

1 **3.1 Gander-Twillingate Transmission System Planning Study**
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3 **Q. Has Newfoundland Power considered whether the project necessitates a**
4 **review of the wheeling rate that will be charged to Hydro for power and**
5 **energy wheeled to its delivery point at Farewell Head?**
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7 A. Newfoundland Power does not believe that the project proposed in report *3.1 Gander -*
8 *Twillingate Transmission System Planning Study* necessitates a review of the
9 wheeling rate.
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11 Almost all of the wheeling amounts charged to Hydro are charged back to
12 Newfoundland Power through Hydro's rural deficit allocation.¹ Per Hydro's 2019 Cost of
13 Service Study, 96% of its rural deficit is charged to Newfoundland Power, which results
14 in a higher purchased power expense for the Company. Ultimately, wheeling revenues
15 and the related purchased power expense impact effectively offset in Newfoundland
16 Power's revenue requirement calculations.

¹ Newfoundland Power charges Hydro fixed monthly wheeling charges of \$28,763 to supply Hydro's customers in the Fogo Island / Change Islands area. See Order No. P.U. 30 (1988).