

HAND DELIVERED

February 4, 2011

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Board Secretary

Ladies & Gentlemen:

Re: Sale of Joint Use Support Structures Application

A. Introductory

Enclosed please find the original and eight copies of Newfoundland Power's Sale of Joint Use Support Structures Application (the "Application").

B. The Application

Newfoundland Power and Bell Aliant Regional Communications Inc. ("Bell Aliant") have historically each shared the use of utility poles, anchors and related equipment ("Support Structures") owned by the other in Newfoundland Power's service territory ("Joint Use").

In 2001, Newfoundland Power purchased all Joint Use Support Structures in its service territory that had been owned by Bell Aliant, as approved by the Board in Order No. P.U. 17 (2001-2002). As part of this purchase, Newfoundland Power and Bell Aliant established comprehensive terms for continued Joint Use of Support Structures in the Joint Use Facilities Partnership Agreement ("JUFPA"). The JUFPA required that, in the event it was not renewed after its initial 10-year term, Bell Aliant would repurchase from Newfoundland Power 40% of the Joint Use Support Structures.

In June 2010, Bell Aliant gave notice to Newfoundland Power of its intention not to renew the JUFPA upon its expiration on December 31, 2010. In December 2010, Newfoundland Power and Bell Aliant executed a Joint Use Support Structures Purchase Agreement (the "Purchase Agreement") pursuant to which 40% of the Joint Use Support Structures are to be sold by Newfoundland Power to Bell Aliant for the price of \$45,698,000, effective January 1, 2011.



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Effective January 1, 2011, the parties' continuing Joint Use of Support Structures in Newfoundland Power's service territory will be governed by a Joint Use Agreement ("JUA"). The JUA effectively preserves the historic Joint Use Support Structure cost sharing arrangement based on 60% for Newfoundland Power and 40% for Bell Aliant.

Section 48 of the *Public Utilities Act* (the "Act") provides that a sale of part of the undertaking of a public utility may not proceed until the approval of the Board has been obtained. In the Application, Newfoundland Power requests that the Board approve, pursuant to Section 48 of the Act, the sale of Joint Use Support Structures to Bell Aliant as provided for in the Purchase Agreement.

C. Concluding

We trust the foregoing and enclosed are found to be in order. However, if you have any questions, please feel free to contact us at your convenience.

Yours very truly,



Gerard M. Hayes
Senior Counsel

Enclosures

c. Geoff Young
Newfoundland and Labrador Hydro

Tom Johnson
O'Dea, Earle



Join us in the fight against cancer.

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 Section 48 of the
Act, and all other enabling powers for approval of
the sale by Newfoundland Power to Bell Aliant
Regional Communications Inc. (“Bell Aliant”) of
certain utility poles, anchors and related equipment
(“Support Structures”).

TO: The Board of Commissioners of Public Utilities (the “Board”)

THE APPLICATION OF Newfoundland Power SAYS THAT:

A. Introductory

1. Newfoundland Power is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, 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 of Newfoundland. Newfoundland Power owns various poles, anchors and related equipment (“Support Structures”), and rights of way, easements and other interests in real property for Support Structures, in connection with the provision of electrical service to its customers.

B. Historical Joint Use

3. Bell Aliant engages in the provision of telecommunication services in, amongst other places, the island of Newfoundland and, in connection with the provision of such services, shares the use (“Joint Use”) of certain of the Support Structures owned by Newfoundland Power (the “Joint Use Support Structures”).
4. Prior to 2001, Newfoundland Power and Bell Aliant, then Aliant Telecom Inc., each shared the use of Support Structures owned by the other in Newfoundland Power’s service territory. Costs of Joint Use Support Structures have been shared on the basis of 60% Newfoundland Power and 40% Bell Aliant since the late 1980s.
5. In Order No. P.U. 17 (2001-2002), the Board approved the acquisition by Newfoundland Power of all Joint Use Support Structures in its service territory that had been owned by Bell Aliant. Since 2001, Newfoundland Power has owned and maintained all of the Joint Use Support Structures in its service territory.

6. The Joint Use Facilities Partnership Agreement (“JUFPA”) established in 2001 between Newfoundland Power and Bell Aliant established comprehensive terms for the continued Joint Use of Support Structures between the parties. The attachment rental rate to be paid to Newfoundland Power by Bell Aliant for the initial 10-year period of the JUFPA was based upon 60% / 40% cost sharing between the parties. The JUFPA provided, in the event it was not renewed, that Bell Aliant would purchase from Newfoundland Power 40% of the Joint Use Support Structures.

C. Future Joint Use

7. In June 2010, Bell Aliant gave notice to Newfoundland Power of its intention not to renew the JUFPA upon its expiration on December 31, 2010.
8. In December 2010, Newfoundland Power and Bell Aliant executed (i) a Joint Use Support Structures Purchase Agreement (the “Purchase Agreement”) pursuant to which Newfoundland Power has agreed to sell, and Bell Aliant has agreed to purchase, 40% of the Joint Use Support Structures for the price of \$45,698,000, subject to adjustments, effective January 1, 2011 and (ii) a Joint Use Agreement (“JUA”) which provides the terms of continuing Joint Use of Support Structures, effective January 1, 2011, including 60% / 40% cost sharing between the parties.
9. The proportionate ownership of Joint Use Support Structures resulting from the proposed sale, together with the continued Joint Use in accordance with the JUA and based upon 60% / 40% cost sharing, will ensure a fair and equitable sharing between Newfoundland Power and Bell Aliant of the economic costs and benefits of continued Joint Use of Support Structures in Newfoundland Power’s service territory.
10. The sale by Newfoundland Power to Bell Aliant of Joint Use Support Structures as provided for in the Purchase Agreement, together with the JUA, will provide for future Joint Use of Support Structures which:
 - (a) is consistent with current Canadian public utility practice;
 - (b) is consistent with current levels of service to Newfoundland Power’s customers;
 - (c) is consistent with the terms of the JUFPA; and
 - (d) is consistent with the requirements of Section 53 of the Act and Section 3(b) the *Electrical Power Control Act, 1994*.

D. Order Requested

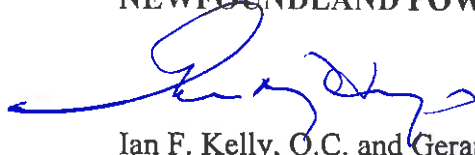
11. Newfoundland Power requests that the Board make an Order pursuant to Section 48 of the Act, and all other enabling powers, as follows:
 - (a) approving the sale to Bell Aliant by Newfoundland Power of Joint Use Support Structures as provided for in the Purchase Agreement; and
 - (b) such other matters as may appear just and reasonable upon the hearing of this Application.

E. Communications

12. Communication with respect to this Application shall be forwarded to the attention of Ian F. Kelly, Q.C. and Gerard M. Hayes, Counsel to Newfoundland Power.

DATED at St. John's, Newfoundland this 4th day of February, 2011.

NEWFOUNDLAND POWER INC.



Ian F. Kelly, Q.C. and Gerard M. Hayes
Counsel to Newfoundland Power Inc.
P.O. Box 8910
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St. John's, Newfoundland
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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 Section 48 of the
Act, and all other enabling powers for approval of
the sale by Newfoundland Power to Bell Aliant
Regional Communications Inc. ("Bell Aliant") of
certain utility poles, anchors and related equipment
("Support Structures").

AFFIDAVIT


I, Peter Alteen, of St. John's in the Province of Newfoundland and Labrador, make oath and say
as follows:

1. That I am Vice President, Regulation and Planning, 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 and Labrador
this 4th day of February, 2011:



Gerard M. Hayes
Barrister



Peter Alteen

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 Section 48 of the
Act, and all other enabling powers for approval of
the sale by Newfoundland Power to Bell Aliant
Regional Communications Inc. (“Bell Aliant”) of
certain utility poles, anchors and related equipment
(“Support Structures”).

**Evidence of
Newfoundland Power Inc.**

February 4th, 2011

Sale of Joint Use Support Structures

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1 In 2001, Newfoundland Power purchased all Joint Use Support Structures in its service territory
2 which were owned by Bell Aliant (then, Aliant Telecom). This purchase was approved by the
3 Board in Order No. P.U. 17 (2001-2002). Since 2001, Newfoundland Power has owned and
4 maintained all of the Joint Use Support Structures in its service territory. The terms of other
5 parties' use of the Support Structures has been based upon agreed contracts.³

6
7 The terms of Newfoundland Power's 2001 purchase of the Joint Use Support Structures, in
8 effect, provided that the Joint Use arrangements between Bell Aliant and Newfoundland Power
9 could be renewed following an initial 10-year term. Failing renewal of the existing Joint Use
10 arrangements, Bell Aliant was required to repurchase 40% of Newfoundland Power's Joint Use
11 Support Structures and to renegotiate terms for Joint Use on principles consistent with those in
12 effect prior to 2001.

13
14 In June 2010, Bell Aliant gave notice of its intention not to renew existing Joint Use
15 arrangements with Newfoundland Power. In December 2010, Bell Aliant and Newfoundland
16 Power concluded negotiation of revised terms for their Joint Use of Support Structures to be
17 effective January 1, 2011. These revised terms include the repurchase by Bell Aliant of 40% of
18 Newfoundland Power's Joint Use Support Structures for approximately \$45.7 million.⁴

³ Other parties include Bell Aliant and cable television service providers, such as Rogers Communications Inc. and Eastlink.

⁴ The repurchase by Bell Aliant includes 40% of those Support Structures which are jointly used by Newfoundland Power and Bell Aliant. This comprises approximately 93,000 out of Newfoundland Power's 290,000 Support Structures. The sale price of the Joint Use Support Structures is subject to adjustment per the terms of the purchase agreement.

1 **1.2 THE APPLICATION**

2 Section 48 of the *Public Utilities Act* requires Newfoundland Power to obtain the approval of the
3 Board to sell 40% of its Joint Use Support Structures to Bell Aliant.⁵ This Application seeks that
4 approval.

5
6 If approved by the Board, the sale will permit continued Joint Use of Support Structures on a
7 basis both consistent with historical practice in Newfoundland Power’s service territory, and
8 consistent with current Canadian public utility practice.

9
10 **SECTION 2: HISTORICAL JOINT USE**

11 **2.1 OVERVIEW**

12 Use of common Support Structures to deliver services to their customers is typical for electricity
13 distribution and telecommunications service providers in Canada.

14
15 In economic terms, the provision of services by multiple users of Support Structures from a
16 common infrastructure is less costly than each user providing service from separate
17 infrastructure. Joint Use of Support Structures creates efficiencies through avoided costs of
18 duplicate infrastructure. Each user of the Support Structures and their customers receive the
19 economic benefits of these efficiencies. These benefits exist so long as the incremental costs of
20 the Joint Use Support Structures do not exceed the cost of multiple separate Support Structures.⁶

⁵ Section 48 of the *Public Utilities Act* effectively requires approval of the Board for a public utility to sell the whole of its undertaking or a part of it.

⁶ There are incremental costs associated with Joint Use Support Structures serving multiple users. These would typically include costs associated with use of larger poles to accommodate both electric and telecommunication equipment, space between attachments, additional maintenance, and additional administrative activities.

1 Exhibit 1 illustrates the construction cost differences between installing (i) a single Joint Use
2 Support Structure and (ii) separate Support Structures for each of an electric utility user and a
3 telecommunications user. The construction cost associated with installation of a single Joint Use
4 Support Structure is approximately ½ of the construction cost of separate Support Structures for
5 each of an electric utility user and a telecommunications user. This is broadly indicative of the
6 scale of efficiencies associated with Joint Use.⁷ Joint Use of Support Structures is consistent
7 with the power policy of the Province as expressed in the *Electrical Power Control Act, 1994*.⁸
8
9 It is well established in regulatory principle that electrical and telecommunications service
10 providers should be granted nondiscriminatory access to essential facilities that are controlled by
11 each of these parties.⁹ Fair and equitable distribution of the economic benefits of Joint Use of
12 Support Structures by electric utilities and telecommunications companies occurs when each user
13 (i) shares equally in the common costs of the Support Structures and (ii) fully bears those costs
14 related to its specific requirements.¹⁰ This ensures that each of the users bears a reasonable
15 portion of the overall costs of Joint Use. It also substantially minimizes any risk of cross-
16 subsidization between users.

⁷ The higher construction cost of separate Support Structures would be reflected in proportionately higher financing and depreciation costs. Costs are a principal justification for Joint Use of Support Structures being considered to be in the public interest. The aesthetics of duplicate pole infrastructure is another justification.

⁸ Section 3 (b) of the *Electrical Power Control Act, 1994* states, in effect, that the power policy of the Province is that all facilities for the distribution of power be managed and operated in an efficient manner that results in power being delivered to consumers at the lowest possible cost consistent with reliable service.

⁹ Section 53 of the Public Utilities Act requires the utilities to share Support Structure facilities and to determine reasonable compensation for such use.

¹⁰ Such an approach has been broadly adopted in Joint Use arrangements across Canada. Regulatory boards have not typically adjudicated terms of Joint Use between electric utilities such as Newfoundland Power and incumbent telecommunications companies such as Bell Aliant. Regulatory decisions in recent years have tended to deal with terms of use by cable television service providers.

1 Exhibit 2 provides the results of a survey of 13 electric utilities in 9 Canadian provinces that was
2 recently conducted by Newfoundland Power. Nine respondents, or 69%, indicated that Joint Use
3 arrangements were based upon electric utilities and telecommunications companies owning Joint
4 Use Support Structures. Four respondents, or 31%, indicated that Joint Use arrangements were
5 based upon the electric utility owning all Joint Use Support Structures and telecommunications
6 companies renting space to attach their facilities to the Support Structures.¹¹

7
8 Twelve respondents, or 92%, share costs of Joint Use Support Structures on the basis of
9 approximately 60% for the electric utility and 40% for the telecommunications company.¹² The
10 survey indicates that this 60% / 40% cost sharing arrangement is unaffected by the ownership of
11 the Joint Use Support Structures. The similarity of these enduring arrangements across a number
12 of provinces suggests that a 60% / 40% cost sharing approach is fair and equitable.¹³

13
14 The typical Canadian public utility practice of sharing the costs of Joint Use Support Structures
15 on the basis of 60% / 40% is also supported by the engineered dimensions of a typical Joint Use
16 Support Structure.

17
18 Exhibit 3 shows a typical 40 foot Joint Use Support Structure used by Newfoundland Power and
19 Bell Aliant. Of the 40 feet, a total of 27.5 feet are common to both users. This includes the

¹¹ Joint Use of Support Structures can be achieved either through (i) ownership by multiple users or (ii) ownership by a single user with tenants paying for attachments to Support Structures. In either case, sharing of all capital and operating costs ensures there is no economic advantage to owners or tenants of Support Structures.

¹² A 60% / 40% Joint Use Support Structure cost sharing arrangement has also been agreed between Newfoundland Power and Bell Aliant (and its predecessors) since the late 1980s.

¹³ The report *Cost Allocation for Joint Use Poles* (February 2008) prepared for the Canadian Electricity Association provides a comprehensive analysis of current Canadian practices for cost allocation for Joint Use Support Structures, and observes the 60% / 40% agreed basis has been longstanding and "... is strongly suggestive of a fair and reasonable bargaining equilibrium since each party owns poles that are used by the other party and there has been ample opportunity to renegotiate the agreements."

1 buried space, ground clearance and separation space between the electric utility space and
2 telecommunications space. 10.5 feet are allocated for support of electrical facilities. Two feet
3 are allocated for support of telecommunications facilities. This usage supports the longstanding
4 sharing of costs of Joint Use Support Structures on the basis of 60% for Newfoundland Power
5 and 40% for Bell Aliant.¹⁴

6

7 **2.2 JOINT USE REGIME 2001 TO 2010**

8 In Order No. P.U. 17 (2001-2002), the Board approved the acquisition by Newfoundland Power
9 of all Joint Use Support Structures in its service territory which had been owned by Bell Aliant.
10 This acquisition provided continuity of the longstanding practice of Joint Use of Support
11 Structures by electric, telecommunications and cable television service providers in
12 Newfoundland Power's service territory, while allowing further efficiencies.

13

14 The Joint Use Facilities Partnership Agreement ("JUFPA") established in 2001 between
15 Newfoundland Power and Bell Aliant established comprehensive terms for the continued Joint Use
16 of Support Structures between the parties. These terms substantially reflected those established in
17 previous Joint Use agreements. The JUFPA provided for continued consultation between
18 Newfoundland Power and Bell Aliant concerning the operational details of Joint Use. It also
19 established a rental rate to be paid by Bell Aliant for the initial 10-year period of the agreement,
20 based upon 60% / 40% cost sharing between the parties.¹⁵ In 2001, Newfoundland Power forecast

¹⁴ Based on a typical 40 foot Joint Use Support Structure, Newfoundland Power's share of usage is calculated as: $((27.5 / 2) + 10.5) / 40 = 60.6\%$; Bell Aliant's share of usage is calculated as: $((27.5 / 2) + 2) / 40 = 39.4\%$.

¹⁵ The rental rate agreed in 2001 was \$32.00 per Bell Aliant attachment per year. This rate escalated annually and was \$35.66 in 2010. The JUFPA provided that in the case of renewal following the initial 10-year term, the rental rate was to be recalculated to achieve continued 60% / 40% cost sharing. The rental rate under a JUFPA renewal for 2011 would have been lower, primarily as a result of Newfoundland Power's lower current cost of capital as compared to 2001.

1 that the revenue received by the Company under the JUFPA would exceed the revenue
2 requirements associated with the additional pole ownership and related obligations in each year.
3 The levelized revenue requirement impact for the 10-year period was forecast be a benefit of
4 approximately \$393,000 per year.¹⁶

5
6 Exhibit 4 provides Newfoundland Power's *ex post facto* estimate of the benefits of the JUFPA
7 for the period from 2001 through 2010. The levelized revenue requirement impact for the 10-
8 year period was approximately \$787,000 per year, or 0.18%.¹⁷ The estimated benefit realized
9 was approximately twice what was forecast in 2001. The cumulative net present value of this
10 benefit was approximately \$10.1 million at year end 2010.

11 12 **SECTION 3: FUTURE JOINT USE**

13 **3.1 THE SALE TRANSACTION**

14 On June 30, 2010, Bell Aliant gave notice to Newfoundland Power of its intention not to renew
15 the JUFPA upon its expiration on December 31, 2010. The JUFPA provided, in the event it was
16 not renewed, that Bell Aliant would repurchase 40% of the Joint Use Support Structures at net
17 book value as defined in the JUFPA. The JUFPA also provided, in the event it was not renewed,
18 that Newfoundland Power and Bell Aliant would, in effect, negotiate a new Joint Use
19 arrangement based upon historical practice, including the 60% / 40% sharing of costs of Joint
20 Use Support Structures.

¹⁶ See Exhibit 10 (1st Revision) filed with the Board as part of Newfoundland Power's July 26, 2001 application to acquire Joint Use Support Structures of Aliant Telecom (now Bell Aliant). The rate impact analysis presented in 2001 was based on a 10-year timeframe because the structure and terms of the JUFPA were subject to renegotiation and changing financial parameters after the initial 10-year term.

¹⁷ The \$787,000 is comparable to the \$393,000 which was forecast in 2001. The increased actual benefit realized resulted from a mixture of factors, the largest of which was a reduction in Newfoundland Power's cost of capital from 2001 through 2010, which was not reflected in Bell Aliant's attachment rental rate payable under the JUFPA.

1 A Joint Use Support Structures Purchase Agreement (“Purchase Agreement”) was executed by
2 Newfoundland Power and Bell Aliant on December 22, 2010. The Purchase Agreement provides
3 for the terms of sale to Bell Aliant of 40% of Newfoundland Power’s Joint Use Support
4 Structures. As part of the Purchase Agreement, Newfoundland Power and Bell Aliant revised
5 the terms for their Joint Use of Support Structures to be effective January 1, 2011 (the “2011
6 JUA”).

7
8 Exhibit 5 contains the Purchase Agreement. The 2011 JUA is Schedule 4 to the Purchase
9 Agreement.

10

11 The sale of 40% of the Joint Use Support Structures as contemplated by the Purchase Agreement
12 is subject to the Board’s approval pursuant to Section 48 of the *Public Utilities Act*. If the sale is
13 approved by the Board by June 30, 2011, the new Joint Use regime will be effective as of
14 January 1, 2011. The Purchase Agreement is subject to termination by either Party if Board
15 approval is not received by June 30, 2011.¹⁸

16

17 Should the Board approve the sale of 40% of the Joint Use Support Structures as contemplated
18 by the Purchase Agreement, the sale price, together with agreed adjustments, will be paid to
19 Newfoundland Power.¹⁹ Following this payment, Bell Aliant will have assumed the financial

¹⁸ Should the Purchase Agreement be terminated, both the Purchase Agreement and the 2011 JUA become null and void (see Article IX of the Purchase Agreement).

¹⁹ The material agreed adjustments include (i) 9.63% of the sale price prorated from January 1, 2011 to payment date, (ii) any amounts due for services provided by Newfoundland Power to Bell Aliant from January 1, 2011, and (iii) a sharing of revenues from third party attachments to Support Structures from January 1, 2011.

1 responsibilities associated with 40% of the Joint Use Support Structures with effect from January
2 1, 2011.²⁰

3
4 The sale price for the Joint Use Support Structures to be purchased by Bell Aliant is
5 \$45,698,000.²¹ This is calculated based on the net book value of 40% of Newfoundland Power's
6 Joint Use Support Structures as of December 31, 2010, as defined in the JUFPA.²²

7
8 Exhibit 6 shows the calculation of the sale price for 40% of the Company's Joint Use Support
9 Structures.

10
11 In order to facilitate the continued Joint Use of Support Structures under the new regime,
12 Newfoundland Power and Bell Aliant have initiated a pole count survey.²³ The pole count
13 survey will provide the necessary detailed field information to permit transfer of specific Joint
14 Use Support Structures to Bell Aliant. The transfer of specific Support Structures is required so
15 that Bell Aliant may fulfill the operational responsibilities of ownership of those structures. In
16 addition, the pole count survey will verify the actual extent of Joint Use of Support Structures in
17 the field.²⁴ The pole count survey is anticipated to be completed in the 3rd quarter of 2011.

