 10°C = 8). The lower the temperature, the greater the HDD and the more heat a home needs. Heating Degree Days shown are the average per day for the billing period.

A heating degree day measures the number of degrees that a day's average temperature falls below 18 degrees Celsius, a baseline temperature, below which the home's heating system will typically need to be used.

For the time period from January to February 2025 the number of heating degree days increased from 19 to 23, meaning it was 21% colder, with the average temperature dropping from -1°C to -5°C. This essentially matches the daily increase in kWh this customer experienced.

When changes in the daily kWh align closely with changes in temperature, this is an indication that bill increases are the result of increased electric heating. Though it is important to note that HDD do not include wind or snow accumulation, which are also contributing factors to the amount of energy used by home heating systems. Other factors such as lifestyle changes can also impact kWh consumption.

Step 4: Billing Days

Month	Monthly kWh	Daily Average kWh	Daily Average Heating Degree Days	Billing Days
January	3,106	111	19	28
February	4,349	136	23	32

Customer Service Representatives review the number of billing days in the month to see if there was an increase in the number of billing days from the previous month. Note that billing days do not necessarily equal the number of days in the month.

In this example, if February had been a 28-day billing period like January, the customer's monthly kWh would have been approximately 3,805 kWh, or an increase of 699 kWh based on their increase in daily average kWh.[2]

However, the February billing period was four days longer than the January billing period, which resulted in an additional 544 kWh,[3] for a total of 1,243 additional kWh on the February bill.[4] This results in a bill amount of 4,349 kWh, equaling $619.17.[5] This is one example of a typical customer experience this winter and not every customer situation is the same. Customers often make changes to their heating systems or experience lifestyle changes that can also impact their energy usage.

Assisting customers in understanding the factors behind their electricity bills can help the management of future energy usage. The majority of the information used in this example is directly available on the customer's bill and the HDD are available through Environment and Climate Change Canada. If customers have any questions or need assistance, they are encouraged to reach out to our Customer Service Representatives.

[2] 1.225 (percent increase in daily kWh) * 3,106 (kWh in January) = 3,805. 3,805 kWh -3,106 kWh for an increase of 699 kWh.
[3] 4 days * 136 kWh = 544 kWh.
[4] 699 kWh + 544 kWh = 1,243 kWh
[5] 1,243 kWh + 3,106 kWh (January kWh) = 4,349 kWh. 4,349 kWh *0.14237$/kWh=$619.17 before taxes and not including the basic customer charge.

Reasons For Higher Bills in February

Colder Temperatures

While the overall total amount billed this winter was consistent with last year,[6] customers experienced an unanticipated increase on their February bill when compared to their previous month's bill.[7]

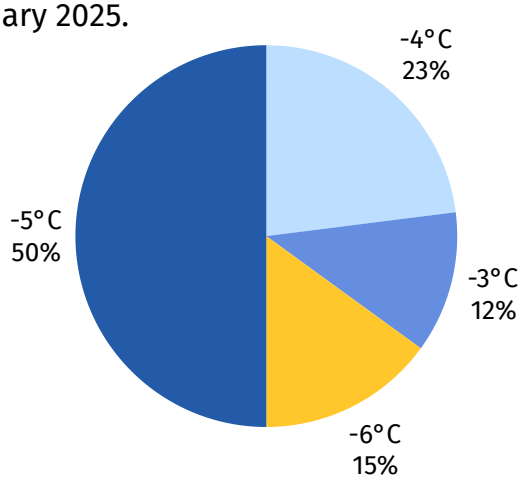
The main reason for the increase in February 2025 customer bills compared to January 2025 was colder temperatures.

In January, temperatures across the island were on average 0°C until January 20, followed by more than three weeks of colder weather with temperatures often well below zero.

The billing period for February bills was the coldest this winter for all Newfoundland Power customers, with most experiencing a drop of between approximately 3°C and 6°C when comparing their February billing to January.

