

1 Q. Please provide a copy of Hydro's bad debt policy. If applicable, please also
2 provide a discussion of any relationships to the rural subsidy.

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5 A. Accounts are written off to bad debt expense for any of the following reasons:

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7 • Customer is deceased;

8 • The balance on the disconnected account is less than \$10.00;

9 • The balance on the disconnected account is disputed and determined
10 by Hydro to be uncollectible;

11 • The customer files for bankruptcy; or

12 • The collection agency deems the account "uncollectible".

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14 Forecast bad debt expense incurred on those systems that pay less than
15 their cost of service increases the amount of the rural subsidy.