²⁰ The predominant financial responsibilities associated with the Joint Use of Support Structures are the costs of ownership which include the financing costs and depreciation.

²¹ The sale price is exclusive of HST and will be adjusted, as necessary, based on the results of the pole count survey.

²² The JUFPA provided that the sale price to be paid by Bell Aliant following conclusion of the initial 10-year term would be a net book value calculated based upon an expected service life of 27 years (this was Bell Aliant's method in 2001). Currently, Newfoundland Power uses an expected service life of 45 years for Support Structures. The use of an expected service life of 27 years decreases accumulated depreciation (and increases the sale price) by \$362,000, or less than 1% of the sale price.

²³ The JUFPA specifically provided for a pole count survey following conclusion of the initial 10 year term.

²⁴ This survey will verify the proportion of Support Structures which are *actually* jointly used by Newfoundland Power and Bell Aliant (the "Joint Use Rate"). The sale price of the Joint Use Support Structures is based upon an estimated Joint Use Rate of 80%. The sale price will be adjusted based on the results of the pole count survey to reflect any variation from this estimated Joint Use Rate. The JUFPA assumed a Joint Use Rate of 72.43% in 2001. In the period from 2001 through 2010, the Joint Use Rate is estimated to have increased to approximately 80%.

1 Following the transfer of specific Joint Use Support Structures to Bell Aliant by December 31,
2 2011, Bell Aliant will have assumed the operational responsibilities associated with 40% of the
3 Joint Use Support Structures.²⁵

4
5 Exhibit 7 shows an indicative timeline for the sale by Newfoundland Power to Bell Aliant of
6 40% of Joint Use Support Structures as agreed in the Purchase Agreement.²⁶

8 **3.2 JOINT USE REGIME EFFECTIVE 2011**

9 The negotiated terms of the 2011 JUA substantially reflect longstanding operational practice
10 regarding Joint Use of Support Structures in Newfoundland Power's service territory. The 2011
11 JUA achieves 60% / 40% cost sharing through proportionate ownership of Joint Use Support
12 Structures by Newfoundland Power and Bell Aliant. The initial term of the 2011 JUA is five years.

13
14 The 2011 JUA is consistent with maintenance of current Newfoundland Power customer service
15 levels. Newfoundland Power's operational practices for Support Structure inspections and
16 maintenance and for emergency response times have been incorporated in the terms of the 2011
17 JUA.²⁷

18
19 The Company's proposed sale of 40% of its Joint Use Support Structures to Bell Aliant
20 establishes equitable cost sharing through ownership. A 60% / 40% ownership rate will be

²⁵ To ensure the orderly operational transition to the new Joint Use regime, the parties have agreed that Bell Aliant will compensate Newfoundland Power for performing certain aspects of capital and operating maintenance on Bell Aliant's Joint Use Support Structures through 2012.

²⁶ The indicative timeline assumes for the purposes of example that Board approval of this Application will occur on May 10, 2011.

²⁷ The Newfoundland Power 2011 survey of Canadian utility practices regarding Joint Use of Support Structures indicates that inclusion of these operational practices is unique in Canadian multi-owner Joint Use arrangements.

1 maintained by Newfoundland Power and Bell Aliant through the 2011 JUA. No attachment
2 rental fees will be paid by either party under the 2011 JUA.

3
4 The 2011 JUA maintains all existing rights of third parties to attach to Joint Use Support
5 Structures as required by Section 53 of the *Public Utilities Act*.²⁸

6
7 Newfoundland Power's costs for Joint Use Support Structures under the 2011 JUA are broadly
8 comparable to those costs which could be expected had the 2001 JUFPA been renewed to reflect
9 current financial parameters. This is because both the 2001 JUFPA and the 2011 JUA are based
10 upon a 60% / 40% sharing of the costs of Joint Use Support Structures. Under both arrangements,
11 Newfoundland Power's share of costs is based on Canadian public utility practice regarding fair
12 and equitable distribution of the costs and benefits of Joint Use of Support Structures.

13
14 Exhibit 8 shows the *pro forma* revenue requirement impacts on the Company of the sale of 40%
15 of Joint Use Support Structures and the 2011 JUA, as compared with a renewal of the 2001
16 JUFPA to reflect current financial parameters.²⁹ These impacts are forecast over the 5-year term
17 of the 2011 JUA.

²⁸ Currently, third party rights to attach to Joint Use Support Structures are governed by contracts with Newfoundland Power which provide for the terms of use and rental charges. For 2011, these terms will remain unchanged. Newfoundland Power expects to commence renegotiation of third party contracts in the 2nd half of 2011 with a view to re-establishing rental charges for 2012. Commencing in 2012, third party attachments to Joint Use Support Structures owned by Bell Aliant will be subject to terms of use and rental charges mandated by the Canadian Radio and Telecommunications Commission.

²⁹ The primary financial parameters include current embedded costs of Support Structures and current cost of capital. The JUFPA was based upon 2000 embedded costs of Support Structures and 2001 cost of capital.

1 For 2011 and 2012, revenue requirement impacts are positive, primarily due to arrangements
2 associated with the transition to the future Joint Use regime.³⁰ For 2013 through 2015, revenue
3 requirement impacts are negative. This primarily reflects ongoing diseconomies of scale due to
4 shared ownership of Joint Use Support Structures as compared to single ownership.³¹ The
5 forecast annual impacts for these years represent approximately 0.02% of Newfoundland
6 Power's revenue requirements.

7
8 The levelized revenue requirement impact for the 5-year period is forecast to be approximately
9 \$123,000, or 0.02%. The cumulative net present value of this benefit is approximately \$0.5
10 million at year-end 2010.

11
12 Exhibit 9 provides Newfoundland Power's 2011 financial forecast incorporating the effects of
13 the sale proposed in this Application.

14

15 **SECTION 4: CONCLUDING**

16 In 2001, Newfoundland Power purchased the Joint Use Support Structures owned by Bell Aliant
17 for an agreed 10-year period. This purchase proved beneficial to Newfoundland Power and its
18 customers over that period. The terms of the purchase included provision for Bell Aliant to
19 repurchase 40% of the Joint Use Support Structures at the conclusion of the 10-year period.

³⁰ This principally reflects forecast additional revenue related to the Company's provision of certain capital and operating maintenance on behalf of Bell Aliant during the operational transition in 2011 and 2012.

³¹ For example, increased Joint Use administration costs of \$100,000 per year are forecast by the Company as a result of shared ownership of Joint Use Support Structures.

1 This Application requests the Board's approval of Newfoundland Power's sale of 40% of Joint
2 Use Support Structures to Bell Aliant.

3

4 The proposed sale of Joint Use Support Structures and the 2011 JUA together are consistent
5 with:

6 1. the *Public Utilities Act* and the *Electric Power Control Act, 1994*;

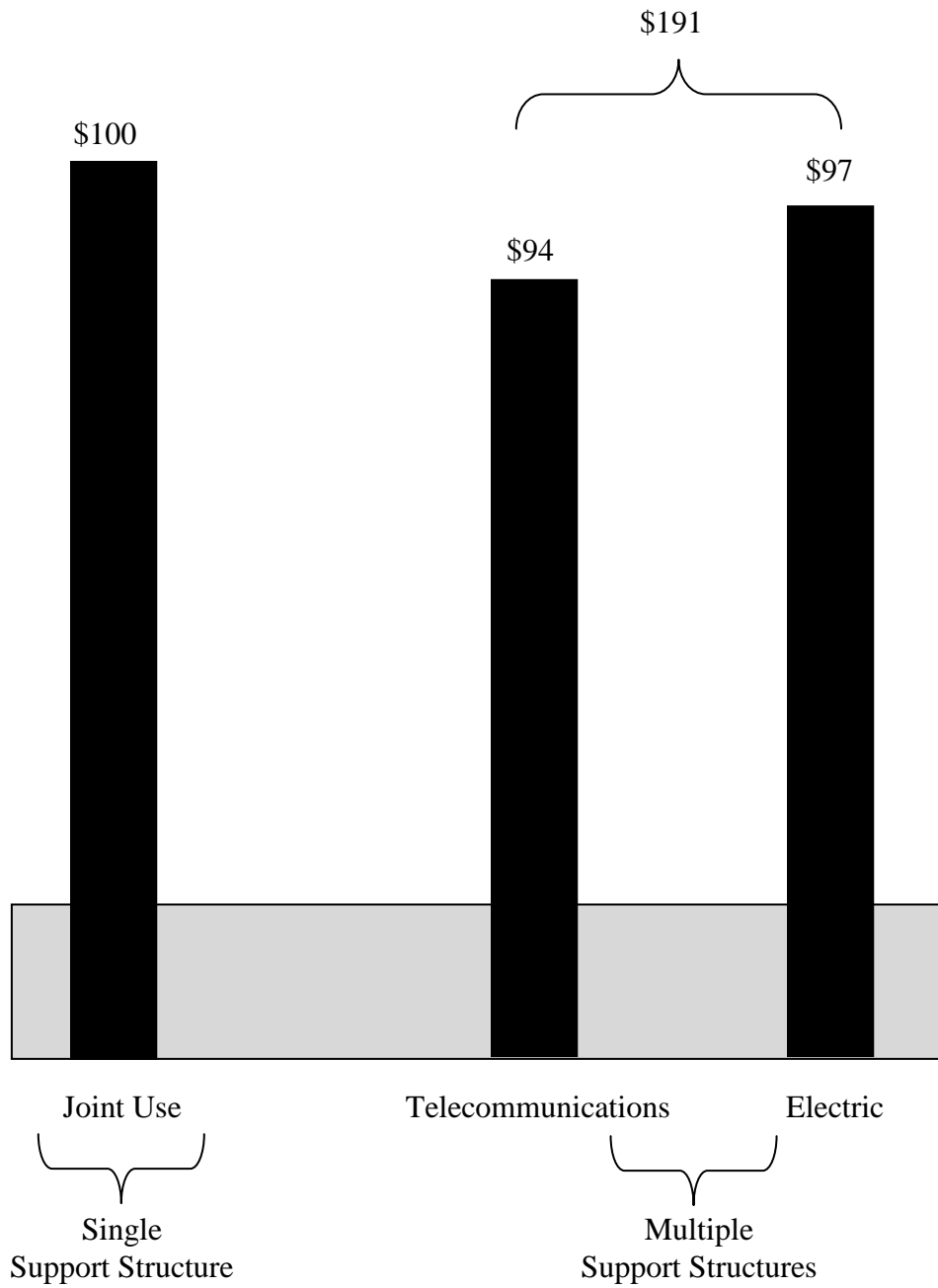
7 2. current Canadian public utility practice;

8 3. the terms of the JUFPA;

9 4. the maintenance of current levels of service to Newfoundland Power's customers; and

10 5. fairness to Newfoundland Power, Bell Aliant and the customers of each.

Relative Construction Cost Comparison



**Survey of Canadian Utilities’
Support Structure Joint Use Arrangements**

In January 2011, Newfoundland Power conducted a survey of the Joint Use practices of 13 electric utilities representing 9 Canadian provinces.¹

Table 1 provides the survey respondents’ Joint Use arrangements, Joint Use Support Structure cost sharing, and whether current Joint Use agreements include construction and maintenance standards.

**Table 1
Utility Joint Use Survey Results**

Utility Identifier	Joint Use Arrangement	Joint Use Support Structure Cost Sharing ²	Construction Standards	Maintenance Standards ³
1	Rental Approach	60% / 40%	Y	N
2	Rental Approach	60% / 40%	Y	N
3	Rental Approach	60% / 40%	Y	N
4	Rental Approach	60% / 40%	Y	N
5	Joint Ownership	60% / 40%	Y	N
6	Joint Ownership	60% / 40%	Y	N
7	Joint Ownership	60% / 40%	Y	N
8	Joint Ownership	60% / 40%	Y	N
9	Joint Ownership	60% / 40%	Y	N
10	Joint Ownership	61% / 39%	Y	N
11	Joint Ownership	57% / 43%	Y	N
12	Joint Ownership	57% / 43%	Y	N
13	Joint Ownership	70% / 30%	Y	N

The survey indicates that a 60% electric utility and 40% telecommunications company cost sharing arrangement is typical Canadian utility practice.⁴ Cost sharing for Joint Use Support Structures is maintained through either joint ownership or ownership by a single user with tenants paying rent for attachments to Support Structures.

The survey indicates that all utility respondents included construction standards in their joint use agreements, but none included maintenance and service quality standards.

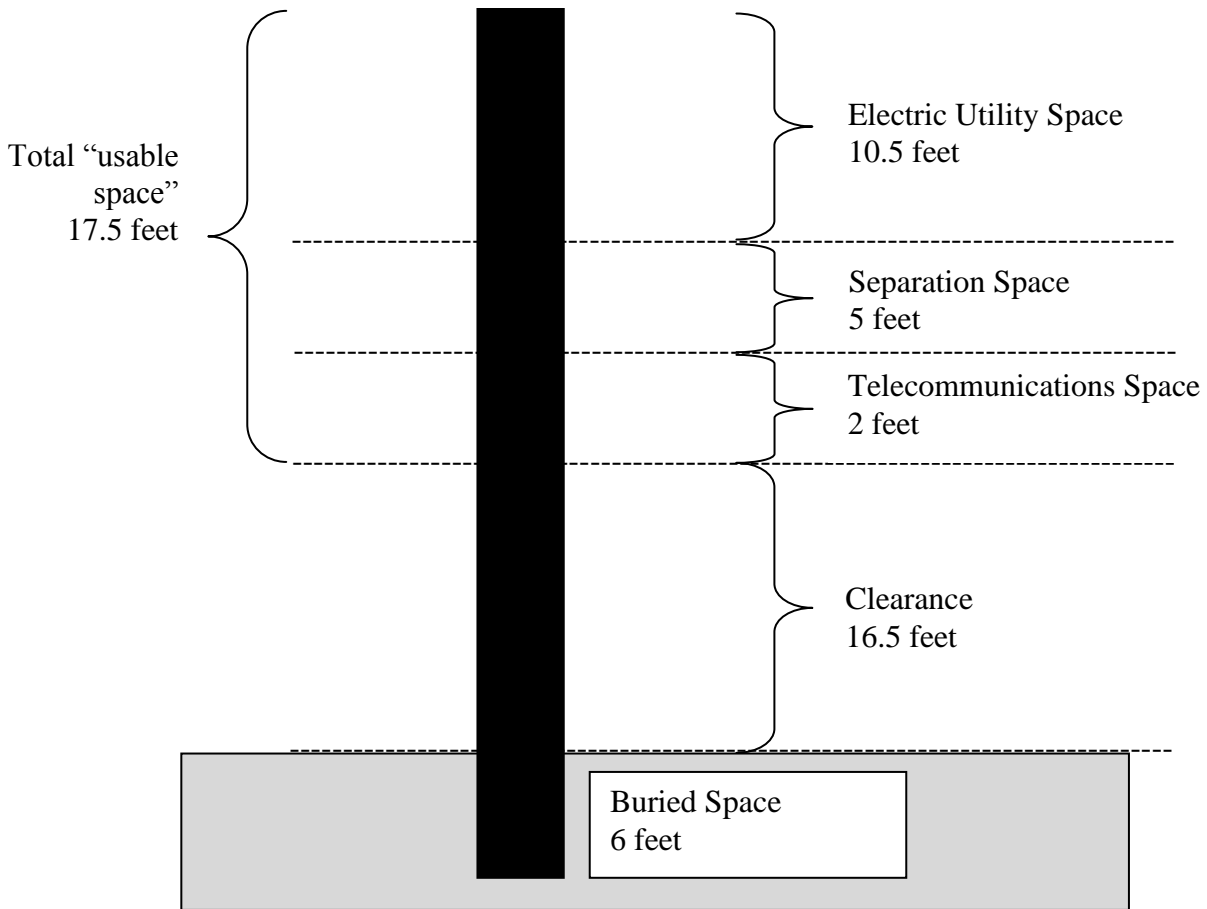
¹ The following electric utilities responded to the survey: Newfoundland and Labrador Hydro; Maritime Electric; Nova Scotia Power; New Brunswick Power; City of Saint John; Hydro Quebec Distribution; Hydro One Networks; Ottawa Hydro; Manitoba Hydro; ENMAX; EPCOR; B.C. Hydro; and FortisBC. Some survey respondents requested confidentiality with respect to publishing of their individual responses.

² Cost sharing is expressed as electric utility % and telecommunications company %.

³ For the purpose of this survey, maintenance standards refer to (i) operating maintenance standards and (ii) minimum response time requirements associated with trouble call response for Joint Use Support Structures.

⁴ Each of the four respondents that use rental arrangements for attachments indicated the electric utility owns all Joint Use Support Structures and the rental rate maintains 60% electric utility and 40% telecommunications company cost sharing ratio.

Representative Joint Use Support Structure



Total Height: 40 Feet

**Allocation of Joint Use Pole Height
(feet)**

	Electric	Telecommunications	Total
Electric Utility Space	10.50	-	10.50
Separation Space	2.50	2.50	5.00
Telecommunications Space	-	2.00	2.00
Clearance	8.25	8.25	16.50
Buried Space	<u>3.00</u>	<u>3.00</u>	<u>6.00</u>
	24.25	15.75	40.00
Allocation Percentage	60.6%	39.4%	

Joint Use Regime 2001-2010
Historical Revenue Requirement Analysis
2001-2010
(\$)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Incremental Revenue¹	3,372,838	4,800,238	5,671,246	6,502,687	7,484,345	7,614,976	7,805,378	8,058,240	8,365,000	8,495,752
Incremental Costs										
Depreciation Expense ²	543,102	1,317,497	1,551,464	1,816,163	2,056,594	2,223,705	2,300,162	2,246,611	2,303,013	2,369,754
Cost of Capital ³	705,022	1,713,081	2,855,264	3,277,806	3,517,295	3,710,080	3,600,085	3,642,643	3,621,087	3,627,175
Income Taxes ⁴	447,742	920,436	1,057,997	1,129,695	1,216,533	1,248,135	993,457	898,798	875,939	842,474
Operating Expenses ⁵	<u>150,000</u>	<u>151,000</u>	<u>155,153</u>	<u>158,037</u>	<u>161,540</u>	<u>164,771</u>	<u>168,290</u>	<u>172,276</u>	<u>172,789</u>	<u>175,900</u>
Total Incremental Costs	1,845,866	4,102,014	5,619,878	6,381,701	6,951,962	7,346,691	7,061,994	6,960,328	6,972,828	7,015,303
Surplus (Deficiency)	1,526,972	698,224	51,368	120,986	532,383	268,285	743,384	1,097,912	1,392,172	1,480,449
Levelized Revenue Requirement⁶	787,131									
Net Present Value of Surplus (Deficiency)⁷										10,139,211

Notes:

¹ The incremental revenue includes pole rental revenues from Bell Aliant and cable television providers.

² The increase in depreciation expense is related to the purchase of poles from Bell Aliant and an increase in joint use pole installations.

³ The increase in cost of capital through the period reflects the increase in average rate base resulting from the pole purchase and increased joint use pole installations. The cost of capital calculation is based on a capital structure of 55% debt/45% equity. The cost of equity used in the analysis is equal to Newfoundland Power's approved cost of equity for 2001 to 2010. The cost of debt for 2001 and 2002 is 3.90% and 4.50%, respectively, and is based on Newfoundland Power's short-term borrowing rate. The cost of debt for 2003 to 2010 is 7.52% and is based on the Series AJ First Mortgage Bond issued on October 31, 2002.

⁴ The change in income taxes primarily reflects changes in the cost of capital and changes in tax rates over the period.

⁵ In 2001, Newfoundland Power assumed 100% responsibility for the maintenance of joint use structures. At that time, the estimated incremental operating costs associated with the support structures was \$425,000. This was comprised of vegetation management costs of \$250,000 plus administration and engineering costs of \$175,000. The 2001 incremental operating costs of \$150,000 reflect realized operating efficiencies of \$275,000. These operating efficiencies primarily reflect a reduction in costs associated with the advantages of a single-owner joint use regime. Operating costs for 2003 to 2010 have been escalated based on 2001 costs using the Consumer Price Index for Canada.

⁶ This is the levelization of the annual revenue surplus (deficiency) from 2001 to 2010.

⁷ This is the net present value of the annual surplus (deficiency) from 2001 to 2010.