The chart below shows the drop in temperature experienced by percentage of customers, when comparing the billing periods of January 2025 to February 2025.

As an example, the average temperature during the billing period for a customer in St. John's whose meter was read on February 14 was -5.1°C. For that same customer, their January bill was based on a period when the average temperature was 0.4°C. That is a difference of over 5 degrees. For this customer, that would represent an approximate 30% increase in heating energy needed, even when the thermostat is kept at the same temperature setting.[8]



Data from Environment and Climate Change Canada. Based on customer location and billing period.

65% of customers experienced a drop of 5°C or more for their February billing period. Electrically heated customers would expect to see an increase in the kWh usage as a result of this, up to approximately 30% more heating energy needed in February as compared to January.

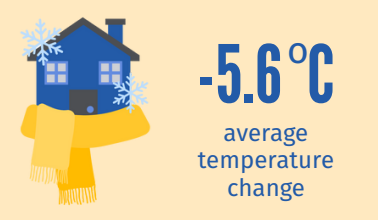
By comparison, for the same period in 2024, only 13% of customers saw a drop in temperature of 5 degrees or more.

[6] The overall total billed for the winter period (January and February) was 7.6% higher in 2025 when compared to 2024, which corresponds with the 7% customer rate increase that came into effect on August 1, 2024.

[7] The total amount billed to customers in February 2025 was 19% higher than January 2025. The previous 5-year average increase between those two months was 1%, ranging between +8% and -6%.

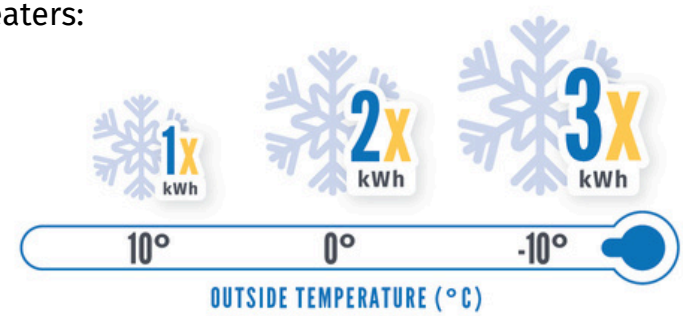
[8] This is calculated using HDD. In this example, the HDD for the January billing was 17.6 and the HDD for the February billing period was 23.1. This is calculated as ((23.1 – 17.6) / 17.6) = 0.31 or approximately 30%.

The estimated monthly average change in temperature experienced by customers from mid-January to mid-February in 2025 was -5.6°C, nearly 2.5 times greater than the previous 5-year average change of -1.6°C. These estimates are based on weather data from across the Company's service territory.[9]



Colder outdoor temperatures cause home heating systems to work harder to maintain the temperature settings inside customer homes. The amount of energy needed to keep a home heated depends on the temperature difference between inside and outside the house.[10]

If you are heating your home to 20°C, and using electric resistance heating such as baseboard heaters:



- When the temperature outside is 0°C you will need approximately twice the kWh as you would at 10°C.
- When the temperature outside is -10°C you will need approximately three times the kWh as you would at 10°C.

In winter, heating costs can be 75% or more of a customer's bill when using electric resistance heating, such as baseboards or an electric furnace. Heat pumps are more efficient and will reduce the amount of energy needed to heat the home but they will work harder during particularly colder periods and, therefore, use more electricity in colder temperatures. At very cold temperatures, less efficient backup electric heat is required.[11] For information on how to keep a heat pump running as efficiently as possible, please visit TakeChargeNL.ca.

In the last year, customers used between approximately 300 million kWh in the summer to over 700 million kWh in the winter.

