

1 Q. From the perspectives of cost causation and administrative efficiency, please
2 provide a discussion of the pros and cons of (i) the policy of a discount for
3 customers who pay within 10 days, versus (ii) a policy of imposing a penalty
4 for customers who pay after 10 days.

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7 A. Hydro has applied the same discount policy as Newfoundland Power as it
8 considers it an integral part of the rate charged and as outlined in Order No.
9 P.U. 7 (2002-2003) (Paragraph no. 25, p 180). Hydro was ordered to
10 continue to automatically adjust its rates so that the rates are the same as
11 the rates charged by Newfoundland Power to its customers. On this basis,
12 Hydro has not given further consideration to alternate discount policies.
13 Refer also to the response to PUB-156 NLH.