

1 Q. Provide details of the approach used in determining the Wabush T.S.  
2 expenses estimates from TWINCo. for 2001 (RJH, page 16, lines 10-12).

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4 A. The Wabush T.S. expenses are a share of the expenses for the Third and  
5 Fourth Expansions to the Wabush Terminal Station. Hydro's pays is 53.6%  
6 of the expenses based on Hydro having access to 67 MW of the 125 MW  
7 capacity of the Third and Fourth Expansion. The expenses are for two types  
8 of charges as follows:

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10 1. Administration Charge – This expense is a fixed annual amount billed  
11 in 12 monthly payments. The Administration charge is for routine  
12 maintenance and operation of the equipment associated with the third  
13 and fourth expansions. This expense is \$228,000 for 2001.

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15 2. Extraordinary Charges – These expenses are for expenses which are  
16 outside routine items and are billed as they are incurred. An estimate  
17 of these expenses is provided by CF(L)Co who on TWINCo's behalf is  
18 responsible for the maintenance and repair of the Wabush T.S. In  
19 2001 there are a number of items in this category estimated to cost in  
20 total \$164,000.