

Relocate/Replace Distribution Lines for Third Parties (Pooled), p. 50 of 96, \$685,000

Q. How were the costs relating to the Eastlink cross island project dealt with from a regulatory perspective?

A. This project is necessary to accommodate third party requests for the relocation or replacement of distribution lines. This includes the relocation or replacement of distribution lines resulting from work initiated by other utilities such as Aliant, Eastlink and Rogers Cable.

The Eastlink cross island fibre project has been ongoing since 2006 and involves the placement by Eastlink of a fibre cable on joint use poles owned by Newfoundland Power and non-joint use poles owned by Fortis. Other than in scope, the project is no different than any other joint use project carried out by Eastlink or any other telecommunications company.

The costs for this project reflect the modifications that must be made to Newfoundland Power's infrastructure to accommodate the cable attachments. Infrastructure costs often result from the requirement to install higher poles to ensure adequate clearances or the addition of mid-span poles so loading requirements are not exceeded.

Newfoundland Power capital costs for this project, less any credit for betterment, are recovered from Eastlink and deducted from ratebase consistent with other contributions in aid of construction.

The cost of this project does not include any infrastructure modifications required related to non-joint use poles owned by Fortis. The costs of these modifications are charged by Fortis to Eastlink. Newfoundland Power costs of providing engineering services associated with non-joint use poles are recovered from Fortis on a monthly basis at the appropriate market-based charge-out rate.