

1 Q. Do the Iron Ore Company of Canada and Wabush Mines participate in the
2 budgetary process with respect to the Wabush Terminal Substation and are
3 they required to approve budgetary costs or cost overruns?
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6 A. The Wabush Terminal Station is owned by Twin Falls Power Corporation
7 Limited ("TWINCO"). There are two representatives of each of the Iron Ore
8 Company of Canada Limited ("IOCC") and Wabush Mines on the Board of
9 Directors of Twinco. The annual budget for TWINCO is approved by the
10 Board of Directors of TWINCO. A five-year plan of expenditures for TWINCO
11 is also reviewed by the Board of Directors each year. In addition,
12 discussions are held with representatives of IOCC and Wabush Mines if
13 expenditures are forecast which are, under the TWINCO contractual
14 arrangements, required to be paid by IOCC or Wabush Mines.