

1 **Section 3: Finance/Fair Return**  
2

3 **Q. (Section 3, page 3-5) What is Newfoundland power’s wheeling rate, does**  
4 **Newfoundland Power provide wheeling services for Hydro only, and what is the**  
5 **basis for the wheeling rate calculation?**  
6

7 A. Yes, Newfoundland Power only provides wheeling services for Hydro. The wheeling rate  
8 of 4.8 mills per kWh is an amount agreed upon by the utilities which was based on the  
9 cost of transporting the electricity to the point where Hydro takes delivery of the  
10 electricity to provide service to its customers.<sup>1</sup>

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<sup>1</sup> For Fogo Island, a fixed monthly amount of \$28,763 is charged for wheeling services.