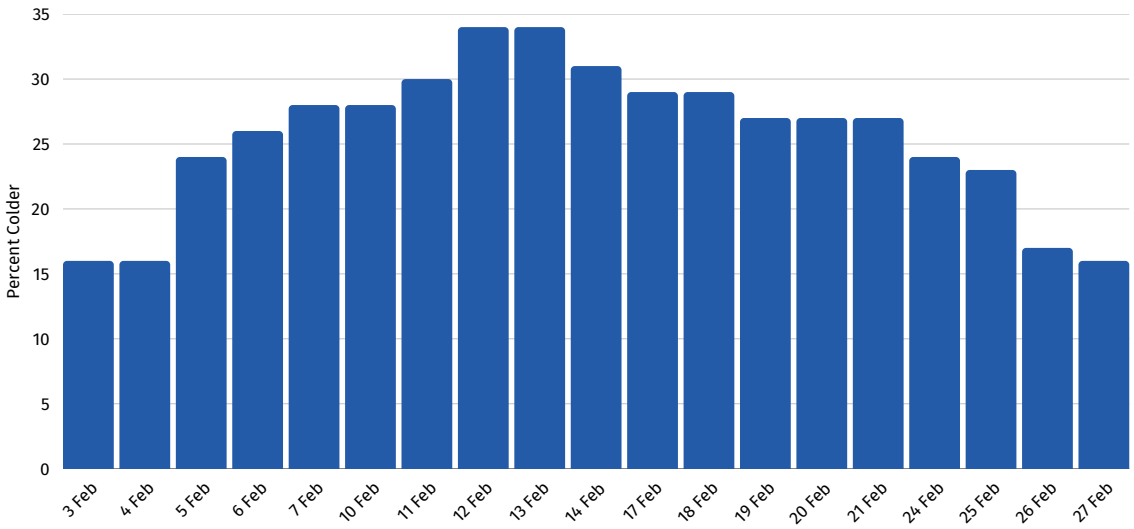
Almost 77% of Newfoundland Power's residential customers heat their homes with electricity, so there is a strong relationship between the outside temperature and electricity used.

9 Weather data from Environment and Climate Change Canada was weighted by the number of customers in each of Newfoundland Power's service areas.

10 This is determined by the heat loss calculation. The heat loss calculation is widely accepted within the building industry as a standard method for determining the heating requirements of a building. It is typically represented by the formula "Heat Loss = Area x U-value x Temperature Difference"; where "Area" is the surface area of the building, "U-value" is the coefficient of heat transmission, and "Temperature Difference" is the temperature gap between the inside and outside of the building.

11 When outside temperatures become too cold for the heat pump to be able to extract heat efficiently, a backup heating source is required. In the case of a ducted central system, the built in electric backup heating system typically activates automatically helping to keep your home warm and comfortable. In the case of a ductless split system, a separate heating source, such as baseboard heaters, is required and will operate independently of the heat pump.

The chart below shows the percentage colder that February billing periods were compared to January.



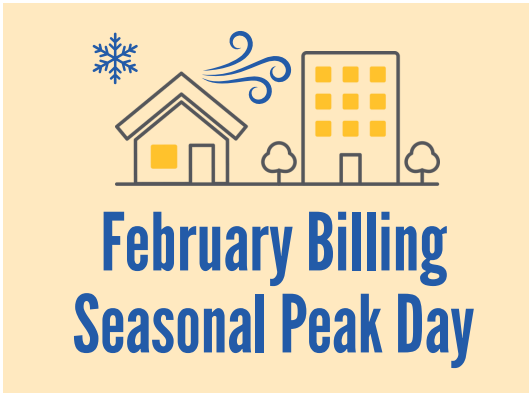
Data from Environment and Climate Change Canada.

Percentage colder as measured by increase in heating degree days, using a weighted average based on customer distribution.

This shows that a customer whose meter was read on February 3, with a billing period from January 2 to February 3, experienced a 16% colder billing period in February compared to their January billing period. A customer who was billed on February 12 experienced a 34% colder billing period.

