

1 **Section 2: Customer Operations/Operating Costs**

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3 **Q. Volume 1, Section 2, page 2-32, Table 2-6 and Additional Information, PUB**  
4 **Information Request (ii), Schedule B, Attachment 1, page 2 of 4. Why are**  
5 **uncollected bills expected to continue to increase and what specific actions is**  
6 **Newfoundland Power planning to take to address this increase?**  
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8 A. Uncollectible bills expense is forecast to be approximately \$2.3 million in 2026, as  
9 compared to \$2.0 million in 2022.<sup>1</sup> Higher uncollectible bills reflect recent and expected  
10 increases in customer electricity rates through 2026.<sup>2</sup> While uncollectible bills are  
11 expected to increase, they are forecast to remain relatively constant as a percentage of  
12 revenue.<sup>3</sup>  
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14 Newfoundland Power manages uncollectible bills in accordance with its Rules and  
15 Regulations and Collections Policy.<sup>4</sup> The Company's policies and practices are designed  
16 to ensure an equitable balance in the delivery of service to customers. This includes the  
17 Company's collections practices by offering a reasonable level of flexibility to customers  
18 facing financial difficulties, while at the same time limiting the amount of uncollectible  
19 bills expense borne by all customers through customer rates.

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<sup>1</sup> See the *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 2*, page 1, line 14.

<sup>2</sup> For example, customer electricity rates increased by an average of 6.9% effective July 1, 2023 due to the annual July 1<sup>st</sup> rate adjustment.

<sup>3</sup> For example, uncollectible bills in 2022 were approximately 0.3% of revenue from rates, which is consistent with the 2026 forecast.

<sup>4</sup> The Company's Rules and Regulations were reviewed by the Board as part of the *2019/2020 General Rate Application*. See the *2019/2020 General Rate Application, Volume 2, Supporting Materials, Report 8, 2018 Rules and Regulations Review*.