Joint Use Support Structures Purchase Agreement

JOINT USE SUPPORT STRUCTURES PURCHASE AGREEMENT

THIS AGREEMENT made as of the 1st day of January, 2011,

BETWEEN: **NEWFOUNDLAND POWER INC.**, a corporation incorporated under the laws of the Province of Newfoundland and Labrador,

(the “Vendor”)

AND: **BELL ALIANT REGIONAL COMMUNICATIONS INC.**, a corporation amalgamated under the laws of Canada,

(the “Purchaser”)

WHEREAS pursuant to the JUFPA, the Purchaser, as successor to Aliant Telecom Inc., did give to the Vendor, Newfoundland Power Inc., notice of its intention not to renew the JUFPA upon its expiration on December 31, 2010;

AND WHEREAS the JUFPA provides, in the event that it was not renewed, that Aliant Telecom Inc. would purchase from the Vendor forty percent (40%) of the support structures as defined in the JUFPA, at their Net Book Value and that the Vendor would transfer the remainder of the Purchased Assets;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for and in consideration of the respective covenants, undertakings, promises, agreements, representations, warranties and indemnities of the parties contained in this Agreement, the sum of One Dollar (\$1.00) paid by each party to the other on or before the execution and delivery of this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, including its schedules, unless the context or subject matter otherwise requires, the following terms shall have the following meanings:

“**Affiliate**” has the meaning ascribed thereto in the *Corporations Act* (Newfoundland and Labrador);

“**Agreement**” means this Joint Use Support Structures Purchase Agreement, including all of its schedules, as the same may be amended or supplemented from time to time in writing between the parties in accordance with the provisions of this Agreement;

“**Anchor**” means all the physical components, excluding Guys, used for anchoring a Pole;

“**Article**”, “**section**”, and “**subsection**” mean and refer to the specified Article, section or subsection of this Agreement;

“**Attachment**” means any cable, wire, material, apparatus or fixture attached to a Pole but does not include Buried Construction;

“**Buried Construction**” means the trench or any underground duct work in which wires, materials or apparatus are located;

“**Business Day**” means any day, other than a Saturday or a Sunday or a statutory or civic holiday, on which major Canadian chartered banks in the City of St. John’s, in the Province of Newfoundland and Labrador, are open for business;

“**Claim**” has the meaning set forth in section 13.3;

“**Closing**” means the closing of the purchase and sale of the Purchased Assets at the time and in the manner provided for in Article XII hereof;

“**Closing Date**” means the date of Closing, being the date that is as soon as reasonably possible after the completion of the Pole Count Survey but within ninety (90) days of that completion, or such date as the parties may mutually determine, and in all events no later than December 31, 2011;

“**Contract**” means the portion or portions of any indemnity or warranty relating to the Purchased Assets or the portion or portions of any management, construction, supply, service, maintenance, operating or security agreement or commitment relating to the Purchased Assets;

“**Decision Date**” means the date that the PUB renders its decision in relation to the sale of the Support Structures;

“**Direct Claim**” has the meaning set forth in section 13.3;

“**Due Diligence Date**” has the meaning set forth in section 3.1;

“**Effective Closing Date**” means December 31, 2011;

“**Environmental Laws**” has the meaning set forth in subsection 5.16(a);

“Environmental Permits” has the meaning set forth in subsection 5.16(d);

“ETA” means Part IX of the *Excise Tax Act* (Canada), as amended from time to time;

“Governing Body” means any body having legislative or regulatory powers affecting either party hereto, including, without limitation, the PUB and federal, provincial, municipal or other authorities having jurisdiction over either party hereto or its business;

“Grounding System” means the ground rod or ground coil, wire and all physical components required to connect the neutral conductor to earth;

“Guy” means a cable used to attach a Pole to an Anchor for the purposes of providing physical support to the Pole;

“Hazardous Substances” has the meaning set forth in subsection 5.16(a);

“Holding Body Corporate” has the meaning ascribed thereto under the *Corporations Act* (Newfoundland and Labrador);

“HST” means all taxes payable under the ETA or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

“Indemnified Party” has the meaning set forth in section 13.3;

“Indemnifying Party” has the meaning set forth in section 13.3;

“JUFPA” means the agreement dated as of January 1, 2001 made between Aliant Telecom Inc. and the Vendor governing the use by Aliant Telecom Inc. of the Support Structures and related matters;

“Joint Use Agreement” means the agreement dated even date herewith made between the Purchaser and the Vendor attached hereto as Schedule 4;

“Joint Use Pole” means a Pole upon which the Purchaser has Attachments;

“Joint Use Rate” means the proportion of Poles owned by the Vendor upon which the Purchaser has Attachments to the total number of Poles owned by the Vendor;

“Licenses” has the meaning set forth in section 5.10;

“Losses” means, in respect to any matter, all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter, as the same are either agreed upon by the parties or as determined through adjudication by a body having jurisdiction;

“Material” means, when used to qualify any portion of a representation or warranty made under this Agreement, that the party making the qualification has disclosed or complied substantively with the matter described in the representation or warranty, and to the extent that there has been any non-disclosure or non-compliance, it is not so sufficiently substantial and important that it would have influenced, or would have reasonably been expected to influence, the party to whom it was made into entering into this Agreement;

“Net Book Value” means the amount as calculated in accordance with the formula provided in Schedule 1 attached hereto and as adjusted in accordance with the terms of this Agreement;

“Outside Date” means June 30, 2011, subject to the right of the parties to mutually agree to one (1) or more extensions;

“Payment Date” has the meaning set forth in section 10.1;

“Permitted Encumbrances” means:

- (i) liens for taxes, assessments and governmental charges due and being contested in good faith and diligently by appropriate proceedings (and for the payment of which adequate provision has been made);
- (ii) servitudes, easements, restrictions, rights-of-way and other similar rights in Real Property or any interest therein, provided the same are not of such nature as to Materially adversely affect the use of the Real Property subject thereto;
- (iii) liens for taxes either not due and payable or due but for which notice of assessment has not been given;
- (iv) undetermined or inchoate liens, charges and privileges incidental to current construction or current operations and statutory liens, charges, adverse claims, security interests or encumbrances of any nature whatsoever claimed or held by any governmental authority that have not at the time been filed or registered against the title to the asset or served upon the Vendor pursuant to law or that relate to obligations not due or delinquent;
- (v) security given in the ordinary course of the Vendor’s business to any public utility, municipality or government or to any statutory or public authority in connection with the operations of the business, other than security for borrowed money;
- (vi) the reservations in any original grants from the Crown of any Real Property or interest therein and statutory exceptions to title, which do not Materially detract from the value of the Real Property concerned or Materially impair its use in the operation of the business; and
- (vii) the encumbrances described in Schedule 2.

“Pole” means a treated utility distribution pole located within the Region and owned exclusively by the Vendor;

“Pole Count Survey” means the process agreed by the parties to confirm the number of Poles and Attachments thereto;

“PUB” means the Board of Commissioners of Public Utilities of the Province of Newfoundland and Labrador;

“Purchase Price” has the meaning set forth in section 4.1;

“Purchased Assets” has the meaning set forth in section 2.1;

“Purchaser” means Bell Aliant Regional Communications Inc., a corporation amalgamated under the laws of Canada;

“Real Property” means all the right, title and interest of the Vendor in and to all rights-of-way, easements and other interests in real property located in the Region and used by the Vendor in connection with the installation, operation and maintenance of Support Structures;

“Region” means the areas of the island portion of the Province of Newfoundland and Labrador;

“Services Agreement” means the agreement dated even date herewith made between the Vendor and the Purchaser to provide for services rendered by the Vendor to the Purchaser relating to the Joint Use Agreement;

“Subsidiary” has the meaning ascribed thereto under the *Corporations Act* (Newfoundland and Labrador);

“Support Structures” means collectively forty percent (40%), of the Joint Use Poles and associated Anchors, Guys, Grounding Systems, Pole cribs and related hardware, the said forty percent (40%) as agreed between the Purchaser and the Vendor based on the results of the Pole Count Survey and in accordance with this Agreement, but does not include Buried Construction;

“Third Party Claim” has the meaning set forth in section 13.3;

“Time of Closing” means 10:00 a.m. (Newfoundland Time) on the Closing Date, or such other time on the Closing Date as the Vendor and the Purchaser may mutually determine; and

“Vendor” means Newfoundland Power Inc., a corporation incorporated under the laws of the Province of Newfoundland and Labrador.

1.2 Currency

All dollar amounts in this Agreement are expressed in Canadian funds.

1.3 Sections and Headings

The division of this Agreement into Articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.4 Number, Gender and Persons

In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing gender shall include both genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

1.5 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, undertakings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.6 Time of Essence

Time shall be of the essence of this Agreement.

1.7 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Newfoundland and Labrador, and the federal laws of Canada applicable thereto, and each party irrevocably submits to the jurisdiction of the courts of the Province of Newfoundland and Labrador and all courts competent to hear appeals therefrom.

1.8 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. Subject to section 14.5, neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

1.9 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof and each provision is hereby declared to be separate, severable and distinct.

1.10 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise provided.

1.11 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule 1	Purchase Price
Schedule 2	Permitted Encumbrances
Schedule 3	Environmental Matters
Schedule 4	Joint Use Agreement
Schedule 5	Amount Due on Payment Date
Schedule 6	2011 Estimated Third Party Revenue Sharing

ARTICLE II

PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchased Assets

(a) Subject to the provisions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the Closing Date and effective as of the Effective Closing Date, all the right, title and interest of the Vendor in and to the following assets (collectively, the "Purchased Assets"):

- (i) for and in consideration of the Purchase Price, the Support Structures;
- (ii) a non-exclusive right in common with the Vendor to the Real Property;
- (iii) all Licenses necessary to own, operate, maintain or occupy any of the Purchased Assets, to the extent permitted by law; and
- (iv) the right to bill and collect monies from third parties with respect to Attachments to the Support Structures.

(b) The Support Structures shall represent an equitable split of all of the Joint Use Poles and associated Anchors, Guys, Grounding Systems, Pole cribs and related hardware based on all relevant considerations determined by reference to the Pole Count Survey

and otherwise, such considerations to include, but not limited to, so many of the factors that may be determined by the Pole Count Survey.

2.2 Access to the Purchaser

Prior to the Due Diligence Date, and at any point thereafter, including after the Effective Closing Date, the Vendor shall make available for inspection and copying by the Purchaser or its representatives, information and documentation relating to the Purchased Assets that is in the possession or under the control of the Vendor and which the Purchaser requests from time to time, acting commercially reasonably, provided that the information and documentation so requested is reasonably required in relation to the Purchaser's ownership of the Purchased Assets.

2.3 Authorizations

The Vendor shall, if requested by the Purchaser, execute and deliver to the Purchaser, in the form required by the Purchaser, acting reasonably, authorizations to all relevant Governing Bodies that authorize them to reveal to the Purchaser all information, if any, in any files they may have in respect of the Purchased Assets.

ARTICLE III

CONDITIONS PRECEDENT

3.1 Due Diligence

The agreement of the Purchaser to purchase the Purchased Assets from the Vendor is subject to and conditional upon the Purchaser having satisfied itself, in its sole discretion, with respect to such information and documentation relating in whole or in part to the Purchased Assets that is in the possession or under the control of the Vendor which the Purchaser has requested, and the Vendor has provided, on or before 5:00 p.m. (Newfoundland time) on December 21, 2010 (the "Due Diligence Date").

3.2 PUB Approval

The agreement of the Vendor to sell the Purchased Assets is subject to and conditional upon the PUB's approval of the sale of the Purchased Assets and the Vendor shall seek that approval in accordance with this Agreement.

ARTICLE IV

PURCHASE PRICE

4.1 Purchase Price

The purchase price (the "Purchase Price") payable by the Purchaser to the Vendor for the Purchased Assets shall be forty five million six hundred and ninety eight thousand dollars (\$45,698,000.00) exclusive of HST representing the estimated Net Book Value of the Purchased Assets as of December 31, 2010, calculated in accordance with the terms of the JUFPA and as set out in Schedule 1 of this Agreement. The Purchase Price shall not be adjusted except as is provided for in this Agreement.

4.2 Allocation of Purchase Price

The Vendor and the Purchaser shall allocate the Purchase Price among the Purchased Assets in the manner to be agreed between them and report the sale and purchase of the Purchased Assets for all federal, provincial and local tax purposes in a manner consistent with such allocation.

4.3 Transfer Taxes

The Purchaser shall be liable for and shall pay all federal and provincial sales taxes (including any retail sales taxes and land transfer taxes) and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser, and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Assets, as follows:

5.1 Organization

The Vendor is a corporation duly incorporated and organized and validly subsisting under the laws of the Province of Newfoundland and Labrador and has the corporate power to enter into this Agreement and to perform its obligations hereunder.

5.2 Authorization

This Agreement has been duly authorized, executed and delivered by the Vendor and is a legal, valid and binding obligation of the Vendor, enforceable against the Vendor by the

Purchaser in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5.3 No Other Agreements to Purchase

No person other than the Purchaser has any written or oral agreement or option capable of becoming an agreement or option for the purchase or acquisition from the Vendor of any of the Purchased Assets.

5.4 No Violation

Provided that the PUB issues no contrary order, the execution and delivery of this Agreement by the Vendor and the consummation of the transactions herein provided for will not, in all Material respects, result in:

- (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligations of the Vendor under:
 - (i) any Contract to which the Vendor is a party or by which it is or its properties are bound;
 - (ii) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of the Vendor;
 - (iii) any judgment, decree, order or award of any court, Governing Body or arbitrator having jurisdiction over the Vendor;
 - (iv) any License held by the Vendor or necessary to the operation of its business; or
 - (v) any applicable law, statute, ordinance, regulation or rule; or
- (b) the creation or imposition of any encumbrance on any of the Purchased Assets.

5.5 Sufficiency of Purchased Assets

In all Material respects, the Purchased Assets are sufficient for their current use and the Support Structures are in good operating condition and in a state of good repair and maintenance.

5.6 Title to Personal Property

The Purchased Assets (other than the Real Property) are owned beneficially by the Vendor with a good and marketable title thereto, free and clear from all encumbrances other than Permitted Encumbrances.

5.7 Title to Real Property

- (a) Except for Permitted Encumbrances, and encumbrances to be discharged on Closing, the Vendor has not further encumbered any of the Real Property acquired from the Purchaser as of January 1, 2001.
- (b) In all Material respects:
- (i) the Vendor has the right to possess, use and occupy the Real Property for the purposes of accessing the Support Structures;
 - (ii) the Vendor, in relation to Real Property acquired on or after January 1, 2001, has obtained the necessary property interests in writing to allow for the joint occupancy and access to the Support Structures by the parties;
 - (iii) the Real Property and its current uses comply with all applicable regulations, statutes, enactments, laws and by-laws, and no alteration, repair, improvement or other work has been requested in writing by any competent authority, which alteration, repair, improvement or other work has not been completed; and
 - (iv) other than current accounts in respect of which the payment due date has not yet passed, or Permitted Encumbrances, all accounts for work and services performed and materials placed or furnished upon or in respect of the Real Property have been fully paid and satisfied. Without limiting the foregoing, no person is entitled to claim a lien under the *Mechanics' Lien Act* or similar legislation against all or any part of the Real Property, and there are no outstanding levies, charges or fees assessed against the Real Property by any Governing Authority.

5.8 No Expropriation

No part of the Purchased Assets has been taken or expropriated by any Governing Body, nor has any notice or proceeding in respect thereof been given or commenced, nor is the Vendor aware of any interest or proposal to give any such notice or commence any such proceedings.

5.9 Agreements and Commitments

The Vendor has performed in all Material respects all of the obligations required to be performed by it under, is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any Contract relating to the Purchased Assets to which it is a party or by which it is bound. All such Contracts are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any of the foregoing.

5.10 Compliance with Laws; Governmental Authorization

The Vendor has complied in all Material respects with all laws, statutes, ordinances, regulations, rules, judgments, decrees or orders (the “Licenses”) applicable to the Purchased Assets. The Licenses are valid, subsisting and in good standing and the Vendor is in no Material default or breach of any License and, to the knowledge of the Vendor, no proceeding is pending or threatened to revoke or limit any License.

5.11 Consents and Approvals

There is no requirement to make any filing with, give any notice to or to obtain any license, permit, certificate, registration, authorization, consent or approval of, any Governing Body as a condition of the lawful consummation of the transactions contemplated by this Agreement, except for the approval of the PUB. There is no requirement under any Contract relating to the Purchased Assets to which the Vendor is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, any party to such agreement, instrument or commitment relating to the consummation of the transactions contemplated by this Agreement.

5.12 Taxes

The Vendor has duly filed on a timely basis all tax returns required to be filed by it and has paid all taxes that are due and payable, and all assessments, reassessments, governmental charges, penalties, interest and fines due and payable by it. The Vendor has made adequate provision for taxes payable in respect of the current period and any previous period for which tax returns are not yet required to be filed. There are no actions, suits, proceedings, investigations or Claims pending or, to the knowledge of the Vendor, threatened against the Vendor in respect of taxes, governmental charges or assessments, nor are any Material matters under discussion with any Governing Body relating to taxes, governmental charges or assessments asserted by any such authority. The Vendor has withheld from each payment made to any of its past or present employees, officers or directors, and to any non-residents of Canada, the amount of all taxes and other deductions required to be withheld therefrom, and has paid the same to the proper tax or other receiving officers within the time required under any applicable legislation. The Vendor has remitted to the appropriate tax authority, when required by law to do so, all amounts collected by it on account of HST.

5.13 Litigation

There are no Material actions, suits or proceedings in respect of the Purchased Assets (whether or not purportedly on behalf of the Vendor) pending or, to the best knowledge of the Vendor, after due enquiry, threatened against or affecting the Vendor at law or in equity or before or by any federal, provincial, municipal or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, or before or by an arbitrator or arbitration board. The Vendor is not aware of any ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

5.14 Residency

The Vendor is a resident of Canada for the purposes of the *Income Tax Act* (Canada).

5.15 HST Registration

The Vendor is a registrant for purposes of the ETA and its registration number is 103864831RT0001.

5.16 Environmental

In all Material respects:

(a) the Vendor, in respect of the Purchased Assets, has been and is in substantial compliance with all applicable laws, statutes, ordinances, by-laws and regulations, and orders, directives and decisions rendered by any Governing Body (“Environmental Laws”) relating to the protection of the environment, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any pollutants, contaminants, chemicals or industrial toxic or hazardous wastes or substances (“Hazardous Substances”);

(b) to the extent that the Vendor may be subject to any order or directive to make environmental remediation of any portion of the Purchased Assets, the Vendor has done so;

(c) there are no Hazardous Substances in the Support Structures except as disclosed in Schedule 3;

(d) the Vendor has obtained all licenses, permits, approvals, consents, certificates, registrations and other authorizations under Environmental Laws (the “Environmental Permits”) required for the operation of the Purchased Assets and each Environmental Permit is valid, subsisting and in good standing; and

(e) the Vendor is not in default or breach of any Environmental Permit and no proceeding is pending or threatened to revoke or limit any Environmental Permit.

5.17 No Liabilities

There are no liabilities of the Vendor or its associates or affiliates with respect to the Purchased Assets, whether or not accrued and whether or not determined or determinable, in respect of which the Purchaser may become liable on or after the consummation of the transactions herein provided for.

5.18 Schedules

(a) The embedded cost, general expenses capital & interest during construction, and unamortized contributions contained in Schedule 1 are accurate in all Material respects, subject to the qualifications contained in Schedule 1.

(b) The estimated third party Attachments contained in Schedule 6 reflect in all Material respects the number of third party Attachments which will be billed by the Vendor in 2011.

5.19 Compliance with the JUFPA

The Vendor has in all Material respects complied with the JUFPA.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with its sale of the Purchased Assets, as follows:

6.1 Organization

The Purchaser is a corporation duly amalgamated and organized and validly subsisting under the laws of Canada and has the corporate power to carry on business as now being conducted by it and to enter into this Agreement and to perform its obligations hereunder.

6.2 Authorization

This Agreement has been duly authorized, executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

6.3 No Violation

The execution and delivery of this Agreement by the Purchaser and the consummation of the transactions herein provided for will not, in all Material respects, result in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Purchaser under:

(a) any Contract to which the Purchaser is a party or by which it is bound;

- (b) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of the Purchaser;
- (c) any provision of the *Competition Act* (Canada);
- (d) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Purchaser; or
- (e) any other applicable law, statute, ordinance, regulation or rule.

6.4 Investment Canada

The Purchaser is a Canadian within the meaning of the *Investment Canada Act*.

6.5 HST Registration

The Purchaser is a registrant for purposes of the ETA and its registration number is 860147925.

6.6 Schedules

The Purchaser is satisfied that the accumulated depreciation calculation contained in Schedule 1 is accurate.

6.7 Compliance with the JUFPA

The Purchaser has in all Material respects complied with the JUFPA.

ARTICLE VII

SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES

7.1 Survival of Covenants, Representations and Warranties

To the extent that they have not been fully performed at or prior to the Time of Closing, the covenants, representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing of the transactions contemplated hereby and shall continue for the applicable limitation period commencing as of the Effective Closing Date notwithstanding such Closing nor any investigation made by or on behalf of the party entitled to the benefit thereof; provided, however, that the representations and warranties set forth in Article V and in section 6.7 and the corresponding representations and warranties set forth or incorporated in the certificates to be

delivered pursuant to this Agreement (other than those contained in sections 5.1, 5.2, 5.3, 5.5, 5.6, and 5.12) shall terminate on the second anniversary of the Effective Closing Date.

ARTICLE VIII

COVENANTS

8.1 Conduct Prior to Closing

Without in any way limiting any other obligations of the parties hereunder, during the period from the date hereof to the Effective Closing Date:

- (a) *Continue Insurance.* The Vendor shall continue to maintain in full force and effect policies of insurance or renewals consistent with those presently in effect and shall take out, at the expense of the Purchaser, such additional insurance as may be reasonably requested by the Purchaser and shall give all notices and present all Claims under all policies of insurance in a due and timely fashion;
- (b) *Licenses.* The Vendor shall keep and maintain in good standing and in full force and effect all Licenses and shall, prior to and following the Closing, co-operate with and assist the Purchaser in the orderly and effective transfer to the Purchaser as of the Effective Closing Date of all Licenses which can practicably be assignable by the Vendor to the Purchaser. To the extent that any portions of the Licenses are not transferred to the Purchaser, but are required by the Vendor in relation to its operation of the proportion of the Joint Use Poles not sold, assigned or conveyed to the Purchaser in accordance with this Agreement, those portions shall remain obligations of and be the sole responsibility of the Vendor, and no obligations thereunder shall be assumed or be deemed to have been assumed by the Purchaser;
- (c) *Regulatory Consents.* The Vendor shall be responsible for preparing and filing, in a timely manner, and then diligently prosecuting, the necessary applications for approval to the PUB. The Purchaser agrees to use commercially reasonable efforts to assist in the application to be made to the PUB;
- (d) *Contractual Consents.* The Vendor shall give all reasonable assistance to the Purchaser so as to allow the Purchaser to obtain all notices, consents and approvals required;
- (e) *Discharge Liabilities.* The Vendor shall pay and discharge the liabilities of the Vendor relating to the Purchased Assets in the ordinary course in accordance and consistent with the previous practice of the Vendor, except those contested in good faith by the Vendor; and
- (f) *Corporate Action.* The Vendor shall take or cause to be taken all necessary corporate action, steps and proceedings to approve or authorize validly and effectively

the transfer of the Purchased Assets to the Purchaser and the other agreements and documents contemplated hereby and to cause all necessary meetings of directors and shareholders of the Vendor to be held for such purpose.

8.2 Delivery of Conveyancing Documents

The Vendor shall deliver to the Purchaser, on the Closing Date but effective as of the Effective Closing Date, all deeds, conveyances, bills of sale, assurances, transfers, assignments and any other documentation necessary or reasonably required to transfer the Purchased Assets to the Purchaser with a good and marketable title, free and clear of all encumbrances whatsoever except for Permitted Encumbrances.

