

1 **Volume 1, Section 4 – Customer Rates and Regulations**
2

3 **Q. (Exhibit 14, page 1 of 3) How much revenue does NP expect to gain from the**
4 **proposed change in the regulation relating to rejected payments and where is this**
5 **revenue shown in the financial statements?**

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7 A. Table 1 provides an estimate of the increase in revenue related to the proposed change in
8 Regulation 10(d) based on rejected payments during 2006.
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10

Table 1
Revenue Increase Related to Regulation Change
(\$)

Additional revenue from NSF cheques. $2,134 \times \$6.00 =$	12,804
New revenue from other types of payment rejection from the bank. $1,034 \times \$16.00 =$	16,544
Total Increase in Annual Revenue	29,348

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13 In 2006, Newfoundland Power had 3,168 instances of returned payments or cheques. Of
14 this total, 2,134 were NSF cheques, to which the Company applied the \$10 charge. No
15 charge was applied in the remaining 1,034 instances because they did not involve NSF
16 cheques and were therefore outside the application of the regulation.
17

18 Revenue related to rejected payments is included in other revenue in the financial
19 statements.