

1 Q. **TWINCO**

2 When the Twinco sublease expires at the end of 2014, who will own the rights to
3 the capacity and energy associated with it?
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8 In the CF(L)Co shareholder's agreement between Hydro and Hydro Quebec, it is
9 agreed that at the expiry of the TwinCo sublease the TwinCo Block would be sold by
10 CF(L)Co to Hydro for ultimate consumption in Labrador West. The agreement does
11 not allow for the sale of the TwinCo Block outside of Labrador West. The
12 agreement also requires Hydro to sell the TwinCo Block to its customers at a price
13 that is restricted to only the reasonable cost of delivering the TwinCo Block, plus the
14 cost of purchasing the power from CF(L)Co. The shareholder's agreement does not
15 provide for the price paid by Hydro to CF(L)Co. .

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17 The price paid by Hydro to CF(L)Co has been negotiated and agreed to by the
18 parties. It is part of the generation rate for Labrador Industrial Customers over
19 which the Board does not have jurisdiction.