8.3 Delivery of Vendor's Closing Documentation

The Vendor shall deliver to the Purchaser a certificate of good standing and two (2) copies, certified by a senior officer of the Vendor as of the Closing Date, of its constating documents and by-laws and of the resolution authorizing the execution, delivery and performance by the Vendor of this Agreement and any documents to be provided by it pursuant to the provisions hereof. The Vendor shall also execute and deliver or cause to be executed and delivered to the Purchaser two (2) copies of such other documents relevant to the Closing of the transactions contemplated hereby as the Purchaser, acting reasonably, may request.

8.4 Delivery of Purchaser's Closing Documentation

The Purchaser shall deliver to the Vendor a certificate of good standing and two (2) copies, certified by a senior officer of the Purchaser as of the Closing Date, of its constating documents and by-laws and of the resolution authorizing the execution, delivery and performance by the Purchaser of this Agreement and any documents to be provided by it pursuant to the provisions hereof. The Purchaser shall also execute and deliver or cause to be executed and delivered two (2) copies of such other documents relevant to the Closing of the transactions contemplated hereby as the Vendor, acting reasonably, may request.

8.5 Third Party Contracts

(a) The Vendor shall take all necessary steps to ensure that the Purchaser may, as of January 1, 2012, commence its tariff billing arrangements for third party Attachments to the Support Structures.

(b) From January 1, 2011 until the Effective Closing Date, the Vendor shall continue to bill all third party Attachments to the Support Structures in accordance with existing business practices. Schedule 6 represents the third party Attachment revenue sharing regime for 2011 based on the estimated third party revenue for 2011. The total third party Attachment revenue to be shared for 2011 will be the actual third party revenue collected for Attachments in 2011, whenever that revenue is collected.

(c) The Purchaser's share of revenues for third party Attachments billed by the Vendor from the month ending immediately prior to the Payment Date to the Effective Closing Date, shall be remitted to the Purchaser on a monthly basis following the Payment Date, as that revenue is collected. The revenue billed, and collected, shall be supported by reasonable documentation to be supplied to the Purchaser coincident with the remittance of the Purchaser's share of the revenues.

ARTICLE IX

TERMINATION

9.1 Failure of Condition Precedent

(a) In the event that the PUB renders a decision not to approve the transaction herein contemplated, then this Agreement shall terminate without recourse by any party against the other as a consequence thereof.

(b) Notwithstanding subsection 9.1(a), if PUB approval is not obtained by the Outside Date, either party may choose to terminate this Agreement by notice in writing to the other party, subject to the provisions of this Agreement which are stated to survive the termination of this Agreement, and neither party shall have any Claims against the other arising from this Agreement. The Purchase Price, together with any interest earned pursuant to section 10.2, shall be forthwith returned to the Purchaser. Either party may then pursue its contractual rights and remedies under the JUFPA.

(c) The parties agree that no termination of this Agreement pursuant to this section 9.1 shall prejudice or otherwise adversely affect the rights or recourses of either party under the JUFPA which shall, upon termination of this Agreement, remain in effect upon its terms. For greater certainty, the parties agree that in the event of termination of this Agreement, pursuant to section 9.1, either party may pursue its contractual rights and remedies under the JUFPA. The Joint Use Agreement, and the Services Agreement, shall become null and void and neither of these agreements, nor this Agreement, shall be used by either party in the interpretation of the rights and responsibilities of the parties under JUFPA.

9.2 Interim period

(a) While this Agreement is in force, and from January 1, 2011 forward, the Purchaser will not be required to pay, and the Vendor shall have no right to bill or collect for, rental charges in respect of the Purchaser's Attachments to Poles.

(b) Should this Agreement terminate in accordance with section 9.1, however, the parties' actions pursuant to subsection 9.2(a) shall not adversely affect the right of either party to pursue its contractual rights and remedies under the JUFPA nor shall they be

used by either party in the interpretation of the rights and responsibilities of the parties under the JUFPA.

9.3 Termination of the JUFPA

Except as otherwise specifically provided herein, the parties shall, on the Closing Date, confirm the termination, in all respects, of the JUFPA.

ARTICLE X

PAYMENT OF PURCHASE PRICE

10.1 Payment Date

Provided that the PUB gives its approval to the transaction of purchase and sale of the Purchased Assets in accordance with this Agreement, the Payment Date shall be no more than five (5) Business Days after the Decision Date.

10.2 Payment of Purchase Price

(a) Subject to subsection 10.2(b), the Purchase Price, together with all adjustments made pursuant to section 10.3, shall be paid by the Purchaser to the Vendor, in immediately available funds, on the Payment Date, and a receipt issued by the Vendor. There will be no escrow conditions attached to any payments made on the Payment Date.

(b) In the event the Purchaser pays the Purchase Price to the solicitors for the Vendor, in trust, prior to the Payment Date, the solicitors for the Vendor shall place the Purchase Price in an interest bearing trust account, upon terms and conditions to be determined between the Purchaser and the solicitors for the Vendor.

10.3 Payment Date Adjustments

Payment Date adjustments shall be made in accordance with Schedule 5 as of the Payment Date. For greater certainty, these adjustments shall include:

- (a) To the credit of the Vendor, the following amounts:
 - (i) nine point six three percent (9.63%) of the Purchase Price, from January 1, 2011 to the Payment Date; and
 - (ii) all amounts due under the Services Agreement from January 1, 2011 to the month ending immediately prior to the Payment Date.
- (b) To the credit of the Purchaser, the following amounts:

- (i) the Purchaser's share of revenues collected from third party Attachments to the Support Structures from January 1, 2011 to the month ending immediately prior to the Payment Date in accordance with Schedule 6; and
- (ii) any interest earned on the Purchase Price in accordance with section 10.2(b).

10.4 HST

The payments made on the Payment Date including payment of the Purchase Price pursuant to section 10.2 and the Payment Date adjustments described in section 10.3 shall be subject to HST in accordance with the ETA.

ARTICLE XI

CONDITIONS ON CLOSING

11.1 Conditions of Closing in Favour of the Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be performed or fulfilled at or prior to the Effective Closing Date:

- (a) *Representations and Warranties.* The representations and warranties of the Vendor contained in this Agreement shall be true and correct in all Material respects at the Effective Closing Date with the same force and effect as if such representations and warranties were made at and as of such time, and a certificate of a senior officer of the Vendor, dated the Effective Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (b) *Covenants.* All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Effective Closing Date shall have been complied with or performed in all Material respects, and a certificate of a senior officer of the Vendor, dated the Effective Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (c) *Regulatory Consents.* There shall have been obtained from the PUB such approval as is required to permit the change of ownership of the Purchased Assets contemplated hereby;

- (d) *No Action or Proceeding.* No Material legal or regulatory action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby;
- (e) *Legal Matters.* All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, and all legal matters relating to the purchase of the Purchased Assets, shall have been approved as to form and legality by Perry & Power, counsel for the Purchaser, acting reasonably; and
- (f) *Legal Opinion.* The Vendor shall have delivered to the Purchaser a favourable opinion of counsel to the Vendor in a form satisfactory to counsel for the Purchaser.

If any of the conditions contained in this section 11.1 shall not be performed or fulfilled at or prior to the Effective Closing Date to the satisfaction of the Purchaser, acting reasonably, the Purchaser may, by notice in writing to the Vendor, terminate this Agreement and the obligations of the Vendor and the Purchaser under this Agreement, other than the obligations contained in sections 13.2, 13.3 and 13.4, provided that the Purchaser may also bring an action pursuant to Article XIII against the Vendor for damages suffered by the Purchaser where the non-performance or non-fulfillment of the relevant condition is a result of a breach of covenant, representation or warranty by the Vendor. Any such condition may be waived in whole or in part in writing by the Purchaser without prejudice to any Claims it may have for breach of covenant, representation or warranty.

11.2 Conditions of Closing in Favour of the Vendor

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Vendor, to be performed or fulfilled at or prior to the Effective Closing Date:

- (a) *Representations and Warranties.* The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all Material respects at the Effective Closing Date with the same force and effect as if such representations and warranties were made at and as of such time, and a certificate of a senior officer of the Purchaser, dated the Effective Closing Date, to that effect shall have been delivered to the Vendor, such certificate to be in form and substance satisfactory to the Vendor, acting reasonably;
- (b) *Covenants.* All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing shall have been complied with or performed in all Material respects and a certificate of senior officer of the Purchaser, dated the Effective Closing Date, to that effect shall have been delivered to the Vendor, such certificate to be in form and substance satisfactory to the Vendor, acting reasonably;

(c) *Regulatory Consents.* There shall have been obtained from the PUB such approval as is required to permit the change of ownership of the Purchased Assets contemplated hereby;

(d) *No Action or Proceeding.* No legal or regulatory action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby;

(e) *Legal Matters.* All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, shall have been approved as to form, and legality by Curtis, Dawe, counsel for the Vendor, acting reasonably; and

(f) *Legal Opinion.* The Purchaser shall have delivered to the Vendor a favourable opinion of counsel to the Purchaser in a form satisfactory to counsel for the Vendor.

If any of the conditions contained in this section 11.2 shall not be performed or fulfilled at or prior to the Effective Closing Date to the satisfaction of the Vendor acting reasonably, the Vendor may, by notice to the Purchaser, terminate this Agreement and the obligations of the Vendor and the Purchaser under this Agreement, other than the obligations contained in sections 13.2, 13.3 and 13.4, provided that the Vendor may also bring an action pursuant to Article XIII against the Purchaser of for damages suffered by it where the non-performance or non-fulfillment of the relevant condition is a result of breach of covenant, representation or warranty by the Purchaser. Any such condition may be waived in whole or in part by the Vendor without prejudice to any Claims it may have for breach of covenant, representation or warranty.

ARTICLE XII

CLOSING AND TRANSFER OF OWNERSHIP

12.1 Place of Closing

The Closing shall take place at the Time of Closing at the offices of Curtis, Dawe, counsel for the Vendor, Suite 1101, Fortis Building, 139 Water Street, St. John's, NL.

12.2 Transfer

Subject to compliance with the terms and conditions hereof, the transfer of title of the Purchased Assets shall be deemed to take effect as of the Effective Closing Date. Subject to section 12.3, there shall be no further accounting for adjustments on Closing.

12.3 Purchase Price Adjustments

The Purchase Price will be adjusted at Closing, only to reflect:

- (a) the difference in the estimated values for embedded cost and general expenses capital & interest during construction as of December 31, 2010 and the actual values therefor as of December 31, 2010 together with the impact of such difference on accumulated depreciation;
- (b) the difference in the estimated unamortized contributions as of December 31, 2010 and the actual unamortized contributions as of December 31, 2010;
- (c) if the Pole Count Survey identifies less non joint use poles, to which the Purchaser is attached, than the records of the Parties indicate were installed as non joint use poles since January 1, 2001 (after removing transfers of Joint Use Poles to the Vendor recorded in accordance with section 6.04 of the JUFPA), then the Parties shall work together to determine the number of non joint use poles, if any, that should have been transferred to the Vendor as Joint Use Poles (the "Identified Poles") and necessary adjustments will be made to reflect the transfers of the Identified Poles as of December 31, 2010;
- (d) the difference between the estimated Joint Use Rate of eighty percent (80%) as of December 31, 2010 and the actual Joint Use Rate as determined by the Pole Count Survey.

Any adjustment required under this section 12.3 shall be paid on the Closing Date and shall be subject to HST in accordance with the ETA.

12.4 Further Assurances

Subject to section 8.2, each party to this Agreement covenants and agrees that it will at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all such documents, including, without limitation, all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

ARTICLE XIII

INDEMNIFICATION

13.1 Indemnification by the Vendor

The Vendor agrees to indemnify and save harmless the Purchaser from all Losses suffered or incurred by the Purchaser as a result of or arising directly or indirectly out of or in connection with:

- (a) any breach by the Vendor of or any inaccuracy of any representation or warranty of the Vendor contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto (provided that the Vendor shall not be required to indemnify or save harmless the Purchaser in respect of any breach or inaccuracy of any representations or warranty unless the Purchaser shall have provided notice to the Vendor in accordance with section 13.3 on or prior to the expiration of the applicable time period related to such representation and warranty as set forth in section 7.1); and
- (b) any breach or non-performance by the Vendor of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.

13.2 Indemnification by the Purchaser

The Purchaser agrees to indemnify and save harmless the Vendor from all Losses suffered or incurred by the Vendor as a result of or arising directly or indirectly out of or in connection with:

- (a) any breach by the Purchaser of or any inaccuracy of any representation or warranty contained in this Agreement or in any agreement, instrument, certificate or other document delivered pursuant hereto;
- (b) any breach or non-performance by the Purchaser of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto; and
- (c) any claims directly or indirectly made against the Vendor after the Effective Closing Date in relation to third party Attachments, provided that any such claims arising after the Effective Closing Date in relation to matters occurring before the Effective Closing Date shall be the responsibility of the Vendor which shall indemnify and save harmless the Purchaser from all Losses it suffers or incurs therefrom.

13.3 Notice of Claim

In the event that a party (the “Indemnified Party”) shall become aware of any claim, proceeding or other matter (a “Claim”) in respect of which the other party (the “Indemnifying Party”) agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “Third Party Claim”) or whether the Claim does not so arise (a “Direct Claim”), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to effectively contest the determination of any liability susceptible of being contested, the Indemnifying Party shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give such notice on a timely basis.

13.4 Direct Claims

With respect to any Direct Claim, following the receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have sixty (60) days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree in writing at or prior to the expiration of such sixty (60) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to binding arbitration in such manner as the parties may agree or shall be determined by a court of competent jurisdiction.

13.5 Third Party Claims

With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and a representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim. If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a "Third Party") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party

shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party.

13.6 Settlement of Third Party Claims

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed, provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason.

13.7 Co-operation

The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

13.8 Exclusivity

The provisions of this Article XIII shall apply to any Claim for breach of any covenant, representation, warranty or other provision of this Agreement or any agreement, certificate or other document delivered pursuant to this Agreement (other than a claim for specific performance or injunctive relief) with the intent that all such Claims shall be subject to the limitations and other provisions contained in this Article XIII.

ARTICLE XIV

MISCELLANEOUS

14.1 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by telecopy or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

(i) if to the Vendor:

Newfoundland Power Inc.
55 Kenmount Road, P.O. Box 8910
St. John's, NL A1B 3P6

Attention: Corporate Secretary

(ii) if to the Purchaser:

Bell Aliant Regional Communications Inc.
Seven South, 1505 Barrington Street
Halifax, NS B3J 3K5

Attention: Corporate Secretary

(b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted or, if such day is not a Business Day, on the next following Business Day.

(c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this section 14.1.

14.2 Commissions, etc.

The Vendor agrees to indemnify and save harmless the Purchaser from and against all Losses suffered or incurred by the Purchaser in respect of any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for or on behalf of the Vendor.

14.3 Consultation

The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

14.4 Disclosure

Prior to any public announcement of the transaction contemplated hereby pursuant to section 14.3, neither party shall disclose this Agreement or any aspects of such transaction except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with such transaction and counsel to such institution, or as may be required by any applicable law or any regulatory authority or stock exchange having jurisdiction.

14.5 Assignment by Purchaser

The Purchaser may, with written notice to the Vendor given as soon as practicable after the assignment, assign its rights under this Agreement in whole or in part to any wholly-owned Subsidiary, Affiliate or Holding Body Corporate of the Purchaser at any time prior to the Closing Date provided that the Purchaser shall remain bound by its obligations hereunder jointly and severally with such assignee.

14.6 Best Efforts

The parties acknowledge and agree that, for all purposes of this Agreement, an obligation on the part of either party to use its best efforts to obtain any waiver, consent, approval, permit, licence or other document shall not require such party to make any payment to any person for the purpose of procuring the same, other than payments for amounts due and payable to such person, payments for incidental expenses incurred by such person and payments required by an applicable law or regulation.

14.7 Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

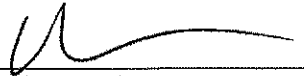
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IN WITNESS WHEREOF this Agreement has been executed by the parties this 22 day of December 2010 but effective as of and from the 1st day of January, 2011.

SIGNED, SEALED AND DELIVERED
in the presence of:

**BELL ALIANT REGIONAL
COMMUNICATIONS INC.**

Pat Comeau


Name: Charles Hartlen
Title: Senior Vice-President,
Customer Experience

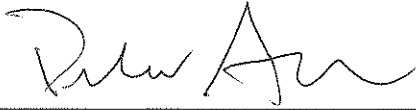
IN WITNESS WHEREOF this Agreement has been executed by the parties this 22nd day of December 2010 but effective as of and from the 1st day of January, 2011.

SIGNED, SEALED AND DELIVERED
in the presence of:

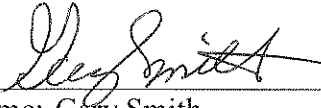
NEWFOUNDLAND POWER INC.



Name: Earl Ludlow
Title: President &
Chief Executive Officer



Name: Peter Alteen
Title: Corporate Secretary



Name: Gary Smith
Title: Vice-President, Customer
Operations & Engineering

SCHEDULE 1
Purchase Price
(\$000s)

December 31st, 2010

Step 1 – Cost of Poles	
Embedded Cost	249,032
Step 2 – Deduct General Expenses Capital & Interest During Construction	
General Expenses Capital & Interest During Construction	5,087
Adjusted Pole Cost	A 243,945
Step 3 – Depreciation ¹	
Accumulated Depreciation	B 93,241
Step 4 – Less Unamortized Contributions	
	C 7,903
Step 5 – Net Book Value (A-B-C)	142,801
Step 6 – Allocate Net Book Value	
Joint Use ²	D 114,244
Non-Joint Use	E 28,557
Step 7 – Purchase Price (Dx40%)	<u>45,698</u>

¹ Based upon equal life group straight-line depreciation with zero salvage value and an expected service life of 27 years using the Iowa R 2.0 survivor curve.

² Based upon the estimated Joint Use Rate of 80% which is subject to review and to be updated in accordance with the results of the Pole Count Survey.

SCHEDULE 2
Permitted Encumbrances

- 1) Letters of Tolerance granted to private landowners to permit use of easement areas subject to conditions.
- 2) Any and all rights and reservations of the Crown to require removal of Support Structures installed on public rights of way in accordance with the *Works, Services and Transportation Act*, (Newfoundland and Labrador).
- 3) Licenses, permits and other approvals are issued from time to time by cities, towns or other municipalities in the Region to the Vendor to permit the Vendor to install and maintain Purchased Assets on or along public streets or roads within such cities, towns or other municipalities. Such licenses, permits and approvals are subject to the condition that future removals or relocations, as may be necessary in the opinion of the issuing municipality, for the proper construction, widening or extension of streets shall, when requested by such municipalities, be carried out at the expense of the Vendor.
- 4) Legislation granting the Vendor the right to sell and distribute electricity, and to erect and maintain poles and wires, in certain areas provides for a right of the Crown to purchase the works and property of the Vendor used in those areas for the purpose of supplying electricity. The legislation provides that, in the event of the Crown exercising such purchase rights, valuation shall be established either by settlement or arbitration.
- 5) Any and all rights to repurchase certain electric distribution assets reserved in conveyances whereby the Vendor acquired those electric distribution assets from the Power Distribution District of Newfoundland and Labrador and its predecessors.

