Q. **Reference: Volume 1, pages 184, 187-188, 199, 201; Schedule F, page 248; Schedule G, page 357**

Provide bill-impact and affordability analysis by customer class, usage band, geography, heating type, and rural/isolated status, under mitigated, unmitigated, and post-2030 scenarios, identifying any affordability metrics Hydro tracks beyond average bill increases. In addition, provide the following data, by customer class and sub-class where available, for the most recent five years for which data exists:

a) an arrears aging schedule (30/60/90/120+ days past due), with year-over-year trend;

b) disconnection and reconnection counts by month, broken out by season and, to the extent recorded, by heating type;

c) enrollment, utilization, average plan size, and default/re-arrears rate for any existing payment-plan or equalized/levelized-billing program;

d) electric-heat penetration by customer class or geographic/distribution zone, to the extent recorded;

e) a bill-impact distribution by consumption decile for the proposed 2027 rate changes within the Domestic class;

f) residential bad-debt write-off counts and dollar values, trended as far back as reasonably available. Note any category Hydro does not currently collect, and state whether Hydro considers it feasible to begin tracking it prospectively.

A. Newfoundland and Labrador Hydro ("Hydro") recognizes that customers have concerns regarding the affordability of electricity. Hydro also recognizes that the proposals within the 2026 General Rate Application ("GRA") result in differing rate impacts among customer classes; however, Hydro's proposals reflect the operation of the approved Cost of Service methodology and the rate mitigation framework directed by Government of Newfoundland and Labrador ("Government").

Hydro is proposing that increases for Labrador Interconnected System Customers be smoothed over multiple years, beginning with a 2.25% increase effective July 1, 2027, to mitigate bill impacts while reflecting the underlying cost of service. Government has advised that it supports a rate smoothing approach by Hydro to ease cost-of-living pressures for customers.

Hydro serves approximately 39,600 customers within the province. The majority of customers are served by Newfoundland Power Inc. ("Newfoundland Power"). Hydro cannot provide data for Newfoundland Power's direct customers. The available data requested in parts a) through f) for Hydro's customers is provided herein.

a) Table 1 outlines the Accounts Receivable aging schedule related to Hydro customers from 2021–2025.[1]

Table 1: Summary of Aging by Year ($ Millions)

Year	>30 Days	>60 Days	>90 Days
2021	1.5	0.6	0.6
2022	0.9	0.5	0.4
2023	0.8	0.2	0.7
2024	1.3	0.3	0.5
2025	0.9	0.3	0.5

b) Please refer to CA-NLH-061, Attachment 1 for an overview of disconnections and reconnections during the reporting period. Disconnections included in Attachment 1 may be attributable to a range of circumstances and should not be interpreted as being exclusively related to non-payment. Hydro does not have data available on customers' heating types, as this information is not collected when service is connected.

c) To help customers better manage their household budgets, Hydro offers an Equal Payment Plan ("EPP") to residential customers. Currently, 7.1% of residential customers are enrolled in the program. Hydro's Customer Service Representatives offer this program to customers,

[1] Table 1 is net of the allowance for doubtful accounts. Under International Financial Reporting Standards, the allowance for doubtful accounts is recognized using the expected credit loss ("ECL") model, reflecting the estimated portion of receivables unlikely to be collected.

especially when there are customer concerns surrounding affordability. This program helps mitigate the impact of higher electricity bills by providing predictable monthly payments.

d) Please refer to part b) of this response.

e) As stated on page 1.21 of Hydro's evidence:

> Hydro's 2026 GRA proposes to make the 2027 Test Year base rates equivalent to July 1, 2026 rates for Newfoundland Power. The proposed 3.3% increase effective July 1, 2027 to Hydro's Utility rate charged to Newfoundland Power is applied at the wholesale level, inclusive of the Project Cost Recovery Rider.[2]

Therefore, the base rates put forward by Hydro within the 2026 GRA do not represent a direct increase to residential customers. The adjustment to the Project Cost Recovery Rider will be proposed in a separate application for Hydro's July 1, 2027 Utility Rate Adjustment.

f) On average, Hydro writes off approximately $9,000 per month in customer account balances. Table 2 summarizes annual write-off amounts for the period 2021 to 2025.

Table 2: Residential Bad-Debt Write-Off by Year

	2021	2022	2023	2024	2025
Customer Count	185	168	160	176	148
Bad-Debt Total ($000)	$126	$115	$98	$141	$132

[2] Adjustments to the Project Cost Recovery Rider for July 1, 2027 will be proposed in Hydro's July 1, 2027 Utility Rate Adjustment Application, to be filed in 2027. Forecast and actuals may differ.

Summary of Disconnections and Reconnections by Quarter

	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Disconnections	4	60	95	3	162	1	37	22	20	80	5	35	49	47	136	2	73	58	9	142	6	73	29	26	134
Reconnections	4	40	79	55	178	11	44	38	29	122	14	26	46	48	134	12	54	55	25	146	12	58	34	46	150