

IN THE MATTER OF the *Public Utilities Act*,
(the "Act"); and

IN THE MATTER OF an application by
Newfoundland Power Inc., ("Newfoundland
Power") for an Order pursuant to Sections 41 and
53 of the Act, and all other enabling powers:

- (a) for approval of the purchase by
Newfoundland Power of certain
additions to its property and assets; and
- (b) for approval of an agreement concerning the
terms and conditions upon which Aliant
Telecom Inc. ("Aliant") shall jointly use
certain facilities of Newfoundland Power;

TO: The Board of Commissioners of Public Utilities (the "Board")

THE APPLICATION OF Newfoundland Power SAYS THAT:

1. Newfoundland Power is a corporation duly organized and existing under the laws of the Province of Newfoundland, is a public utility within the meaning of the Act, and is subject to the provisions of the *Electrical Power Control Act, 1994*.
2. Newfoundland Power engages in the generation, transmission and distribution of electricity on the island portion of Newfoundland. Newfoundland Power owns various support structures, including poles, anchors and related equipment, and rights of way, easements and other interests in real property for such support structures, in connection with the provision of such services.
3. Aliant engages in the provision of telecommunication services in, amongst other places, the island portion of Newfoundland. Aliant owns various support structures, including poles, anchors and related equipment, and rights of way, easements and other interests related to such support structures, in connection with the provision of such services.
4. Newfoundland Power and Aliant have entered into a Support Structures Purchase Agreement made as January 1, 2001, pursuant to which Newfoundland Power has agreed to purchase, from Aliant, Support Structures owned by Aliant and located on the island portion of Newfoundland (the "Support Structures"). A copy of the Support Structures Purchase Agreement is filed with this Application.
5. Newfoundland Power has assigned to 11003 Newfoundland Inc. its rights pursuant to the Support Structures Purchase Agreement to purchase those Support Structures which are outside of Newfoundland Power's service territory and Support Structures situated outside of Newfoundland Power's service territory are not a part of this Application.

6. Newfoundland Power and Aliant propose to enter into a Facilities Partnership Agreement as of January 1, 2001, governing Aliant's use of all Support Structures in Newfoundland Power's service territory and related matters, including the payment of remuneration by Aliant to Newfoundland Power in connection with Aliant's use of Support Structures and payment of contributions with respect to the construction of certain Support Structures. A copy of the Facilities Partnership Agreement substantially in the form to be executed by Newfoundland Power and Aliant is filed with this Application.
7. The Support Structures Purchase Agreement provides that undivided interests in and to the Support Structures shall be purchased by Newfoundland Power in accordance with the following schedule:

<i>Date of Payment of Purchase Price Installment</i>	<i>Undivided Interest In Support Structures Transferred</i>
Closing Date	50%
January 1, 2002	20%
January 1, 2003	10%
January 1, 2004	10%
January 1, 2005	10%

8. The Support Structures Purchase Agreement, as amended by the assignment described in paragraph 5 of this Application, provides, in effect, that the aggregate purchase price (the "Purchase Price") payable by Newfoundland Power to Aliant for the Support Structures in Newfoundland Power's service territory shall be \$45,858,000. The Purchase Price shall be paid by Newfoundland Power to Aliant in accordance with the following schedule:

<i>Payment Date</i>	<i>Amount</i>
Closing Date	50% of the Purchase Price
January 1, 2002	20% of the Purchase Price
January 1, 2003	10% of the Purchase Price
January 1, 2004	10% of the Purchase Price
January 1, 2005	10% of the Purchase Price

9. These transactions will result in Newfoundland Power becoming the owner of all support structures used by Newfoundland Power or Aliant within Newfoundland Power's service territory. This will ensure that support structures are available to Newfoundland Power and Aliant at reasonable cost.
10. The amount proposed to be paid to Aliant by Newfoundland Power in 2001 for the 50% interest in the Support Structures is \$22,929,000 as set out in Schedule A to this Application.
11. The purchase of the Support Structures will also require supplementary capital expenditures by Newfoundland Power of \$3,316,000 for distribution plant additions in 2001 as set out in Schedule A to this Application.

12. The proposed supplementary capital expenditures by Newfoundland Power will enable Newfoundland Power to continue to provide service and facilities which are reasonably safe and adequate and just and reasonable as required pursuant to Section 37 of the Act.
13. Communication with respect to this Application shall be forwarded to the attention of Ian F. Kelly, Q.C. and Peter Alteen, Counsel to Newfoundland Power.
14. Newfoundland Power requests that the Board make an Order pursuant to Sections 41 and 53 of the Act, and all other enabling powers, as follows:
 - (a) approving the Support Structures Purchase Agreement;
 - (b) approving the Facilities Partnership Agreement;
 - (b) approving supplementary capital expenditures for 2001 in the amount of \$26,245,000 as set out in Schedule A to this Application; and
 - (c) such other matters as may appear just and reasonable upon the hearing of this Application.

DATED at St. John's, Newfoundland this 8th day of May, 2001.

NEWFOUNDLAND POWER INC.



Ian F. Kelly, Q.C. and Peter Alteen
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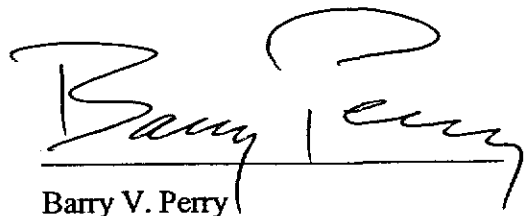
I, Barry V. Perry, of St. John's in the Province of Newfoundland, Chartered Accountant, make
oath to say as follows:

1. That I am the Vice-President, Finance and Chief Financial Officer of Newfoundland
Power Inc.
2. To the best of my knowledge, information and belief, all matters, facts and things set out
in this Application are true.

Sworn to before me at St. John's
in the Province of Newfoundland
this 8th day of May, 2001, before me:



Peter Alteen
Barrister



Barry V. Perry

Newfoundland Power Inc.
2001 Capital Additions *
(\$000s)

50% interest in the Support Structures			22,929
Distribution Additions:	Line Extensions	1,549	
	Reconstruction	939	
	Rebuilds	<u>828</u>	3,316
Total			26,245

* Aliant Telecom Inc. will pay contributions totaling approximately \$855,000 to Newfoundland Power Inc. in 2001 in respect of these additions to property.