SCHEDULE 3
Environmental Matters

1. The use for the preservation of Poles of:
 - (a) pentachlorophenol (penta)
 - (b) chromated copper arsenate (CCA)
 - (c) ammoniacal copper arsenate (ACA)
 - (d) creosote (blackjacks)
 - (e) copper naphthenate (CUNAP)

2. The use as herbicides for the control of vegetation of:
 - (a) Tordon 101 (Liquid)
 - (b) Tordon 10K (Pellets)

SCHEDULE 4
Joint Use Agreement

BELL ALIANT

AND

NEWFOUNDLAND POWER

JOINT USE AGREEMENT

EFFECTIVE

JANUARY 1st, 2011

**JOINT USE AGREEMENT
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BETWEEN: **BELL ALIANT REGIONAL COMMUNICATIONS, LIMITED PARTNERSHIP**, formed under the laws of the Province of Manitoba, by its general partner Bell Aliant Regional Communications Inc., a corporation amalgamated under the laws of Canada,

("Bell Aliant"),

AND: **NEWFOUNDLAND POWER COMPANY LIMITED**, a body duly incorporated under the laws of Canada, and having an office at the City of St. John's, in the Province of Newfoundland and Labrador,

("Newfoundland Power"),

WHEREAS Newfoundland Power and Bell Aliant use Support Structures in the Province of Newfoundland and Labrador;

AND WHEREAS Newfoundland Power and Bell Aliant desire to continue the Joint Use of their respective Poles and Buried Construction and to expand Joint Use when and where Joint Use provides operating advantages and economic benefits to the Parties and their respective customers, provided that Joint Use can meet each Party's service requirements and considerations of safety and economy;

AND WHEREAS the Parties wish to set out the terms and conditions of the Joint Use arrangement in this Agreement and to provide for the detailed administration of this Joint Use Agreement and the Administrative Practices attached as Schedule "A";

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and of the mutual covenants contained in this Joint Use Agreement, the Parties covenant and agree each with each other as follows:

ARTICLE I - DEFINITION OF TERMS

1.01 The following definitions shall apply in this Agreement, including the Administrative Practices attached as Schedule "A", unless the context clearly requires otherwise:

Administrative Practices means the administrative practices as set out in Schedule "A" to this Agreement;

Agreement means this Joint Use Agreement;

Anchor means all the physical components, excluding Guys, used for anchoring a Pole;

Arbitration Act means the *Arbitration Act*, R.S.N. 1990, c. A-14, as amended;

Attachment means any cable, wire, material, apparatus or fixture used by either Party and attached to a Pole and, for greater certainty, includes Guys;

Attachment Change Percentage means the percentage change in the total number of Attachments by Others to Support Structures on an annual basis as recorded by each of the Parties;

Buried Construction means the trench and/or any underground duct work, in which wires, materials or apparatus of a Party are located;

Business Day means any day, other than Saturday or Sunday or a statutory or civic holiday on which the major Canadian chartered banks are open for business in the City of St. John's, in the Province of Newfoundland and Labrador;

CCR means cumulative collection ratio as more fully described in the Administrative Practices;

Commission means the Board of Commissioners of Public Utilities of Newfoundland and Labrador or any successor body exercising similar jurisdiction;

Communication Space means that area of a Pole, no less than 610 mm in length, as more particularly delineated in the Administrative Practices;

Contractor means any person, firm or corporation that a Party retains, hires or contracts with;

Control Cable means a cable used by Newfoundland Power to transmit system control and data signals;

CSA means the Canadian Standards Association;

CRTC means the Canadian Radio-Television and Telecommunications Commission or any successor body exercising similar jurisdiction;

Emergency Maintenance means maintenance to Support Structures which is required to respond to a public Safety Hazard or a report of loss of customer service as described in the Administrative Practices;

Effective Date means January 1, 2011;

Fully Distributed Cost means the full cost, both direct and indirect, of providing a service. Direct costs include labour, benefits, materials at cost, vehicle expenses, travel related expenses, and contractor costs. Indirect costs include general expenses such as supervision and stores overhead;

Governing Body means any body having legislative or regulatory powers affecting the Parties and includes the Commission, the CRTC and any federal, provincial, municipal or other authority having jurisdiction over highways or other public places, acting under legislative authority to carry out duties in maintaining and improving public highways or other public places;

Grounding System means the ground rod or ground coil, wire and all physical components required to connect the neutral conductor to earth;

Guy means a wire used to attach a Pole to an Anchor for the purpose of providing physical support to the Pole;

Joint Ownership Ratio means the ratio of the percentage of total Joint Use Poles owned by Newfoundland Power to the percentage of total Joint Use Poles owned by Bell Aliant as provided in Article VIII;

Joint Use means, in accordance with the context, either the use by both Parties of a Support Structure that supports the Attachments, or will support the planned Attachments, of both Parties;

Joint Use Administration Committee means the committee defined in Article III of this Agreement;

Joint Use Working Committee means the committee defined in Article III of this Agreement;

JUFPA means the Joint Use Facilities Partnership Agreement made between Newfoundland Power and Bell Aliant, the successor to Aliant Telecom Inc., as of the 1st day of January, 2001;

Line Clearing means the provision of adequate clearance from tree interference for all circuits supported by Support Structures and includes items such as, but not limited to, under brushing, tree removals, pruning or trimming, application of chemical herbicides, treatment of cuts and disposal of debris;

Net Book Value means the original capital cost of a Support Structure as recorded on the books of the Owner less accumulated depreciation expense in relation to that Support Structure;

Others means persons, firms or corporations which are not a Party to this Agreement and shall include cable television entities licensed under the Telecommunications Act;

Owner means the Party who owns the Support Structure;

Overhead Guy Pole means a Pole used to support a Pole when a Guy and Anchor cannot be attached to the Pole;

Party means a party to this Agreement;

Permit means the instrument in writing by which the Owner authorizes Joint Use of a support structure;

Planned Maintenance means routine maintenance to Support Structures as described in the Administrative Practices;

Pole means a utility pole owned by a Party and used to support electrical power or telecommunications equipment;

Pole Line means two or more Poles installed in a sequence to service a particular area;

Power Space means that area of a Pole as more particularly delineated in the Administrative Practices;

Property Rights means easements, rights of way, licenses, fee simple interests, consents of Governing Bodies and other rights giving ingress to and egress from the Support Structures, obtained in accordance with the Administrative Practices;

Public Utilities Act means the *Public Utilities Act*, R.S.N. 1990, c. P-47, as amended;

Rearrange/Rearrangement means the removal of Attachments from one position on a Pole and the placing of the same Attachments in another position on the same Pole;

Replace/Replacement means the substitution of a new or different Support Structure for an existing Support Structure;

Rural Centre means an area which is not within an Urban Centre;

Sacrificed Value means the cost recovered for Poles prematurely displaced as set forth in the Administrative Practices;

Safety Hazard means a hazard that is of such a nature that there is an immediate risk of serious injury;

Service Pole means a Pole supporting secondary or service loops operating at a nominal voltage of 750 volts to the ground or less;

SSWR means a Support Structure work request form;

Structural Value means the sale price of support structures sold in place as set forth in the Administrative Practices;

Substandard Pole means a Support Structure which does not conform to the specifications of the Administrative Practices;

Support Structures means Joint Use Poles (both main line and service line), Anchors, Grounding Systems, pole cribs and related hardware owned by either Newfoundland Power or Bell Aliant or acquired or constructed by either and located in the Province of Newfoundland and Labrador but does not include Buried Construction;

Telecommunications Act means the *Telecommunications Act*, S.C.1993, c. 38, as amended;

Tenant means the Party making, applying for or having the permission to make Joint Use of a Pole belonging to the other Party;

Transfer means the removal of Attachments from one Pole and the placing of the same Attachments on another Pole;

Transmission Line means a power supply circuit operating at a voltage in excess of 25KV, phase-to phase; and

Urban Centre means an area as more particularly defined in the Administrative Practices.

- 1.02** (a) In this Agreement and in the Administrative Practices, the words "Article" and "Clause" shall refer to specific portions of the Agreement itself, and the word "Section" shall refer to specific portions of the Administrative Practices.
- (b) The headings used in this Agreement and in the Administrative Practices are for information purposes only and shall not be construed as part of this Agreement.
- 1.03** The Administrative Practices shall be read in conjunction with each of the Articles contained in this Agreement, provided that in the event of a conflict between any Article and the Administrative Practices, the Article shall prevail.

ARTICLE II - TERRITORY AND SCOPE OF AGREEMENT

- 2.01** The Parties shall, in accordance with and subject to this Agreement:
- (a) co-operate and consult with each other in the planning, design, installation, removal and maintenance of Support Structures and the acquisition of Property Rights for Joint Use with a view to providing maximum economic and service advantages to the customers of both Parties;
- (b) undertake such inspections or re-inspections as each deems necessary to ensure compliance by Others to the designed use of Support Structures;
- (c) continue jointly using Support Structures which are on the date of execution of this Agreement jointly used by the Parties;
- (d) permit the Joint Use of support structures which are not on the date of execution of this Agreement jointly used by the Parties; and
- (e) discontinue the use of Support Structures.

2.02 Each Party:

- (a) agrees to the principle of Joint Use whenever it is desirable in the judgment of both Parties;
- (b) shall determine the requirements of its own service and the character, design and construction of its own Attachments on Support Structures and of its own cables, wires and materials in Joint Use Buried Construction, subject to the provisions and specifications of the Administration Practices; and
- (c) reserves the right to exclude from Joint Use any of its support structures which in the Party's reasonable judgment:
 - (i) are necessary for its sole use; or
 - (ii) carry, or are intended to carry, circuits of such character that would make Joint Use of such support structures undesirable.

2.03 The Administrative Practices are included as part of this Agreement and shall be read in conjunction with each of the Articles, provided that in the event of conflict between any Article and the Administrative Practices, the Article shall prevail. Any additions or amendments to the Administrative Practices shall be subject to the approval of the Parties as outlined in the Administrative Practices and shall have effect from the date specified in the written approval of the Parties.

2.04 This Agreement is effective within the territory of the Province of Newfoundland and Labrador in which both Parties operate and distribute their respective services and shall cover all Support Structures now existing or later constructed or acquired in this territory or any other territory that may be brought under this Agreement by mutual consent.

2.05 Except as specifically provided in this Agreement, all other agreements between the Parties for the Joint Use of Support Structures and Buried Construction within the territories covered by this Agreement are abrogated and annulled.

ARTICLE III - JOINT USE COMMITTEES

3.01 The Parties shall establish and maintain a liaison committee to be known as the Joint Use Administration Committee, the responsibilities, constitution, procedures and mandate of which are more fully described in the Administrative Practices.

3.02 The Joint Use Administration Committee shall establish and maintain a Joint Use Working Committee, the responsibilities, constitution, procedures and mandate of which are more fully described in the Administrative Practices.

ARTICLE IV - SAFE WORK PRACTICES

- 4.01** Each Party shall be responsible for the safe performance of all work required or undertaken under this Agreement by the Party or by its Contractors except that:
- (a) where the Contractor working on that Party's behalf is the other Party to this Agreement, the Party so performing the work shall be responsible for the performance of the Work in a safe manner and in accordance with all applicable legislation and regulations; and
 - (b) where work is required by reason of unsafe conditions created by the action or inaction of the other Party, or where a Party is performing, or causing to be performed, work that the other Party was obligated to do under this Agreement, the work shall be deemed to have been completed by the Party creating the unsafe conditions or failing to perform the work.
- 4.02** Where one Party is performing work on Support Structures owned by the other Party pursuant to Clause 11.02, all work performed by that Party or others working on that Party's behalf, shall be performed in a safe manner and in accordance with all applicable legislation and regulations.
- 4.03** All work performed by either Party, or those working on that Party's behalf, which is in such proximity to electrical circuits that there is a Safety Hazard including, without limitation, the installation of Poles and the clearing of vegetation in Pole Lines, shall be undertaken by a Party or any Contractor only in accordance with the more stringent of the Parties' current safety policies, standards and procedures as communicated in writing between the Parties from time to time.
- 4.04** Each Party shall ensure that all contracts with Contractors associated with work required or undertaken under this Agreement complies with the provisions of this Article IV.

ARTICLE V - DEALING WITH PROPERTY

- 5.01** Nothing in this Agreement shall limit or affect the rights of the Owner to deal with or dispose of its support structures which are not Joint Use.
- 5.02** Subject to Clause 5.03, the Owner may, after giving at least twelve (12) months prior written notice and extending a first right of refusal to the Tenant, discontinue, terminate or otherwise dispose of any of its Support Structures. Such discontinuance, termination or other disposition of Support Structures by the Owner shall not give rise to any liability to the Tenant.

- 5.03** (a) Notwithstanding any other agreement between either of the Parties and any Others, in the event of discontinuance, termination or disposal of Support Structures under Clause 5.02, the Tenant shall have the first right to purchase such Support Structures from the Owner at:
- (i) where individual or small groups of Support Structures are being discontinued, terminated or disposed of, the Structural Value as provided in the Administrative Practices; or
 - (ii) where all or substantially all of the Support Structures are being discontinued, terminated or sold, the net book value.
- (b) The Tenant shall indicate its acceptance of the right of first refusal by notice in writing to the Owner within ninety (90) days of receiving the written notice from the Owner, and the sale in relation to the Support Structures shall occur as soon as is reasonably possible and, in no event, any later than twelve (12) months from the date that written notice was given by the Owner unless otherwise agreed by the Parties.

ARTICLE VI - SPECIFICATIONS

- 6.01** All construction and maintenance in connection with Support Structures shall, at all times, meet the specifications provided in the Administrative Practices which are to be based on CSA standards as a minimum, except where the Parties may mutually agree to make trial installations using new techniques and materials. In the event that the new techniques and materials are found to be satisfactory to the Parties, the Parties shall make application to the CSA for approval of those new techniques and materials, so as to remain within CSA standards.
- 6.02** Subject to Clause 6.01 above, the character, design and construction of Attachments is solely the responsibility of the Party who owns such Attachments.
- 6.03** Pole lines shall be inspected in accordance with the Administrative Practices.

ARTICLE VII - DIVISION OF COSTS

- 7.01** The division of costs between the Parties for erecting and maintaining Support Structures shall be determined and borne in the manner set forth in this Agreement, or in the event that such division of cost is not addressed in this Agreement, in a manner which is equitable to both of the Parties.
- 7.02** Any payment made by the Tenant under any of the provisions of this Agreement shall not entitle the Tenant to the ownership of any part of the Support Structures for which it has contributed in whole or in part, other than as expressly provided in this Agreement.

ARTICLE VIII - OWNERSHIP

- 8.01** The Parties agree that as of the Effective Date, the Joint Ownership Ratio is sixty percent (60%) for Newfoundland Power and forty percent (40%) for Bell Aliant. The Joint Ownership Ratio shall be maintained by the Parties as is reasonably possible throughout each year of this Agreement in accordance with the Administrative Practices.
- 8.02** The Parties shall determine the number of Joint Use Poles owned by each Party as of December 31st of each year. This determination shall be based on the quarterly reconciliations carried out in accordance with the Administrative Practices, or by means of such other method as the Parties, from time to time, may agree.
- 8.03** Either Party may, from time to time, transfer to the other Party the ownership of Support Structures where the Parties agree that it is desirable. Any such transfer shall be in writing and free and clear of any liens or encumbrances.

ARTICLE IX – PARTIES’ RIGHTS WITH RESPECT TO OTHERS

- 9.01** Unless otherwise provided in this Agreement, any rights or privileges granted to Others by the Owner prior to the Effective Date in respect of the use of its Support Structures shall not be affected by this Agreement.
- 9.02** Notwithstanding anything to the contrary contained in this Agreement, either Party may at any time and from time to time grant to Others any rights or privileges with respect to any support structures which are not Joint Use.
- 9.03** Any support structure, which is not Joint Use and in respect of which rights or privileges have been granted to Others, may be approved for Joint Use if in the opinion or judgment of the Owner, Joint Use of the support structure shall not unduly interfere with the rights or privileges granted to such Others. Subject to this Agreement, the Owner may continue any such rights or privileges of Others notwithstanding the fact that the support structure may be brought into Joint Use.
- 9.04** The Owner may, at any time and from time to time, grant to Others rights and privileges with respect to any of the Owner's support structures, provided however, that in the case of a Joint Use Pole:
- (a) except as provided in subsection 9.04(b), the Owner shall not, without the prior written consent of the Tenant, directly or indirectly grant any rights or privileges to any Others with respect to any part of the space in which the Tenant has the right to attach its Attachments as provided in the Administrative Practices. If the Owner wishes to grant any rights or privileges to Others with respect to any part of such space on a Support Structure, the Owner shall request approval from the Tenant in writing and shall provide to the Tenant all relevant information and data concerning the rights or privileges which it wishes to grant. The Tenant shall consent to such a request where such consent is not inconsistent with the Tenant's current and reasonably anticipated service requirements. Upon the Tenant giving its consent in writing, the Owner may then grant such rights or privileges in a form which

recognizes the rights and concerns of the Tenant. If the Tenant does not give its consent, the Tenant shall give the Owner written reasons for its refusal as soon as reasonably possible and, in no event, any later than ninety (90) days of the request for approval;

- (b) the Owner is not required to forward to the Tenant the information specified in Article 9.04(a) for additional attachments or upgraded attachments on a Support Structures that would not significantly increase the loading on the Support Structure such as subscriber service drops and secondary runs provided adequate space is available as provided in the Administrative Practices. The Owner may, subject to this Agreement, allow Others to place attachments in those instances without the approval of the Tenant, provided that the attachments are placed in accordance with the Administrative Practices;
- (c) the Owner shall not grant new rights or privileges to Others for the use of space on its Support Structures outside the space in which the Tenant has the right to attach its Attachments as provided in the Administrative Practices unless such new rights or privileges do not unduly interfere with the rights or privileges of the Tenant as provided in this Agreement; and
- (d) the Owner shall not, without the prior written consent of the Tenant, grant any rights or privileges to Others that would be contrary to the Tenant's right of first refusal to purchase the Support Structures in accordance with Clause 5.03.

9.05 If the Owner grants to Others rights and privileges with respect to Support Structures, it shall:

- (a) participate with the Tenant in accordance with the Administrative Practices to maintain reasonable records in relation to the attachments of Others;
- (b) take all reasonable steps to ensure the appropriate management of the presence of Others on the Support Structure including, without limiting the generality of the foregoing, the designed use of the portion of the Support Structure upon which any Other is attached;
- (c) take all reasonable steps to ensure that Others having attachments to Support Structures are properly billed for those attachments;
- (d) take all reasonable steps to collect payments owing from Others, in relation to attachments on Support Structures; and
- (e) take all reasonable steps to resolve bona fide disputes with Others regarding billing.

9.06 Payments by Others to the Owner for the use of Support Structures shall be shared between the Parties in accordance with the Administrative Practices.

9.07 Notwithstanding anything to the contrary in this Agreement with the exception of Clause 9.08, Bell Aliant shall have the control of and priority access to the Communication Space and Newfoundland Power shall have the control of and priority access to the Power

Space on Support Structures in order to meet their respective current and reasonably anticipated service requirements.

- 9.08** Notwithstanding anything to the contrary in this Agreement, but subject to the right of termination as provided in Clause 19.03, attachments made by Others as a result of an order by the Commission or the CRTC shall be governed by the terms and conditions of such order.

ARTICLE X - LIABILITIES & DAMAGES

- 10.01** (a) As this Agreement is intended for the mutual benefit and protection of the Parties, non-conformity with it shall not create any presumption of fault on the part of either Party in favour of any Others.
- (b) For the purpose of this Article X, if a Party uses a Contractor to perform any or all of its obligations under this Agreement, but except when the Contractor is the other Party, any negligence of the Contractor shall be deemed to be the negligence of that Party, and the liability for injuries to, or death of any persons, including employees of either Party, or for damage to any property, including the property of either Party, or for any other damages or injuries arising out of the construction, installation, presence or use of Support Structures or Attachments under this Agreement shall be deemed to be the liability of that Party. For greater certainty, for the purpose of this Article X, Party shall include Contractors of the Party except where the Contractor is the other Party.
- 10.02** (a) Whenever any liability is incurred by either or both of the Parties for injuries to, or death of any persons, including employees of either Party, or for damage to any property, including the property of either Party, or for any other damages or injuries, arising out of the construction, maintenance, installation, presence, or use of Support Structures or Attachments under this Agreement, the liability for such damages, as between the Parties, shall be as follows:
- (i) where only one Party is negligent, that Party shall be wholly liable for the resultant damages; and
- (ii) where both Parties are negligent, the Parties shall share the liability for the resultant damages in the same proportion that their negligence contributed to the damages.
- (b) For greater certainty, where injury, death or damage arises as a result of a failure by one Party to meet its obligations pursuant to CSA standards or this Agreement, that failure shall not absolve the other Party from liability where the other Party's negligence has also been a contributing factor to that injury, death or damage.
- (c) In the event that the Parties are unable to agree upon the proportion of liability, the issue of apportionment of liability between the Parties shall be decided through dispute resolution as provided in Article XVIII unless the issue has been otherwise determined by a proceeding initiated by any Others in a court having jurisdiction over the matter. The cost of such arbitration shall be borne by the unsuccessful

Party, or if neither Party is successful, the costs shall be borne equally or as the arbitrator or arbitrators may direct.

10.03 (a) In respect of a damage claim that is made against or affects both Parties, the Parties shall use reasonable commercial efforts to settle the claim upon reasonable terms agreed to by both Parties. In the event that the proportion of liability of each Party has been agreed upon, or decided in the dispute resolution process, and the claimant desires to settle upon terms acceptable to one of the Parties but not to the other Party, the following shall apply:

- (i) the Party to which the settlement is acceptable may give written notice to the other Party of its willingness to accept the settlement amount;
- (ii) if the other Party does not agree to accept the settlement amount within fifteen (15) days after such notice, the Party which gave the notice (the "Notice Party") may choose to withdraw from the dispute and the other Party (the "Disputing Party") shall defend the claim. The Notice Party may choose to defend its own position in the dispute;
- (iii) where the amount of the liability of the Parties, as later agreed upon or determined by an independent court or tribunal, is less than the proposed settlement amount, the Notice Party shall pay to the Disputing Party its proportion of the proposed settlement amount and its proportion of the costs and expenses of the Disputing Party; and
- (iv) where the amount of the liability of the Parties, as later agreed upon or determined by an independent court or tribunal, is equal to or greater than the proposed settlement amount, the Disputing Party shall bear all its own costs and expenses and will reimburse the costs, if any, incurred by the Notice Party after the date of the Notice. The sole responsibility of the Notice Party in that event shall be to pay the amount corresponding to its proportion of the proposed settlement amount.

(b) In the adjustment between the Parties of any claim for damages, the liability assumed by the Parties and the calculation of the amount of any settlement under this Article X, shall include, in addition to the amounts paid to the claimant, all costs, charges, and expenses incurred by the Parties or either of them in connection with the claim which shall include reasonable solicitor's fees on a solicitor and client basis and other costs and expenses incidental to any suit, action, investigation, claim or proceeding. Such adjustment shall be carried out promptly, and in no event, any later than thirty (30) days from the determination or acceptance of liability of either or both of the Parties.

10.04 (a) Subject to Clause 10.02, the Owner shall save, defend, keep harmless and fully indemnify the Tenant from and against any and all losses, costs including, without limitation, reasonable solicitor's fees on a solicitor and client basis and other incidental disbursements, costs and expenses which the Tenant may sustain, suffer, or be put to, by reason of, or on account of injury to or death of any person or persons, or damage to or destruction of any of the property of the Tenant or of any

other person, arising out of or in respect of use by or presence of Others on any of the Owner's Support Structures, as provided in Article IX. However, the Tenant shall be responsible for its own negligence, for the negligence of its agents or employees and for its Contractors, as provided in Clause 10.01, in the same proportion that the negligence was a contributing factor.

- (b) Except as provided in Clause 10.04(a), in case of damage to Support Structures or Attachments of either Party by Others, each Party is responsible for recovering its own damages. In an emergency, when a Support Structure is Replaced by the Tenant, the Tenant shall bill the Owner for work done on behalf of the Owner who, in turn, may bill the person causing the damage for the actual costs.

10.05 Except as provided in this Article X, each Party shall bear its own losses and costs in causes where a claim or demand does not arise from the negligence of the other Party, its agents, Contractors or employees.

ARTICLE XI - DEFAULTS

11.01 Unless Clause 11.02 applies, where either Party defaults in any of its obligations under this Agreement, the Party not in default may give the Party in default written notice of such default. If such default continues thirty (30) days after the notice, is of material and continuing nature and has not been referred to and finally determined by the dispute resolution process in accordance with this Agreement, the Party not in default may, in addition to any other remedy it may have, forthwith terminate this Agreement as far as it concerns the future granting of Joint Use pursuant to this Agreement. Nothing in this Clause 11.01 shall affect any rights or obligations which either Party may have under the Public Utilities Act or the Telecommunications Act.