Peak Electricity Usage

Every winter, Newfoundland Power experiences a time when demand for electricity reaches the highest annual amount. This happens during very cold weather, when everyone is using power at the same time. This is called the “seasonal peak”. In Newfoundland & Labrador, this is mostly due to electric heat, accounting for over 65% of the contribution to peak demand.

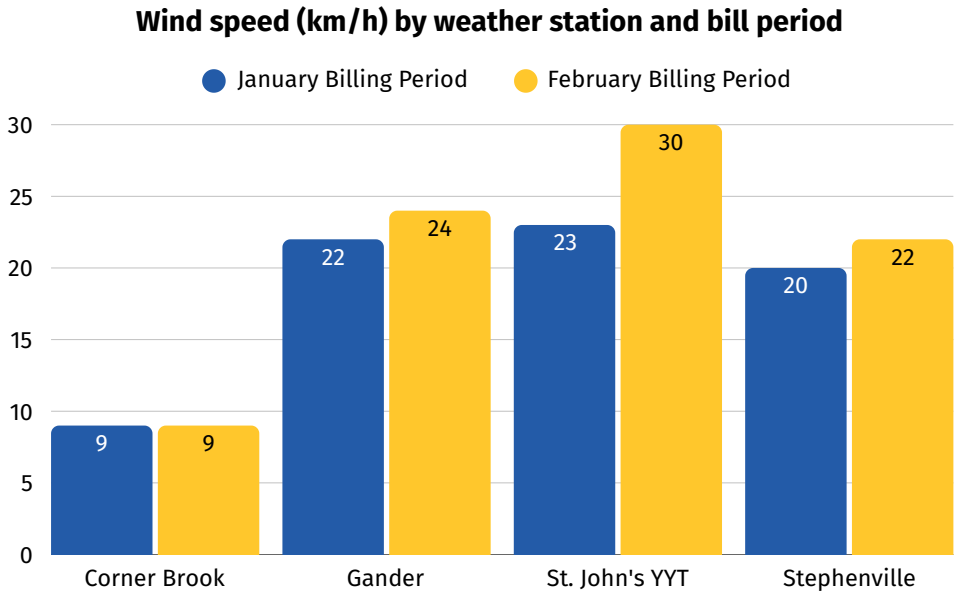


Over 80% of customers’ February billing periods included the "seasonal peak" day of January 23, when Newfoundland Power recorded the highest electricity demand of the 2024/2025 winter season.

Wind and Air Leakage

Wind also impacts the amount of energy required to keep a home warm since it increases the air leakage - cold air leaks in and warm air escapes. On a cold windy night, most people can feel a difference in the warmth and comfort of their home. Very airtight homes may not feel it but most homes will, especially older homes.

This chart shows the difference in wind speed when comparing the January and February billing periods, for select weather stations in Newfoundland Power's service area.



Data from Environment and Climate Change Canada.

It was windier in February compared to January in most areas of the province. For example, the average wind speed recorded at the St. John's Airport was 23km/h during the January billing period, compared to 30km/h in the February billing period. On average, February was almost 20% windier across the island.

Customer Billing Periods

Customer billing days can vary each month due to the number of business days in the calendar year and the time needed to complete meter readings. The planned meter reading schedule is for 28-33 billing days – but factors such as weather can delay readings, making differences in billing periods unavoidable. Newfoundland Power's billing system will automatically prevent any bill period from being more than 37 days. When customers move into a new home, they will often have a shorter initial billing period.

Billing days impact electricity bill amounts, especially when combined with a drop in temperature.

