

1 Q. **Reference: LC-12**

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3 Please explain and quantify the statement that “costs include Hydro’s
4 proportion of annual costs for the Wabush Terminal Station”.

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7 A. Hydro pays a portion of the ongoing operation and maintenance costs
8 incurred by Twinco for two expansions of the Wabush Terminal Station. This
9 provides Hydro with access to 67MW of the 125MW capacity of the
10 expansions.

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12 From 1999 to 2004 these costs are as follows:

14	1999 -	\$1,031,959
15	2000 -	\$ 172,811
16	2001 -	\$ 35,412
17	2002 -	\$ 185,912
18	2003 -	\$ 119,100 (Forecast)
19	2004 -	\$ 106,235 (Forecast)

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21 Note: The costs are low for 2001 and high for 2002 due to a timing variance
22 in the processing of invoices.