11.02 Where either Party defaults in the performance of any work which it is obligated to do under this Agreement, the Party not in default shall advise the Party in default forthwith by written notice of such default and should such default continue past the appropriate notice period specified in Clause 11.03, the Party not in default may elect to do such work, and the Party in default shall pay the other Party two hundred percent (200%) of the Fully Distributed Cost of the work so performed. For the purpose of ascertaining liability arising out of the work so done, such work shall be deemed to have been completed by the Party in default, and the Party in default shall hold harmless and indemnify the Party not in default with respect to any such liability regarding the work performed by the Party not in default.

11.03 Provided that Article XII does not apply, default notice periods for the purposes of Clause 11.02 of this Agreement are as follows:

- (a) for an on-site response to a situation requiring Emergency Maintenance where there is a public Safety Hazard or a reported loss of customer service, two (2) hours from oral notice as provided in the Administrative Practices;
- (b) for planned maintenance, ninety (90) days from the written notice of default; and
- (c) for the installation of Poles required to maintain the Joint Ownership Ratio, twelve (12) months from the written notice of default.

ARTICLE XII - IMPOSSIBILITY OF PERFORMANCE

12.01 Where the performance by either of the Parties of any of their respective obligations in this Agreement shall to any extent be prevented, restricted, delayed, or interfered with by reason of any of the following:

- (a) war, revolution, civil commotion, riots, acts of public enemies, acts of terrorism, blockade or embargo, any strike, lockout or other labour difficulty or work stoppage, explosion, epidemic, fire, flood, freeze, severe weather conditions, ice blockade, acts of God or order of any Governing Body having jurisdiction; or
- (b) the prohibition, restraint, restriction or prevention from installing, constructing or Replacing Support Structures or for making available any portion of any such Support Structures by any statute law, by-law, ordinance, regulations, judgment, or by the property rights of Others, or the removal, or threat of removal of any easement, right-of-way, servitude or other privilege;

then such Party shall, on written notice to the other, be excused from the performance of such obligations but only to the extent of the period of such prevention, restriction, delay or interference. The provisions contained in this Article shall not apply to the obligations of such Party to pay the amounts required to be paid to the other Party in the manner and at the time provided in this Agreement.

ARTICLE - XIII ASSIGNMENT OF RIGHTS

13.01 (a) Except as otherwise provided in this Agreement, neither Party shall assign or otherwise dispose of this Agreement, or any of its rights or interests pursuant to this Agreement, in any of the Support Structures or Attachments without the written consent of the other Party, which consent shall not be unreasonably withheld. However, nothing in this Agreement shall prevent or limit the right of either Party to mortgage any or all of its property, rights, privileges and franchises.

- (b) In the event that a Party becomes aware of a circumstance that could cause a security holder to seek a remedy directly or indirectly affecting the Support Structures, that Party shall immediately notify the other Party in writing, and the other Party may in its absolute discretion, upon becoming so aware whether by reason of the written notice or otherwise, the following actions:
- (i) give notice to terminate this Agreement; and/or
 - (ii) require that all outstanding amounts owed to it pursuant to this Agreement be immediately paid.

13.02 Change of control of a Party, or assignment by a Party of its rights and obligations pursuant to this Agreement, to an entity which is controlled, directly or indirectly by the Party or the parent corporation, or to a corporation that controls the Party, directly or indirectly, shall be permitted, for the purposes of Clause 13.01, without the consent of the other Party. However, written notice of any change of control must be provided to the other Party as soon as possible after the notifying Party becomes aware of such change in control.

13.03 Where either Party assigns its rights under this Agreement in whole or in part as permitted in Clause 13.02, that Party shall remain bound by the obligations in this Agreement jointly and severally with the assignee, unless otherwise agreed in writing by the Parties.

13.04 Where there is a change in control of a Party within the meaning of Clause 13.02 or where either Party violates Clause 13.01, the other Party may, in its discretion, elect within three (3) months of being notified in writing of the change of control, to terminate this Agreement upon six (6) months written notice.

ARTICLE XIV – NOTICES

14.01 (a) Except as provided in the Administration Practices, any notice required to be given under this Agreement shall be in writing and shall be sufficiently given if sent by electronic transmission or delivered by hand and addressed as follows:

If to Bell Aliant:

Bell Aliant Regional Communications, Limited Partnership
Seven South, 1505 Barrington Street
Halifax, NS B3J 3K5
Attention: Corporate Secretary

Fax: (902) 421-1724

If to Newfoundland Power:

Newfoundland Power Inc.
55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6
Attention: Corporate Secretary

Fax: (709) 737-5300

- (i) A notice sent by electronic transmission is deemed to have been given on the next Business Day following transmission.
 - (ii) A notice delivered by hand is deemed to have been given on the date of actual delivery.
- (c) Notwithstanding Sub-Clause 14.01(a), where the notice is a notice of termination, it shall not be effective unless also given from the president of one Party to the president of the other Party.

14.02 Either Party may change its address for notice or the person designated to receive such notice by giving notice in writing of the change to the other Party.

ARTICLE XV - INVOICES AND PAYMENTS

15.01 Upon completion of work performed by either Party, the expense of which is to be borne wholly or in part by the other Party, the Party performing the work shall, after its completion, issue to the other Party an invoice showing the work completed and an itemized list of labour, materials and other expenses. In the event that work is not completed within thirty (30) days, progress billing indicating work completed may be rendered monthly.

15.02 Accounts shall be deemed overdue if not paid within sixty (60) days after the receipt of the invoice. Unless the matter has been referred to dispute resolution in accordance with this Agreement, in which case the matter of interest will be determined at that level, the Parties shall pay interest charges on overdue accounts at a monthly rate of one twelfth (1/12) of the annual rate determined as the lowest current prime commercial lending rate during that month at the Bank of Montreal plus one percent (1 %). Such interest charges shall be compounded at the monthly rate for each month or part month the account remains overdue.

15.03 Failure to make any payment required under this Agreement within sixty (60) days after the receipt of an invoice shall, at the election of the other Party, constitute a default under this Agreement, provided that where the matter has been referred to dispute resolution in accordance with this Agreement, the Party not in default shall not exercise any rights arising from the default until the matter has been finally determined by the dispute resolution process.

15.04 Where, under this Agreement, it is considered advisable by agreement of both Parties, in the interest of economy, to use unit charges as representing the cost of certain operations in lieu of actual costs, nothing in the foregoing terms of this Article XV shall preclude the practice of so doing.

15.05 All invoices issued pursuant to this Agreement shall specify the amount of sales taxes payable.

15.06 For the purposes of this Agreement, invoices shall be deemed to be received as follows:

- (a) if sent by electronic transmission, on the next Business Day following the transmission;
- (b) if sent by mail, two (2) Business Days following postage; or
- (c) if delivered by hand, on the date of actual delivery.

ARTICLE XVI - WAIVER OF TERMS OR CONDITIONS

16.01 The failure of either Party to enforce any of the terms or conditions of this Agreement shall not constitute a general or specific waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

ARTICLE XVII - PAYMENT OF TAXES

17.01 Each Party shall be responsible for the payment of all taxes, rates and assessments lawfully levied on property owned by it or treated as owned by it under this Agreement, and the taxes and the assessments which are levied on that property shall be paid by the Owner, but any tax, fee or charge levied on an Owner's property solely because of their use by the Tenant shall be paid by the Tenant within sixty (60) days of receipt of an invoice by the Tenant detailing the increase to the tax, fee or charge.

ARTICLE XVIII - DISPUTE RESOLUTION

18.01 (a) Where any dispute or difference arises as to any matter or thing relating to or in respect of this Agreement, such dispute or difference shall be first referred to the Joint Use Administration Committee for resolution. If the matter is not resolved by the Joint Use Administration Committee within two (2) months of the referral, it may be referred by either Party to arbitration in accordance with the provisions of the Arbitration Act, and shall be submitted to a sole arbitrator agreed upon between the Parties. The decision of the sole arbitrator shall be final and binding upon the Parties.

- (b) Where the Parties are unable to agree upon a sole arbitrator, such dispute or difference shall be referred to three (3) arbitrators. Each Party shall appoint one (1) arbitrator and the remaining arbitrator, who shall be chairman, shall be selected by the arbitrators appointed by each Party. The decision of any two (2) arbitrators shall be final and binding upon the Parties.
- (c) Except where otherwise provided, the costs of any such arbitration, including reasonable compensation for the arbitrator or arbitrators, shall be borne and paid equally by the Parties, or as the arbitrator or the arbitrators, as the case may be, may otherwise direct.

ARTICLE XXIX - TERM OF AGREEMENT

- 19.01** This Agreement shall continue in force for the period from January 1, 2011 to December 31, 2015 and shall not be terminable during such period except as stated elsewhere in this Agreement.
- 19.02** After December 31, 2015, this Agreement shall continue in full force and effect indefinitely unless and until terminated by notice in writing as provided in this Article XXIX.
- 19.03** Unless specified otherwise, this Agreement may be terminated by at least twelve (12) months notice in writing, given at any time following the Effective Date by either Party to the other.
- 19.04** Notwithstanding any termination of this Agreement, existing Joint Use shall continue to be covered by the terms of this Agreement until:
- (a) such Joint Use has been discontinued by the Tenant;
 - (b) a new Joint Use agreement is executed by the Parties; or
 - (c) a relevant order is made by a Governing Body;
- whichever occurs first.

ARTICLE XX - REGULATORY IMPACT

- 20.01** The Parties recognize that Bell Aliant is subject to regulation by the CRTC. Bell Aliant shall provide notice to Newfoundland Power of any regulatory proceeding scheduled by the CRTC which involves consideration of any term of this Agreement. Where the CRTC makes an order affecting any term of this Agreement, then, subject to Clause 20.03, this Agreement shall be deemed to be modified to comply with such order.
- 20.02** The Parties recognize that Newfoundland Power is subject to regulation by the Commission. Newfoundland Power shall provide notice to Bell Aliant of any regulatory proceeding scheduled by the Commission which involves consideration of any term of this Agreement. Where the Commission makes an order affecting any term of this Agreement, then, subject to Clause 20.03, this Agreement shall be deemed to be modified to comply with such order.
- 20.03** Where an order of the Commission or the CRTC results in a material modification of any term of this Agreement as described in Clauses 20.01 or 20.02 and the modification affects either:
- (a) Article VII, Article VIII or Article IX of this Agreement; or
 - (b) Section 15 of the Administrative Practices;

then the Party directly subject to the order of the Governing Body (the “First Party”) shall provide written notice of the order to the other Party (the “Second Party”) within thirty (30) days of the filing of the written order. The Party which is not directly subject to the Governing Body which has made the order shall have the right, but not the obligation, to terminate this Agreement forthwith by written notice of termination to the other Party.

- 20.04** The right of termination provided in Clause 20.03 may only be exercised by giving notice in writing within six (6) months from the date when the order of the Governing Body came to the attention of the Party not directly subject to the Governing Body. Failure by the applicable Party to provide notice of termination within six (6) months shall result in the loss of the right to terminate under this Article XX.

ARTICLE XXI - MISCELLANEOUS PROVISIONS

- 21.01** This Agreement shall enure to the benefit of and shall be binding upon the successors and the permitted assigns of the Parties respectively.
- 21.02** (a) This Agreement, including the Administrative Practices, constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, negotiations, understandings and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, expressed or implied, collateral, statutory or otherwise, relating to the subject matter of this Agreement except as provided in this Agreement and the Administrative Practices.

- (b) Unless otherwise provided, any additions or amendments to this Agreement or the Administrative Practices shall be subject to the prior written approval of the Parties in accordance with Section 12.01 of the Administration Practices and shall have effect from the date specified in the written approval.

21.03 This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by the laws of Newfoundland and Labrador the applicable laws of Canada, and each Party irrevocably submits to the jurisdiction of the courts of Newfoundland and Labrador.

21.04 Time shall be of the essence in this Agreement.

21.05 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the remainder of the Agreement.

21.06 This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[Remainder of page purposefully left blank]

IN WITNESS WHEREOF this Agreement has been executed by the Parties this 22 day of _____
December, 2010, but effective as of and from the day and year first written before.

SIGNED, SEALED AND DELIVERED
in the presence of:

Pat Comeau

**BELL ALIANT REGIONAL
COMMUNICATIONS, Limited**
Partnership by its general partner Bell Aliant
Regional Communications Inc.

Charles Hartlen
Name: Charles Hartlen
Title: Senior Vice-President,
Customer Experience

SIGNED, SEALED AND DELIVERED
in the presence of:

Peter Alteen
Name: Peter Alteen
Title: Corporate Secretary

NEWFOUNDLAND POWER INC.

Earl Ludlow
Name: Earl Ludlow
Title: President and Chief Executive Officer

Gary Smith
Name: Gary Smith
Title: Vice President, Customer Operations
and Engineering

IN WITNESS WHEREOF this Agreement has been executed by the Parties this 22nd day of December, 2010, but effective as of and from the day and year first written before.

SIGNED, SEALED AND DELIVERED
in the presence of:

**BELL ALIANT REGIONAL
COMMUNICATIONS, Limited
Partnership** by its general partner Bell Aliant
Regional Communications Inc.

Name: Charles Hartlen
Title: Senior Vice-President,
Customer Experience

SIGNED, SEALED AND DELIVERED
in the presence of:

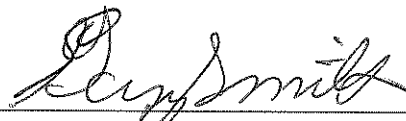
NEWFOUNDLAND POWER INC.



Name: Earl Ludlow
Title: President and Chief Executive Officer



Name: Peter Alteen
Title: Corporate Secretary



Name: Gary Smith
Title: Vice President, Customer Operations
and Engineering

SCHEDULE "A"

Administration Practices

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SECTION 1 - GENERAL

1.01 Introduction

These Administrative Practices form part of the Joint Use Agreement and contain policies, price schedules, forms, procedures and specifications essential to the detailed administration and operation of the Agreement. The success of the Agreement is dependent on a good relationship between the Parties at all levels. This can only be achieved if each Party carries out the intent of the Agreement, co-ordinates its work to meet the time schedules outlined and gives work on Support Structures a high priority.

1.02 Circuit Limitations

These Administrative Practices are in accordance with the requirements for Joint Use involving supply circuits operating at a voltage of 25 KV or less phase-to-phase.

1.03 Transmission Line Poles

Attachment to Transmission Line Poles by Bell Aliant shall be considered by Newfoundland Power on a case-by-case basis. In the event that permission to Attach is granted, Newfoundland Power shall provide the necessary conditions and pricing, in writing, to Bell Aliant.

1.04 Voltage Conversion Co-ordination

Newfoundland Power shall give Bell Aliant a minimum of sixty (60) days prior written notice of a proposed change in primary voltage or system.

1.05 Prior Notification of Work on Support Structures

For safety of personnel and security of service, a Party which proposes to perform work (as outlined below) on Support Structures shall notify the other Party before commencing such work. When personnel of Bell Aliant are erecting Support Structures or Line Clearing along existing Pole Lines carrying Newfoundland Power circuits energized at voltages above 750 volts to ground, Bell Aliant personnel shall make a request to provide worker protection for outside party to local Newfoundland Power personnel. Furthermore, before work begins on erecting Support Structures, along an existing Pole Line, carrying Newfoundland Power circuits energized at voltages above 750 volts to ground, Newfoundland Power personnel will obtain permission from the Newfoundland Power system control centre. On behalf of Bell Aliant's authorized representative, Newfoundland Power's representative shall obtain a protection guarantee and have a tag placed on the feeder where practical, within three (3) Business Days. When work is finished for the day, Bell Aliant's authorized representative shall notify Newfoundland Power personnel to have this protection guarantee released and the tag removed. The costs for having a protection guarantee established and released shall be as agreed between the Parties and borne by Bell Aliant. Personnel working in proximity to energized Newfoundland Power circuits shall be qualified as determined by federal, provincial and Newfoundland Power requirements.

1.06 Information Respecting Electrical Faults

- (a) Where Bell Aliant encounters difficulties which may be attributable to an electrical fault, it may request a written report listing the electrical faults recorded by Newfoundland Power, and Newfoundland Power shall make every reasonable effort to provide a written listing to Bell Aliant within five (5) Business Days following the request.
- (b) Where an electrical fault occurs for any reason during the placement of Support Structures by Bell Aliant into energized circuits owned by Newfoundland Power, Bell Aliant's authorized representative shall immediately cease work and notify Newfoundland Power's system control centre. If the feeder trips for any reason whatsoever, it shall not be re-energized until assurance is received from Bell Aliant's authorized representative that all workmen are clear and the Pole Line may be re-energized. Where a trip is due to an electrical fault caused by Bell Aliant, Newfoundland Power will require a verbal report followed by a written report of the incident. This written report shall be submitted not more than five (5) Business Days following the request.

1.07 Procedure for Temporary Insulator

The following outlines the Parties' responsibilities for a temporary insulator used to prevent an energized conductor from contacting a Pole:

Bell Aliant shall:

- (a) give notice to the Newfoundland Power area office three (3) Business Days in advance of any Support Structure installation in energized lines;
- (b) reimburse Newfoundland Power for its temporary insulator and inspection costs as agreed between the Parties;
- (c) retrieve Bell Aliant cover-up and Pole guards from Newfoundland Power premises; and
- (d) Replace at its own expense, burnt Poles which occurred before Newfoundland Power inspections.

Newfoundland Power shall:

- (a) inspect the Support Structures to determine if a temporary insulator is required. This inspection shall take place no later than the next Business Day after the Support Structures are installed;
- (b) install a temporary insulator on the Pole;

- (c) transport Bell Aliant's cover-up and Pole guards to Newfoundland Power's premises; and
- (d) Replace at its own expense, burnt Poles which occurred after Newfoundland Power inspections.

SECTION 2 - JOINT USE COMMITTEES

2.01 Joint Use Administration Committee

The Parties shall establish and maintain a liaison committee to be known as the Joint Use Administration Committee. Each of the Parties shall appoint two (2) members, and the Joint Use Administration Committee shall:

- (a) promote and co-ordinate the planning, design, installation and maintenance of Support Structures;
- (b) administer the terms and conditions of the Agreement;
- (c) promote and co-ordinate the planning, design, acquisition and maintenance of Property Rights;
- (d) co-operate in the planning, design and management of the appropriate use of the Communication Space and Power Space;
- (e) consider all matters respecting Joint Use and negotiate transactions respecting the institution, continuance or discontinuance of the Joint Use of particular Poles;
- (f) negotiate all questions and problems which come under dispute regarding Joint Use;
- (g) initiate such studies, audits, surveys, samples and other activities as may be necessary to formulate, revise and amend the Administrative Practices;
- (h) initiate annual reviews and modifications, as required, of the Administrative Practices for the construction, management, preservation and use of Support Structures and payments to be made in respect of the same;
- (i) oversee the Joint Use Working Committee to act as a task force as required; and
- (j) evaluate and make decisions upon any changes to the construction standards as requested by either Party within a six (6) month time period.

2.02 Joint Use Working Committee

The Joint Use Administration Committee shall establish and maintain a liaison committee to be known as the Joint Use Working Committee. Each of the Parties shall appoint members as required, and the Joint Use Working Committee shall:

- (a) oversee the day to day activity associated with the Joint Use of Support Structures;
- (b) co-ordinate planning for Joint Use;
- (c) ensure compliance with the timelines specified in the Administrative Practices; and
- (d) undertake tasks assigned by the Joint Use Administration Committee and report back with the timelines specified by the Joint Use Administration Committee.

In performing these duties, the Joint Use Working Committee shall resolve any differences between the members of the Committee within three (3) months or such lesser time as the Joint Use Administrative Committee may require, failing which the matter shall be referred to the Joint Use Administration Committee.

2.03 Frequency of Meetings

Meetings of the Joint Use Administration Committee shall be convened annually; however, any member may at any time request such a meeting on short notice and without formality.

Unless otherwise requested by the Joint Use Administration Committee, meetings of the Joint Use Working Committee shall be convened at least four (4) times a year; however, any member may at any time request a meeting on short notice and without formality.

2.04 Decisions

No decision or recommendation shall be made by the Joint Use Administration Committee unless there is unanimous agreement by all members of the Joint Use Administration Committee.

SECTION 3 - PLANNING & CO-ORDINATION

3.01 Identification and Planning of Support Structures

Each Party is responsible for planning its own Support Structures; however, the Parties shall identify and co-ordinate planning for proposed Support Structures, including Line Clearing anticipated within a three (3) year planning period, at the scheduled Joint Use Working Committee meetings. Both Parties recognize that it will not be possible to identify and document all Support Structures to be constructed. However, as such Support Structures are identified by a Party, it shall immediately notify the other Party in writing and the Parties shall co-ordinate planning for Joint Use.

3.02 Mixed Ownership

Both Parties recognize that one Party's ownership of a Pole Line is preferable to mixed ownership where such sole ownership is a practical alternative to mixed ownership.

3.03 Joint Ownership Ratio

The identification and coordination of proposed Support Structures shall be undertaken in accordance with the requirement to maintain the Joint Ownership Ratio, and for that purpose, the planning process shall include a consideration of Subsection 14.02 – Maintaining Joint Ownership Ratio.

SECTION 4 - SUPPORT STRUCTURES WORK REQUEST FORM (“SSWR”)

4.01 General

The purposes of the support structures work request form (the “SSWR”) shall include:

- (a) for an Owner to request a Tenant to make changes to its Attachments on the Owner’s Support Structures; and
- (b) for a Tenant to request an engineering assessment related to changes that it is proposing to make to its Attachments on the Owner’s Support Structures.

The format and content of the SSWR shall be mutually agreed to between the Parties and may be updated as required with agreement of both Parties.

Copies of the approved SSWR shall be retained for the purpose of verification should disputes occur related to Pole placement activities.

4.02 Initial Contact

Except as provided in Subsection 4.03, the Party requesting any of the following shall provide a SSWR to the other Party where it:

- (a) wishes to place Attachments on a Pole belonging to the other Party;
- (b) wishes to upgrade existing Attachments on a Support Structure;
- (c) Replaces or relocates a Support Structure and it is necessary for the other Party to Replace, Transfer or Rearrange its Attachments;
- (d) requires the installation of an additional Support Structure;

- (e) requires approval for the Tenant to grant rights or privileges to any Others per ARTICLE IX – PARTIES’ RIGHTS WITH RESPECT TO OTHERS; or
- (f) decides to remove its Attachments from a Support Structure.