Comparing Usage

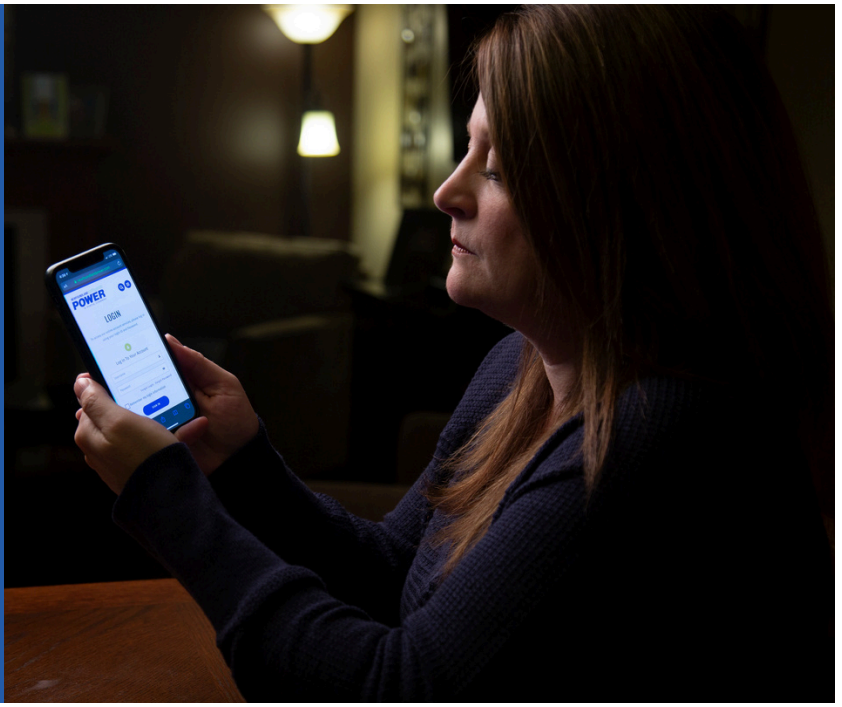
Since the number of days included in a customer bill can vary, look at the average kWh/day; this allows for the best comparison.

Your Past Energy Usage

Electrical Usage	This Month	Same Month Last Year
Total kWh	5158	4273
Billing Days	32	31
Average kWh/Day	161	138

Some customers experienced 33 billing days in February. An increase from 28 to 33 billing days will result in over $50 more on a $300 bill. The impact of this was increased by a milder early January billing period with fewer billing days. February's billing period was colder, with temperatures over 30% lower for some customers. The combination of colder temperatures and more billing days led to higher electrical usage on many customer bills.

Colder temperatures and more billing days lead to higher bills.



Customer Rate Increase

In addition to the colder and windier weather, customers also saw a 7% rate increase on August 1, 2024, amounting to an extra $21 on a $300 bill, for example. This also contributed to higher bills this winter.

Newfoundland Power recognizes that the cost of electricity, particularly during the winter, can be a challenge for customers, especially at a time when the cost of other necessities has also increased. We are committed to keeping our costs low to help keep rates as low as possible for customers.

$0.14237/kWh

Residential rates for Newfoundland Power customers are still the lowest in Atlantic Canada

Going Forward

Consistent Billing Periods

Newfoundland Power is exploring ways to limit changes in billing periods in the winter. This will help make billing days more consistent each month and reduce changes in customer bill amounts.

In addition, our Customer Service team will increase our tracking and monitoring of expected bill period changes before they occur, especially during periods when the temperature drops, to ensure that these are kept to a minimum.

While some fluctuations in customer billing days will still happen, Newfoundland Power is committed to finding ways to reduce their impact.

Flexibility in Payment of Increased Bills

Newfoundland Power is always here to support customers who may struggle with paying their electricity bill. One helpful tool available to residential customers is the Equal Payment Plan (EPP). Under this plan, monthly bill payments are averaged out over 12 months, making it easier to manage the ups and downs from season to season. EPP evens out monthly bills so customers pay the same amount every month. This helps planning for electricity costs and reduces the impact that cold weather can have on a specific monthly customer bill.

We encourage customers that are having trouble making payments to reach out to us. Our Customer Service Representatives treat everyone with empathy and respect and can help provide reasonable payment arrangements for balances owed.

