

1 Q. Further to NP-52, provide the basis for, and details behind the determination
2 that \$228,000 is an appropriate annual amount for TWINCo. to bill Hydro
3 annually.

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6 A. The \$228,000 is not billed by TWINCo to Hydro. The charge of \$228,000 is
7 set by TWINCo and billed to IOCC through an agreement between IOCC and
8 TWINCo. Hydro pays IOCC 53.6% of this amount as described in NP-52.
9 Hydro has no role in setting this charge, as it is determined between IOCC
10 and TWINCo. In the agreement between IOCC and TWINCo, the charge is
11 reviewed every 5 years. TWINCo must substantiate any cost increases to
12 IOCC and the increases are limited to 15% at each 5-year review. The last
13 increase to \$198,200 occurred in 1996 and an increase to \$228,000 is
14 expected in 2001.