Prior to providing a SSWR, the Party initiating the request may require consultation with the other Party in order to gain agreement on certain aspects of the work to be requested such as whether new support structures will be built to Joint Use standards, or identifying where existing Support Structures need to be brought into conformity with SECTION 18 – CONSTRUCTION PRACTICES before further attachment, or, such other aspects for which agreement must be obtained per these Administration Practices.

In case of emergency, oral notification may be given but must be subsequently confirmed by a SSWR that requires the other Party to do work.

Each Party shall notify the other Party using the SSWR immediately when it becomes aware of unapproved attachments.

4.03 Exception to Procedure

The procedures in this Section 4 shall not be required for additional attachments or upgraded attachments on a Support Structure that would not significantly increase the loading on the Support Structure such as service drops, secondary runs, street lights, transformer changes, etc. provided adequate space is available as provided in SECTION 18 - CONSTRUCTION PRACTICES.

4.04 Processing of SSWR Form

SSWR’s sent between Parties shall be processed as stipulated in Table 4.01. The approved SSWR shall then constitute a Permit giving that Party the right to use the space for Attachments (or attachments, as the case may be) of the character specified in the SSWR.

Table 4.01 Return of Applications		
Scope of Project	Location	Time for Return of SSWR
1 to 10 Pole Attachments	Urban Centre	3 Business Days
11 to 50 Pole Attachments	Urban Centre	5 Business Days
1 to 10 Pole Attachments	Rural Centre	5 Business Days
11 to 50 Pole Attachments	Rural Centre	10 Business Days
Greater than 50 Pole Attachments	Rural or Urban Centre	15 Business Days

4.05 Guidelines for Completion of SSWR

Notwithstanding Section 5.02, Table 4.02 shall be used as a guideline for completion of Support Structures work requested by either Party. The time frame stipulated is from initial notification by a representative of either Party using the SSWR to notification by the other Party of project completion of the work contemplated using the SSWR. If make ready work is required, add two (2) Business Days to the time frames stipulated in the Table 4.02.

Table 4.02(a)(i) Guideline for Support Structure Installations	
Scope of Project	Time for Completion
Service Poles	5 Business Days
1 - 10 Poles	15 Business Days
11 - 20 Poles	20 Business Days
21 - 50 Poles	25 Business Days
51 - 100 Poles	40 Business Days
101 – 200 Poles	60 Business Days
Greater than 200 Poles	80 Business Days

Table 4.02(a)(ii) Guideline for Make-Ready Work	
Scope of Project	Time for Completion
1 - 3 Poles	5 Business Days
4 - 10 Poles	10 Business Days
11 - 20 Poles	15 Business Days
21 - 50 Poles	20 Business Days
100 Poles	25 Business Days
Greater than 100 Poles	To be negotiated

4.06 Compliance with Timelines

Each of the Parties acknowledges that compliance by the other Party with the timelines specified in these Administrative Practices is important to its operations and, to that end, the Parties agree to use commercially reasonable efforts to meet the timelines provided. If the specified time cannot be met, the Party who is unable to meet the time shall notify the other Party of the delay and the expected time in which the contemplated work can be completed. If the work is not completed within the expected time provided, the matter shall be referred to the Joint Use Working Committee for resolution.

From time to time, work arises that must be expedited outside of the normal guidelines as provided in this Section 4. In such cases, the Parties commit to make commercial reasonable efforts to fulfill the service obligation in question.

SECTION 5 - ESTABLISHING JOINT USE OF NEW SUPPORT STRUCTURES

5.01 Application of this Section

This Section 5 applies to the establishment of Joint Use of new Support Structures.

5.02 Co-ordination and Ownership

The construction of new Support Structures shall be coordinated between the Parties to reach agreement concerning ownership, details of construction and proposed completion dates. Due regard shall be given to the service needs of the customers of the Parties. For the purpose of this section, new Support Structures include:

- (a) new Pole Lines;
- (b) extensions to existing Pole Lines;
- (c) major reconstruction of existing Pole Lines in new locations, e.g. highway alteration; and
- (d) additional Support Structures for crossovers, guying, providing service, or as may be required by the Parties.

5.03 Construction of Support Structures

- (a) The Owner shall design the Support Structures, obtain Property Rights as provided in SECTION 13 - PROPERTY RIGHTS, construct the Support Structures, survey and stake in the field, obtain all necessary permits and consents (except in relation to permits and consents that may be particular to the Tenant's Governing Body) and do the necessary Line Clearing to make the Support Structures suitable for Joint Use as provided in SECTION 18 - CONSTRUCTION PRACTICES. The Owner shall supply and install the Anchors required to withstand the combined guying needs of both Parties, even if more than one Anchor is required, and shall bear the associated costs. Should subsequent Anchors be required that are not identified to the Owner before the Pole is placed, the Party requiring the Anchors shall be responsible for the placement of such Anchors and shall bear the associated costs. The Owner shall also supply and install Guy wires, Guy guards and ground wire and ground wire molding at the Owner's expense; should subsequent Guy wires, Guy guards, ground wire or ground wire molding be required that has not been identified to the Owner before the Pole is placed, the Party requiring the same shall be responsible for the placement of so much of the same as it requires and the associated cost.

- (b) Should either of the Parties contract out engineering/design work, the Party so contracting out shall approve the engineering/design work under the direction of a professional engineer.

5.04 Future Support Structures

When Support Structures are being placed, a SSWR shall be initiated and passed between the Parties. Once the Support Structures are installed, the Support Structures shall be considered to be Joint Use unless otherwise agreed to by the Parties.

SECTION 6 - ESTABLISHING JOINT USE OF EXISTING SUPPORT STRUCTURES

6.01 Application of this Section

This Section 6 applies to the establishment of Joint Use of existing non-Joint Use Poles of a Party.

6.02 Modifications to be Made Prior to Attaching

Existing Support Structures shall be brought into conformity with SECTION 18 - CONSTRUCTION PRACTICES, before any Attachments requiring a SSWR are placed by the Tenant.

6.03 Replacement of Support Structures

Where there is Replacement of Support Structures, the Party undertaking the Replacement shall make any other necessary changes, including Line Clearing in the Pole Line containing the Support Structures, as may be necessary to meet the requirements of SECTION 18 - CONSTRUCTION PRACTICES.

6.04 Avoiding Mixed Ownership

To avoid mixed ownership, where Poles are not suitable as provided in SECTION 18 - CONSTRUCTION PRACTICES for Joint Use and where individual Pole Replacements are involved, the Owner shall Replace the Pole. The costs involved in Transferring, Rearranging or removing the Attachments of the Owner shall be paid by the Tenant as provided in SECTION 8 - TRANSFER COSTS, and the Tenant shall also pay to the Owner the Sacrificed Value for each Pole Replaced by the Owner for which the Tenant is required by SECTION 8 - TRANSFER COSTS to pay Transfer costs.

6.05 Owner Undertakes Replacement of Support Structures

Where Support Structures are not suitable, as provided in SECTION 18 – CONSTRUCTION PRACTICES, for the proposed Tenant's Attachments, the Owner shall Replace the Support Structures. Support Structures are not required to be Replaced if the proposed Tenant's

Attachments do not significantly increase the loading on the Support Structure such as service drops, secondary runs, street lights, transformer changes, etc. and provided adequate space is available as provided in the Construction Practices. The costs involved in Transferring, Rearranging, or removing the Attachments of the Parties shall be paid by the Tenant as provided in SECTION 8 - TRANSFER COSTS. The Tenant shall pay to the Owner the Sacrificed Value for each Support Structure Replaced by the Owner which the Tenant is required by Section 8 - TRANSFER COSTS to pay Transfer costs.

6.06 Tenant Adds Attachments

Where the Tenant adds Attachments to existing Support Structures, the Tenant shall be responsible for:

- (a) all necessary Line Clearing required to place the Attachments. At the request of the Tenant, the Owner may carry out the required Line Clearing and the Tenant shall bear the cost; and
- (b) all necessary Transfer or Rearrangements costs of the Owner to Rearrange Attachments to make the Support Structures suitable for Joint Use.

SECTION 7 - ADDING, CHANGING, REPLACING AND RELOCATING EXISTING SUPPORT STRUCTURES OR ATTACHMENTS

7.01 Application of this Section

This Section 7 applies to additions and changes to existing Support Structures or Attachments.

7.02 Modifications to be Made Prior to Additional Joint Use

Existing Support Structures shall be brought into conformity with SECTION 18 CONSTRUCTION PRACTICES, before any additional Attachments requiring a SSWR are made.

7.03 Replacement of Support Structures

Where there is Replacement of Support Structures, the Party undertaking the Replacement shall make any other necessary changes, including Line Clearing in the Pole Line containing the Support Structures, as may be necessary to meet the requirements of SECTION 18 – CONSTRUCTION PRACTICES.

7.04 Avoiding Mixed Ownership

To avoid mixed ownership, where Poles are not suitable as provided in SECTION 18 - CONSTRUCTION PRACTICES for Joint Use and where individual Pole Replacements are involved, the Owner shall Replace the Pole. The costs involved in Transferring, Rearranging or

removing the Attachments of the Owner shall be paid by the Tenant as provided in SECTION 8 - TRANSFER COSTS, and the Tenant shall also pay to the Owner the Sacrificed Value for each Pole Replaced by the Owner for which the Tenant is required by SECTION 8 - TRANSFER COSTS to pay Transfer costs.

7.05 Owner Undertakes Replacement of Support Structures

Where Support Structures are not suitable, as provided in SECTION 18 – CONSTRUCTION PRACTICES, for the proposed additional Attachments, the Owner shall Replace the Support Structures. Support Structures are not required to be Replaced if the proposed Tenant's Attachments do not significantly increase the loading on the Support Structure such as service drops, secondary runs, street lights, transformer changes, etc. and provided adequate space is available as provided in SECTION 18 - CONSTRUCTION PRACTICES. The costs involved in Transferring, Rearranging or removing the Attachments of the Parties shall be paid as provided in SECTION 8 - TRANSFER COSTS. The Tenant shall pay to the Owner the Sacrificed Value for each Support Structure Replaced for which the Tenant is required by SECTION 8 - TRANSFER COSTS to pay Transfer costs.

7.06 Replacement of Substandard Support Structures for Additional Attachments

- (a) Substandard Support Structures in service prior to the Effective Date shall be Replaced by the Owner before additional Attachments requiring a SSWR, pursuant to SECTION 4 - SUPPORT STRUCTURES WORK REQUEST FORM, are placed on those Support Structures and each Party shall bear its own Transfer Costs as per Section 8.
- (b) Substandard Support Structures placed after the Effective Date shall be Replaced by the Owner before additional Attachments requiring a Permit are placed on those Support Structures, and the Transfer costs of both Parties shall be paid by the Owner.
- (c) In cases where it can be established that Newfoundland Power installed a transformer subsequent to the attachment of the initial communication cable and after the Effective Date, which changes the spacing on the Pole and makes the Pole Substandard, Newfoundland Power shall pay the Transfer costs of both Parties and if it is a Bell Aliant owned Pole, pay the Sacrificed Value to Bell Aliant.

7.07 Replacement of Damaged Support Structures or Support Structures at the End of their Useful Life

Where a Support Structure requires replacement solely as a result of having reached the end of its useful life or as a result of being damaged by an external force, the Owner shall replace the Support Structure at its own cost. The cost of Transferring Attachments will be as provided in SECTION - 8 TRANSFER COSTS.

7.08 Replacement of Specific Support Structures

Where a Support Structure carrying Attachments such as load coils, repeaters, cross boxes, air dryers, underground connections, etc., or at such locations as intersections, is to be Replaced, the new Support Structure should be placed in the same hole which the Replaced Support Structure occupied. However, if this is not possible, the Support Structure shall be placed in a location which will satisfactorily accommodate the Attachments of both Parties. In specific situations, it may be necessary for the Parties to co-ordinate so as to ensure that the new Support Structure is placed in a mutually acceptable location to minimize the cost to both Parties. The costs involved in Transferring, Rearranging or removing the Attachments of the Parties shall be paid as provided in SECTION 8 - TRANSFER COSTS.

7.09 Emergency Pole Replacement

Each party shall maintain sufficient resources to be able to respond to the need to Replace Poles to maintain or restore service during emergencies when immediate attention is required.

7.10 Transferring and Rearranging Attachments

Where it is necessary to Replace, Transfer or Rearrange Attachments due to the Replacement or relocation of a Support Structure, the Owner or Tenant, before making such change, shall issue a SSWR. In emergencies, oral notice may be given and subsequently confirmed in writing. Upon receipt of the SSWR, the Owner or Tenant shall Transfer or Rearrange its Attachments according to the following rules:

- (a) Transfers during emergency - Attachments are to be Transferred or Rearranged immediately after the Pole Replacement or relocation; or
- (b) Transfers not affecting service - Attachments are to be Transferred or Rearranged as soon as is reasonably practical, but in any event within one hundred and eighty (180) days after the Replacement or relocation.

7.11 Tenant Adds, Replaces, Transfers, Changes or Rearranges Attachments

Where the Tenant adds, Replaces, Transfers or Rearranges Attachments to existing Support Structures, the Tenant shall be responsible for all necessary Line Clearing required to add, Replace, Transfer or Rearrange the Attachments. At the request of the Tenant, the Owner may carry out the required Line Clearing and the Tenant shall bear the cost.

7.12 Requirements of Governing Bodies or Property Owners

Where a Governing Body or property owner acting within the scope of its authority renders necessary or desirable the relocating, removing or Replacing of a Support Structure or the Transferring or Rearranging of Attachments on that Support Structure, the Owner shall notify the Tenant of such requirement without delay and of the date on which the required work is to be done. The work shall be carried out by the Parties as provided in Section 7.11. Each Party shall

bear its own costs except that where the Governing Body or property owner is to bear all or part of the cost of the work, the Owner and the Tenant shall each make its own separate arrangements with the Governing Body or property owner for the billing and collection of costs which are payable by the Governing Body or property owner. Failure of either Party to complete arrangements with the Governing Body or property owner shall not interfere with or hinder the right of the Owner to remove or relocate all of its Support Structures and Transfer or Rearrange Attachments.

SECTION 8 - TRANSFER COSTS

8.01 Calculation of Transfer Costs

Where one Party is required to pay the Transfer costs of the other Party, the amount payable shall be calculated by multiplying the actual costs of the Transfer by the appropriate cost factor set out in Appendix E. This cost factor shall not apply to costs associated with Rearrangements.

8.02 Transfer Costs and the Replacement of Support Structures

- (a) Except as expressly provided elsewhere in these Administrative Practices, where a Support Structure is replaced to accommodate the proposed or additional Attachments of a Party, that Party shall pay the Transfer costs of the other Party.
- (b) Where a Support Structure is Replaced to accommodate the proposed or additional Attachments of a Party and the other Party performs an upgrade of its own service capability at the time of the Replacement of the Support Structure, which upgrade would have required the Replacement of the Support Structure in any event, each Party shall bear its own Transfer costs associated with that Support Structure.
- (c) For purposes of Sub-Section 8.02(b), the Replacement of a Pole which cannot accommodate a transformer with a longer Pole which can accommodate a transformer shall be considered an upgrade of service capability.

8.03 Transfer of Attachments due to Routine Maintenance

Where Transferring of Attachments is involved in the Replacement of Support Structures for reasons of routine maintenance, such as replacing deteriorated or damaged Poles, subject to the provisions contained in ARTICLE X - LIABILITIES & DAMAGES, each Party shall bear the cost of Transferring its own Attachments.

8.04 Transfer of Attachments due to Requirements of Governing Body

Where a Governing Body or property owner acting within the scope of its authority renders necessary or desirable the Transfer, Rearrangement or removal of Attachments, each Party shall bear the cost of Transferring, Rearranging or removing its own Attachments.

8.05 Transfer of Attachments due to Requirements of Others

Where the Transfer, Rearrangement or removal is to accommodate the attachments of Others, the Owner and the Tenant shall each make its own separate arrangements with the Others for the billing and collection of costs which are payable by the Others.

SECTION 9 – NEWFOUNDLAND POWERS CONTROL CABLES IN THE COMMUNICATION SPACE

9.01 Application of this Section

This Section 9 applies to the planning and establishment and changing of Joint Use in circumstances involving Control Cables which are attached in the Communication Space. The other provisions of the Agreement apply to circumstances involving Control Cables which are not expressly addressed in this Section 9. This Section 9 is not intended to limit Newfoundland Power's right to attach Control Cables on Support Structures in the Power Space.

9.02 Control Cables on Non-Joint Use Poles

Where a Control Cable is attached to a Pole owned by Newfoundland Power to which Bell Aliant proposes to make Attachments, Bell Aliant may relocate the Control Cable for the purposes of maximizing the Communication Space. The cost of Rearranging the Control Cable shall be borne by Bell Aliant.

9.03 Control Cables on Existing Support Structures

Newfoundland Power may attach a Control Cable to an existing Support Structure where the Communication Space can accommodate the Control Cable. Bell Aliant shall determine the position of the proposed Control Cable within the Communication Space and any additional conditions that may be required. Where Rearrangement of Bell Aliant's Attachments are required to attach a Control Cable to a Support Structure, the cost of such Rearrangement shall be borne by Newfoundland Power.

9.04 Establishing Joint Use of New Support Structures

Where Newfoundland Power plans to attach a Control Cable on Support Structures, the Support Structures shall be designed and constructed to accommodate the attachment of the Control Cable within the Communication Space. Bell Aliant shall determine the position of the proposed Control Cable within the Communication Space and any additional conditions that may be required. Newfoundland Power shall notify Bell Aliant of its plan to attach a Control Cable via the Support Structures Work Request Form.

9.05 Revenue Generated from Control Cable

Where Newfoundland Power receives revenue from Control Cables attached in the Communication Space on Support Structures, other than revenue from electrical rates, Newfoundland Power shall pay to Bell Aliant an attachment rate equal to the attachment rate paid by Others for each such Support Structure to which the Control Cable is attached.

SECTION 10 - MAINTENANCE OF SUPPORT STRUCTURES AND ATTACHMENTS

10.01 Maintenance of Support Structures

The Owner shall install and maintain its Support Structures and Attachments in a safe and serviceable condition in accordance with SECTION 18, SECTION 19 and SECTION 20.

Except as otherwise provided in these Administrative Practices, the cost of installing, maintaining and Replacing Support Structures shall be borne by the Owner. Each Party shall bear the cost of Transferring, Rearranging or removing its Attachments in accordance with SECTION 8, Transfer Costs.

10.02 Maintenance of Property Rights

Any Line Clearing necessary to maintain clearance requirements of both Parties on existing Pole Lines shall be the responsibility of the Owner of the Pole Line. This does not include any Line Clearing that may be required by either Party to access Pole Lines for routine installation and maintenance of Attachments.

10.03 Vegetation Management

An annual proactive vegetation management program will be carried out as agreed to by the Joint Use Working Committee. Both parties shall ensure that their requirements for vegetation management are identified early enough in any year to be included in the following years planned program. Vegetation management costs shall be borne by the Owner. The Owner will respond to requests for tree trimming or clearing around its Pole Lines and will bear the associated costs.

SECTION 11 - TERMINATION OF JOINT USE

11.01 Termination of Joint Use by Owner

This section does not cover the termination of Joint Use of all or substantially all of the Owner's Support Structures.

- (a) Where the Owner desires, at any time, to discontinue the Joint Use of a Support Structure, it shall give to the Tenant a SSWR which shall specify the location of the Support Structure in question.
- (b) The Owner shall give notice in writing to the Tenant at least three hundred and sixty-five (365) days prior to the date on which it intends to remove its Attachments, and the Tenant shall have the right, prior to the expiration of the notice, to purchase the Support Structure at its Structural Value as provided in SECTION 16 - PRICE SCHEDULES.
- (c) Where the Tenant desires to purchase the Support Structure, it shall notify the Owner in writing to that effect within ninety (90) days of receiving the written notice from the Owner. A bill of sale to cover the transfer of ownership of the Support Structure shall be prepared and executed.
- (d) Where, at the expiration of the three hundred and sixty-five (365) day period, the Owner has removed its Attachments from the Support Structure but the Tenant has not removed all of its Attachments or purchased the Support Structure, the matter shall be forwarded to the Joint Use Administration Committee for resolution.

11.02 Termination of Joint Use by the Tenant

Where the Tenant desires, at any time, to discontinue the Joint Use of a Support Structure, it shall give to the Owner a SSWR which shall specify the location of the Support Structure in question and the Tenant shall remove from the Support Structure any and all of its Attachments. Upon being satisfied that all Attachments of the Tenant have been removed from the Support Structure, the Owner shall indicate acceptance by signing the SSWR and shall return a copy to the Tenant.

SECTION 12 - HIERARCHY OF SIGNING AUTHORITY

12.01 Transaction Approvals

Transactions listed below require the signing authorities as shown:

Transaction	Newfoundland Power	Bell Aliant
Agreement Approval	President	President
Amendment of this Agreement Including the Administrative Practices	Vice President	Senior Vice President or higher
Amendment of Construction Practices	Joint Use Administration Committee	Joint Use Administration Committee
Amendment of Maintenance Practices	Joint Use Administration Committee	Joint Use Administration Committee
Amendment of Appendices (excluding Appendix B)	Joint Use Administration Committee	Joint Use Administrative Committee
Notice of Default on Agreement	Vice President	Senior Vice President or higher
Defaults under 11.02	Joint Use Administration Committee	Joint Use Administration Committee
Defaults under 11.03 (a)	Authorized Representative	Authorized Representative
Termination of Agreement	President	President

Transactions not specifically listed above may be approved by the signature of a single officer of Newfoundland Power and a single officer of Bell Aliant.

12.02 Change of Authorities

By written notice under this Agreement, either Party may change their own signing authorities as provided in Section 12.01.

SECTION 13 - PROPERTY RIGHTS

13.01 Tenant Property Rights

Where existing Poles are to be brought under Joint Use, the Tenant shall be responsible for obtaining such Property Rights as it may require at its own cost.