We also want to make sure customers are fully informed about any changes to their bill.

Our team is here to explain billing updates and help customers understand what's happening every step of the way.

When customers contact Newfoundland Power to make a payment arrangement, we can also help identify ways to reduce energy consumption moving forward and connect them to other helpful resources if necessary.

Providing Enhanced Communication to Customers

As Newfoundland Power heard the concerns of customers on higher bills this winter, both in the public and in calls to our Customer Contact Center, multiple measures were taken to communicate relevant and timely information.

- **Multiple interviews with news media, as a conduit to reach our customer base.**
- **Frequently Asked Questions (FAQs) posted to the Newfoundland Power website and social media channels, addressing top questions being asked by customers.**
- **Power connection bill inserts included winter tips for an energy efficient home, causes for higher bills in winter, and simple ways from takeCHARGE to save energy and money – this information was also shared on social media channels and websites.**
- **Refresher training on energy usage was provided to Customer Service Representatives.**
- **Meetings with key stakeholders, including elected officials, to address questions and concerns on higher bills.**

In addition to these measures, Newfoundland Power will:

- Include an infographic: Winter and Your Power Bill as a bill insert in the next billing cycle with information explaining the factors that impacted customers' bills this winter and ways to lessen these impacts. The infographic is included as an Appendix in this report.
- Participate in upcoming public events such as the Home Show where customers can attend in person and ask questions about their electricity bill and the operations of the Company. Energy saving information, as well as information on programs that customers can participate in to help manage their consumption, will be available.
- Continue to meet with key stakeholders.
- Initiate a fall social media campaign to share facts in anticipation of higher energy usage in winter and promote enrollment in the Equal Payment Plan program.

Through the takeCHARGE partnership, Newfoundland Power offers programs and education to help customers save energy and money. Newfoundland Power will implement various initiatives under takeCHARGE to help customers:

Every year takeCHARGE participates in around 50 customer events and 30 customer presentations. The Company will aim to increase education on how customer homes use electricity in cold weather, offer tips on saving energy at no or low cost, and promote the equal payment plan to help customers manage electricity bills.

takeCHARGE will review customer programs such as the insulation and air sealing program, heat recovery ventilator program, and home energy report program to see if they can be improved. These programs help customers save on electricity during winter.

takeCHARGE will update takeCHARGEnl.ca to include more educational resources that will help customers understand their electricity usage and how to lower their bills.

takeCHARGE will meet with stakeholders representing vulnerable populations to provide education and promotion of our customer energy conservation programs and no cost/low cost ways to save.

Conclusion

Newfoundland Power is fully committed to addressing customer concerns about higher winter bills. Our investigation into February's higher bills found that colder weather, stronger winds, longer billing periods, and a rate increase were the main contributors — no billing errors or meter inaccuracies were found.

The Company continues to ensure the highest standards of meter accuracy through rigorous ongoing internal audits and external, independent verification through Measurement Canada.

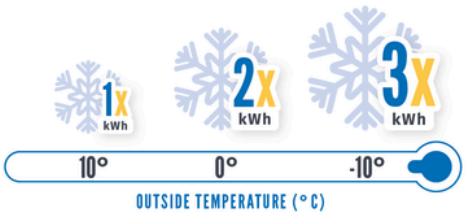
Understanding the challenges customers face during colder months, Newfoundland Power is taking further steps to support customers with enhanced outreach and communication through public events, stakeholder engagement and social media. Additionally, Newfoundland Power is exploring more consistent winter billing periods, prioritizing customer education on energy efficiency, and seeking ways to improve conservation programs aimed at reducing winter electricity costs.

Newfoundland Power also remains committed to ensuring least-cost service to our customers, with rates currently the lowest in Atlantic Canada.

As always, our dedicated Customer Service Representatives remain available to assist customers with personalized support and information.

