

1 **In reference to Schedule “B”, page 45 of 82, please provide the rationale for the Aliant pole**
2 **purchase as follows:**

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4 **Q. Upon completion of the pole purchase agreement, are the consumers in the Province**
5 **responsible for the maintenance and replacement of these poles? What is the**
6 **anticipated cost of this maintenance and replacement for consumers year over year?**

7
8 A. Consumers of electric and telecommunications services in the Province of Newfoundland
9 and Labrador are responsible for the maintenance and replacement of poles required to
10 provide these services. Costs related to the maintenance and replacement of poles are
11 recovered through the rates paid for each respective service.

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13 The transfer of ownership of the joint-use poles from Aliant Telecom Inc. to
14 Newfoundland Power Inc. will not increase these costs. In fact, as demonstrated in the
15 application to the Public Utilities Board to approve the transfer, the unit costs associated
16 with maintenance and replacement of poles will be reduced through economies of scale.

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18 Attachment A to the response to PUB-14.3 contains the economic analyses filed with the
19 Public Utilities Board as part of the Company’s application for approval of the purchase
20 of joint-use support structures from Aliant Telecom. This document includes the 2001
21 forecast of increased maintenance costs (Schedule A, line 12) and increased pole
22 replacement cost (Schedule H, line 9) incurred by Newfoundland Power over the 10 year
23 life of the pole purchase agreement. As indicated in Schedule A and referred to in the
24 response to CA-36 (c), the annual impact of these costs are more than offset by the
25 increase in revenue resulting from the additional joint-use revenue to be received from
26 Aliant Telecom Inc.