

- 1 **Q. Exhibit 2 – Postage at line 24. Please explain why postage costs are increasing when**
2 **e-bills participation has been steadily increasing as shown over the period 2007 to**
3 **2011 in Table 2-4 at p. 2-7 of Volume I.**
4
- 5 A. Newfoundland Power’s postage costs have increased, despite growth in *eBills*
6 participation, over the period 2007 through 2011. This is due to increases in postal rates
7 for regular mail and growth in the number of customers served by the Company.
8 Utilization of *eBills* helps minimize the effects of the postage cost increases.