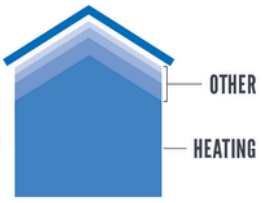
WINTER AND YOUR POWER BILL

The more we understand how our homes use energy, the better we can manage it. Let's take a look at some of the ways winter weather affects **electrically heated homes.**



The colder it gets, the more our heaters have to switch on – even without turning up the thermostat. An average home will use triple the energy at -10°C than it will at +10°C.

In winter, heating can be **75%** or more of our energy costs.



Typically, energy use for things like appliances, electronics, and water heating stays fairly consistent. But the amount of energy we use for heat changes a lot with the seasons.

COLDER

This winter, we saw a bigger temperature drop from January to February compared to last year. For 65% of customers across the island, the average temperatures for February bills were at least **5°C colder**, which means around **30% more energy** for heating.

WINTER 2025

WINDIER

Every house has some air leakage, especially older homes. And the windier it gets, the draftier your house gets. As cold air blows in, warm air leaks out. On average, February was almost **20% windier** than January for most customers.

OTHER WINTER BILL FACTORS

Sunlight helps raise the indoor temperature, so days with less sun offer less natural heat to help your heating system.

Bill days don't always match the calendar, and typically vary from 28-33 days. Check your statement to see the period it covers. Electricity rates also increased by 7% last August. On a $300 bill, that's an extra $21.

Changes at home can change your bill – big changes like switching from oil to electric, or small ones like having guests stay over.

Questions about your bill? Connect with a Customer Service Representative by phone, via live chat online, or by email at **customerrelations@newfoundlandpower.com**.

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WHENEVER. WHEREVER. We'll be there.

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WAYS TO SAVE ENERGY

Even in winter, there are things we can do to reduce our energy usage. Here are a few ideas from simple habit changes to worthwhile upgrades that can help during colder months.

NO COST

- Lower baseboard **thermostats** when you're out or asleep, and keep temperatures lower in rooms you don't use often.
- Open curtains during the day to let **sunlight** warm your home, then close them at night for extra window insulation.
- **Save hot water** by taking shorter showers or washing laundry on cold. Water heating accounts for 90% of a washer's energy use.
- Build **energy-saving habits** like turning off lights and unplugging unused appliances.
- Use a **drying rack** instead of the dryer and save energy with each load of laundry.
- Run your **heat pump** in "Heating Mode" not "Auto Mode" to prevent it from switching to air conditioning when your space warms up.
- Get a **FREE* Energy Savers Kit** with energy-efficient products for income-qualified customers. Apply at **TakeChargeNL.ca/EnergySaversKit**.

LOW COST

- Switch to **LED light bulbs**, which use at least 75% less energy. Using light timers can also boost savings.
- Upgrade to **programmable thermostats** to automatically lower the heat when you're out or asleep.
- Use caulking to **seal gaps** around windows, vents, and exterior doors.
- Check **door sweeps** and **weather stripping**, replacing them as needed.
- Weatherize drafty windows by installing a **window insulation kit.**
- Use **foam gaskets** under electric switches and outlets on exterior walls to stop drafts. Be sure to use both gaskets and safety covers for outlets.
- **Get up to $500* back** with a **takeCHARGE rebate** for air sealing improvements. Visit **TakeChargeNL.ca/AirSealingRebate**.

WORTH THE INVESTMENT

Having enough insulation can save you thousands. And **takeCHARGE rebates** could cover **75% of the cost** – up to $1,000* for attics and $1,000* for basements. That's up to **$2,000* total!**

Is it time for a **new heat recovery ventilator**? If so, look to upgrade to an approved model for better energy savings and **$175* back** with a **takeCHARGE rebate.**

*Must meet eligibility.

Visit **TakeChargeNL.ca** for more ways to save this winter.

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