

1 **Q. What are the current mark-up rates applied to NP employees who provide services**  
2 **to related companies?**

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4 A. In accordance with the *Newfoundland Power Inter-Affiliate Code of Conduct*,  
5 Newfoundland Power charges for non-utility services based on a fair market value, or a  
6 proxy for fair market value, for certain services.

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8 Currently, there are two market-based rates used regularly for specific inter-company  
9 transactions. Table 1 provides Newfoundland Power’s mark-up rate for each service.

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**Table 1**  
**Inter-Affiliate Mark-up Rates**

<b>Type of Service</b>	<b>Mark-up Rate<sup>1</sup></b>
Engineering Services	2.0 times cost
Executive and Manager Inter-corporate Services	1.2 times cost

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<sup>1</sup> “Cost” refers to the fully distributed cost as defined in the *Newfoundland Power Inter-affiliate Code of Conduct*.