13.02 Joint Property Rights

Where new Joint Use Poles are proposed, the Owner shall obtain joint Property Rights. When the Parties mutually agree, the Tenant may obtain the joint Property Rights at the expense of the Owner. Neither Party warrants that any joint Property Right obtained by them is valid or sufficient for the other Party's purpose.

Where the Owner, using commercially reasonable efforts, is unable to secure a Property Right for a proposed Support Structure, the Parties shall consult with one another to meet a mutually agreed decision on a course of action. When this situation occurs there are normally two alternatives available: the Parties may agree that the Support Structure be placed in an alternate location or alternatively, may agree to accept an alternate Property Right such as one acquired by verbal permission only, in which case, both Parties accept the risk that the Support Structure may have to be subsequently removed or replaced and both Parties would have to bear their own costs.

13.03 No Warranty for Use of Owner's Property Rights

The Owner gives no warranty of permission from property owners, municipalities or Others for the use of the Owner's existing Property Rights by the Tenant, and if objection is made and the Tenant is unable to adjust the matter satisfactorily within one hundred and eighty (180) days, the Owner may then, by notice in writing at any time, require the Tenant to remove its Attachments from the Support Structures involved, and the Tenant shall, within one hundred and eighty (180) days after receipt of the notice, remove its Attachments from the Support Structures at its own expense. Nothing in this Section shall be deemed to confer to the Tenant any authority to maintain its Attachments on the Owner's Support Structures for any portion of or the whole of the period of one hundred and eighty (180) days or otherwise to infringe upon any legal rights of the property owners, municipalities or Others.

Where an objection is made in relation to Property Rights, the Parties shall consult with one another to determine a course of action, provided that, where an objection is made in relation to a Property Right that was acquired or not acquired by the Party that built the Support Structure, then that Party shall use commercially reasonable efforts to ensure the continued Joint Use of the Support Structure.

13.04 Clearing of Property Rights

Where the Tenant adds, Replaces, Transfers or Rearranges Poles and/or Attachments to existing Support Structures, the Tenant shall be responsible for all necessary Line Clearing. At the request of the Tenant, the Owner may carry out the required Line Clearing and the Tenant shall bear the cost.

13.05 Property Rights Acquisition

The following procedures are to be followed when acquiring Property Rights that are required for installation of Support Structures:

- (a) all Property Rights shall be acquired by the acquisition of joint easements and rights-of-way except where a joint license is acquired or the joint fee simple title to the relevant property is purchased;
- (b) a Property Right shall not be required where the Support Structures are used only to service the particular property upon which they are installed. If there is a reasonable expectation that the Support Structures may be used to service adjacent properties, reasonable efforts to obtain Property Rights shall be made, with adequate provision to extend the Support Structures to such adjacent properties;
- (c) all Property Rights' boundaries shall be adequately defined (ie: referenced to landmarks, survey monuments, etc.) so as to provide for future boundary determination. While the location of Support Structures in relation to the Property Rights' boundaries should be indicated, Support Structures should not be used as boundary references;
- (d) all Property Rights shall be obtained prior to the installation of Support Structures by either Party;
- (e) where a Property Right is required but cannot be obtained by negotiation and no practical alternate route exists, the Property Right shall be acquired through the procedures outlined in the Public Utilities Acquisition of Lands Act, R.S.N. 1990, c. P-48 or the Telecommunications Act, S.C. 1993, c. 38, as amended. This procedure shall only be used as a last resort after consultation with the Joint Use Administration Committee;
- (f) installation of Support Structures on property over which the property owners will only give written or verbal permission (i.e. are not prepared to execute a right of way or like agreement) shall be avoided whenever possible;
- (g) where a Property Right is required over Crown land, application shall be made a reasonable time before the anticipated construction start date. In determining a reasonable time, the Parties shall have reference to the practices of the appropriate government authority;
- (h) all reasonable efforts shall be made to ensure that the name of the grantor(s) appearing on the Property Right document reflects current ownership of the pertinent property; and

- (i) duly executed Property Right documents shall be registered at the Registry of Deeds for Newfoundland and Labrador and then filed at the records office of each Party.

13.06 New Subdivisions

A Party that is intending to place Poles in a new subdivision or a similar planned development shall, prior to the negotiation of Property Rights in relation to that subdivision or development, inform the other Party and, at the request of and in consultation with the other Party, make commercially reasonable efforts to acquire such Property Rights as may be necessary for equipment required by the other Party in relation to the subdivision or development.

SECTION 14 - JOINT USE POLE RECORDS

14.01 Joint Use Records

- (a) The Parties shall establish a Joint Use database upon completion of the pole count survey to be undertaken by the Parties. Subsequent to that time, each Party shall maintain records related to the quantity of Joint Use Poles installed and removed during any calendar year. This data shall be exchanged annually no later than January 31st of each year.
- (b) Without limiting the generality of Subsection 14.01(a), the Parties shall maintain an ongoing record of the attachments of Others to Joint Use Poles and shall use this information in the determination of the sharing of rentals from Others pursuant to Section 15. A proxy may be used to determine the quantity of attachments.

14.02 Maintaining Joint Ownership Ratio

The number of Poles by Owner in the Joint Use database shall be adjusted based on Joint Use Pole installation and removal activity. Day to day Attachment and cancellation activity on existing Joint Use Poles shall not be used to change the number of Poles by Owner in the Joint Use database. However, either Party may adjust the number of Poles by Owner in the Joint Use database based on Attachment and cancellation activity as documented in SSWR's.

The number of Poles by Owner in the Joint Use database will be monitored on a quarterly basis for compliance to the Joint Ownership Ratio. Following the reconciliation, the appropriate adjustments shall be made to the Pole installation and removal activity to maintain the Joint Ownership Ratio. Any deviations in the Joint Ownership Ratio shall be corrected in the current year or the following year through increased installation by the Party having the shortfall. This may require adjusting designated Pole setting areas by the Parties but shall be done so as to minimize mixed ownership as much as possible.

14.03 Pole Survey

No surveys related to this data shall be required to be conducted by the Parties during the initial term of this Agreement. No sooner than once in every ten (10) years under this Agreement and any subsequent renewals of this Agreement, either Party may require that such a survey be carried out. Each Party shall participate equally in the survey and bear its own costs.

SECTION 15 – RENTALS FROM OTHERS

15.01 Sharing of Rentals from Others

- (a) Except as provided in Subsection 15.01(d) and Appendix B – 2011 Estimated Third Party Revenue Sharing, all rental payments collected from Others for attachment to Joint Use Poles shall be shared in the ratio of 4/7 Bell Aliant and 3/7 Newfoundland Power up to the common rate per attachment charged by the Parties. Revenues from Others generated by rate differentials higher than the common rate shall be shared on a 4/7 : 3/7 basis with the Party with the higher rate receiving 4/7.
- (b) The sharing of rental payments in Subsection 15.01(a) above shall be achieved according to the following rules:
 - (i) where the rate charged to Others is the same whether or not the Joint Use Pole is owned by Bell Aliant or Newfoundland Power:
 - (A) Bell Aliant – 4/7
 - (B) Newfoundland Power – 3/7
 - (ii) where the rate charged to Others is greater if Bell Aliant owns the Joint Use Pole than if Newfoundland Power owns the Joint Use Pole:
 - (A) Bell Aliant – 4/7
 - (B) Newfoundland Power – 3/7
 - (iii) where the rate charged to Others is greater if Newfoundland Power owns the Joint Use Pole than if Bell Aliant owns the Joint Use Pole:
 - (A) Bell Aliant 4/7 of the Bell Aliant rate plus 3/7 of the difference between the Bell Aliant rate and the Newfoundland Power rate; and
 - (B) Newfoundland Power 3/7 of the Bell Aliant rate plus 4/7 of the difference between the Bell Aliant rate and the Newfoundland Power rate.
- (c) For the purposes of the calculation in Subsection 15.01(b) above, the common rate for Service Poles or Overhead Guy Poles shall be Zero Dollars (\$0.00), when the Owner is not permitted by its Governing Body to charge for those Service Poles or Overhead Guy Poles.
- (d) Bell Aliant shall be entitled to one hundred percent (100%) of the revenue from Others in relation to the attachment of Others to strand owned by Bell Aliant.

15.02 Calculation of Rentals

- (a) Rentals charged to Others shall be calculated by the Parties on an annual basis and shared in the manner provided in this Section 15 and as illustrated in Appendix B for the revenue sharing regime in 2011.

Except in relation to 2011, to ensure that rental payments shared are based on actual payments from Others, an annual adjustment for each calendar year shall occur in March of the following year.

- (b) If the Parties record keeping systems result in a cumulative difference between the Parties' respective Attachment Change Percentages of one-percent (1%) or more, the Parties shall consult with one another and investigate the reason for the difference, and initiate corrective action within a reasonable timeframe.

15.03 Cumulative Collection Ratio ("CCR")

- (a) The cumulative collection ratio shall be the ratio of the amounts collected to the sum of the amounts billed. The annual CCR for each calendar year shall be calculated in March of the following year.
- (b) In respect to the sharing of rental payments as provided in this Section 15, the Parties shall share the rental payments actually collected from Others provided that:
 - (i) neither Party's annual CCR is below eighty percent (80%) of the amount billed; and
 - (ii) the difference between the annual CCR's of the Parties is not more than ten percent (10%).
- (c) Where either of the events provided in Subsections 15.03(b)(i) or (ii) occurs, the Party with the lower annual CCR shall pay to the Party with the higher annual CCR the amount that would have been paid had the Party with the lower annual CCR achieved the same annual CCR as the other Party. All such payments shall be made within sixty (60) days of the annual adjustment of rentals provided for in Subsection 15.02(b).

15.04 Payment

Except as provided in Subsection 15.03(c) above, all payments between the Parties under this Section 15 shall be handled in accordance with Article XV – INVOICES AND PAYMENTS.

SECTION 16 - PRICE SCHEDULES

16.01 Sacrificed and Structural Value Price Schedules

The Sacrificed and Structural Value schedules are included in these Administrative Practices to provide a pricing mechanism for Poles prematurely displaced or for the sale of Poles in place.

The schedules are not intended to provide the basis for determining the sale price of Poles designed to achieve the Joint Ownership Ratio.

(a) **Sacrificed Value of Poles and Anchors (Appendix C)**

This schedule covers the cost to be recovered by the Owner for Joint Use Poles prematurely displaced to meet the requirements of the Tenant. The Owner shall remove and retain ownership of the displaced Pole. The Owner shall not bill the Tenant for the Sacrificed Value of Poles Replaced to meet the requirements of the Owner.

(b) **Structural Value of Poles (Appendix D)**

This schedule covers the sale price of Poles and Anchors sold in place. Pole identification shall be changed at the time of such sale.

16.02 Price Schedule Update

The Sacrificed Value and Structural Value of Poles for the period January 1, 2011, to December 31, 2011, as shown in Appendices C and D of this Section are approved. These values shall be reviewed by the Joint Use Administration Committee once a year and adjustments shall be made as required. The forms attached as Sheet 1 of Appendices C and D shall be used for approval of Sacrificed Value and Structured Value Poles as required.

16.03 Schedule of Transfer Cost Factors

The schedule of Transfer Cost Factors (Appendix E) is included in these Administrative Practices to provide the cost factors for calculating Transfer costs for Replacement of Support Structures.

SECTION 17 - JOINT USE BURIED CONSTRUCTION

17.01 Policy, Planning and Co-ordination

- (a) In any area it is mutually desirable to undertake Joint Use Buried Construction, suitable cost sharing and other arrangements shall be agreed upon by representatives of both Parties. Both Parties shall co-ordinate early in the planning stage of Joint Use Buried Construction.
- (b) The Parties shall decide upon acquisition of Property Rights, commissioning of surveys, contracting, designing, engineering, administering and including facilities of Others with respect to Joint Use Buried Construction.
- (c) Each Party is responsible for making its own arrangements for any contributions in aid of construction to which it may be entitled.

- (d) Joint plowing or the Joint Use of an underground duct and manhole system is not permitted.

17.02 Contracting

Where Joint Use Buried Construction is undertaken by employing the services of a contractor, the Party contracting the work shall provide adequate field supervision. The other Party shall provide a field representative for consultation. Materials which are not supplied under the terms of such a contract shall be supplied by the Party requiring same.

17.03 Specifications

Joint Use Buried Construction shall meet the requirements of both Parties as provided in SECTION 18 - CONSTRUCTION PRACTICES.

17.04 Cost Sharing

Each Party shall equally share in all costs related to the digging and backfilling of the Joint Use trench. This will also apply to the cost of providing special fill material, sand, ducts, service markers, etc. The Party undertaking the construction shall be paid fifty percent (50%) of the other Party's estimated share of the cost prior to construction, and the balance of the other Party's share of the actual cost shall be paid upon completion of construction. Except as otherwise provided in these Administrative Practices, the cost of placing and connecting each Party's facilities shall be borne by each Party separately. Each Party shall bear the total cost of any trench provided for its sole use.

17.05 Maintenance

Opening of Joint Use trenches for maintenance purposes shall be coordinated between the Parties whenever possible in order to eliminate unnecessary duplication of effort. The Parties shall equally share the cost of excavation and backfill where such work is required in the maintenance of the facilities of both Parties.

SECTION 18 - CONSTRUCTION PRACTICES

18.01 General - CSA Standards

- (a) The objective of this Section is to provide guidelines and requirements for the construction of Support Structures. These practices unless otherwise specifically stated, shall meet as a minimum, the requirements for construction of overhead and underground electrical supply and communications circuits as specified in CSA Standard C22.3 No.1. Any future amendments to these CSA Standards may not be immediately incorporated into this Section but shall be reviewed by the Joint Use Administration Committee, which shall decide the time and extent of incorporation of such amendments to this Section.

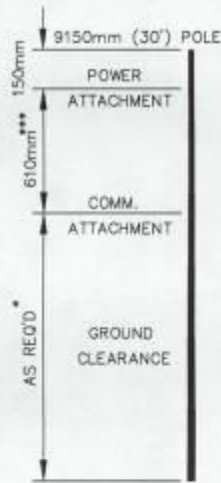
- (b) Unforeseen conditions or circumstances not covered in this Section shall be resolved in a co-operative manner to the mutual benefit of the Parties involved.
- (c) Modifications and/or amendments to these practices shall be the responsibility of the Joint Use Administration Committee as outlined in SECTION 2 – JOINT USE COMMITTEES.

18.02 Vertical Design Clearances and Separations

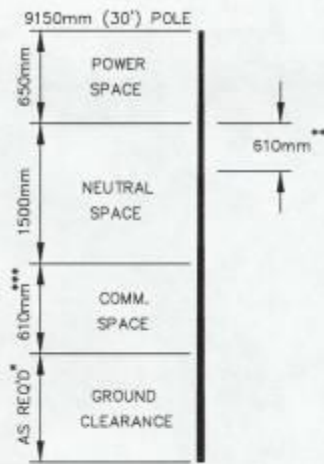
- (a) Vertical clearances and separations for Support Structures shall be in accordance with CSA Standard C22.3 No. 1*.
- (b) These guidelines provide adequate clearances for power conductors, between power and communication conductors in the span, between communication cables and the ground, and adequate safe working space.
- (c) Power and communication spacing for typical Support Structures is outlined by the attached sketches. These sketches represent typical space allotments only and are not intended to reflect either the minimum or maximum space allotments of either Party.
- (d) Secondary space should be provided and reserved on Joint Use Poles in developed areas and in areas where future development is expected.
- (e) Vertical design clearances above ground and separations on Support Structures must provide for and reserve space for attachment of communication cables at both the top and the bottom of the Communication Space.

*Note: Vertical design clearances above ground may be prescribed by provincial or municipal legislation or regulation. In such a case, the clearances for each Party must comply with the greater of that prescribed by CSA Standard C22.3 No. 1 and the federal, provincial or municipal legislation or regulation applicable to that Party.

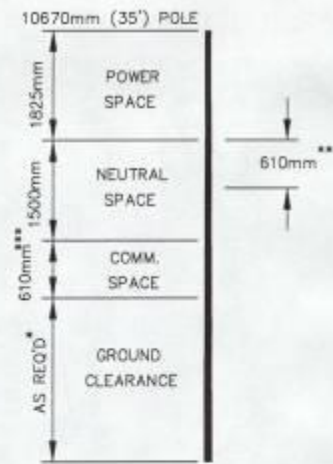
In the case of new construction, which does not include the Replacement of existing Poles, the Parties shall comply with the more stringent of the CSA standard, legislation or regulation applicable to either Party.



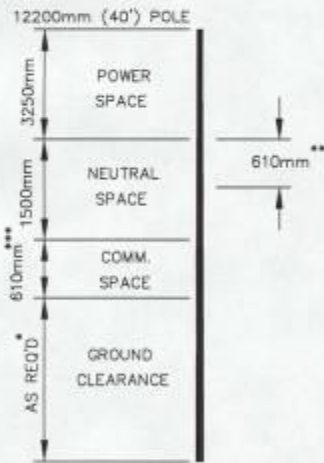
Service Drop Structure



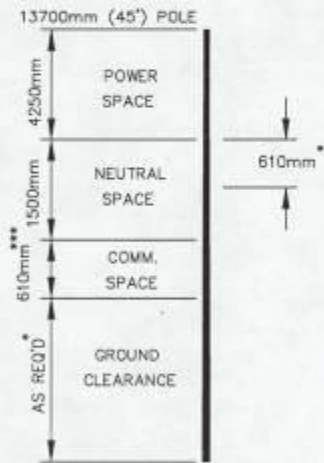
Secondary Structure



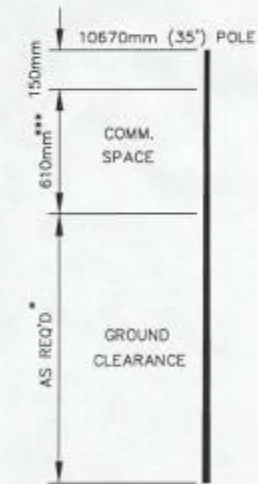
Single or Three Phase Structure



Transformer & Tap Off Structure



Three Phase Vertical Structure



Non-Joint Use Structure Communication Only

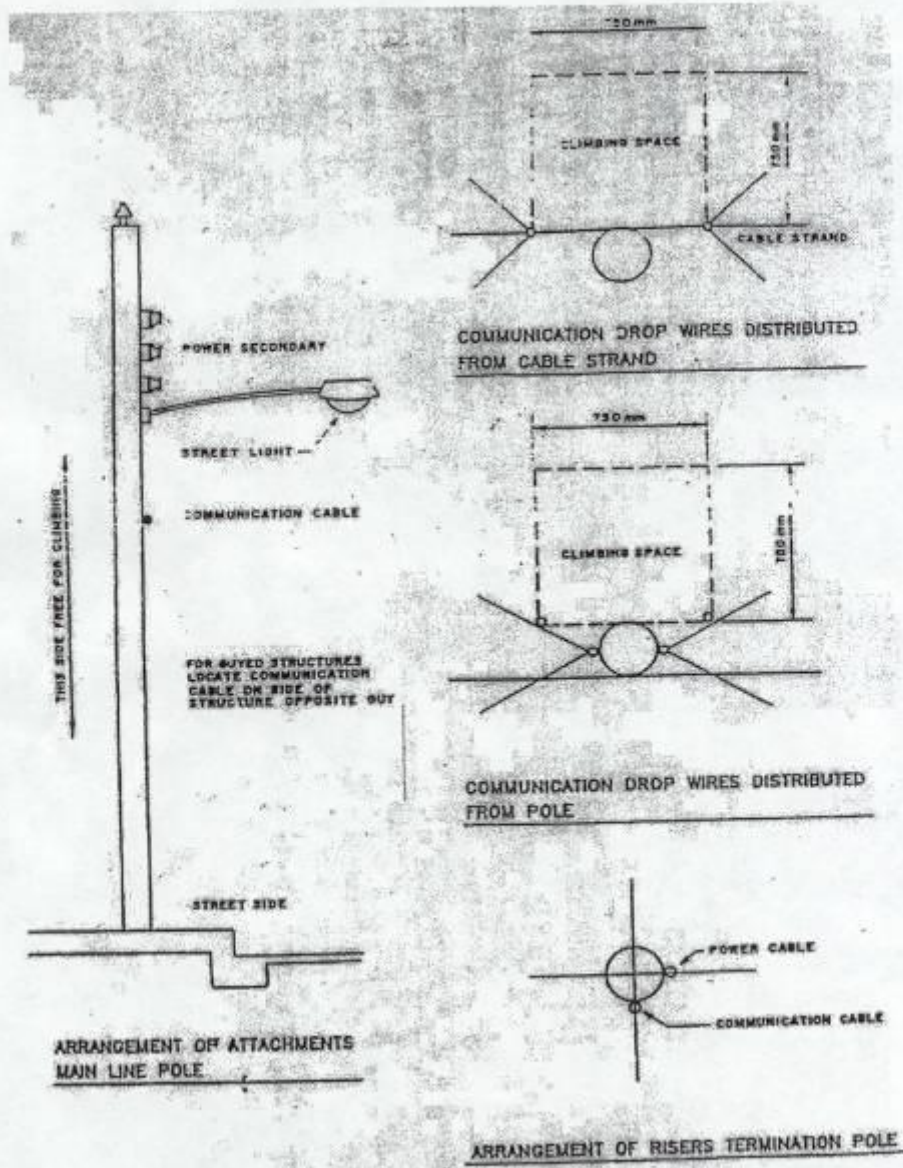
NOTE:

1. CABLE COMPANIES TO PLACE CABLES AT TOP OF COMMUNICATIONS SPACE.
- *2. AS REQUIRED - TO MEET MINIMUM CSA STANDARD OR LEGISLATIVE AUTHORITY (e.g. DEPT. OF TRANSPORTATION).
- **3. MINIMUM DISTANCE FOR COMMUNICATION DROP FROM POWER SPACE.
- ***4. MINIMUM COMMUNICATION SPACE REQUIREMENT IS 610mm.

Typical Allotment Of Pole Space

18.03 Climbing Space Requirements – Joint Use Poles

- (a) Climbing space requirements for Support Structures, in accordance with CSA C22.3 No. 1, shall not be less than 750 mm x 750 mm past any conductor, cable, cross-arm, or other Attachments of the Party using any lower part of the Support Structure, and shall extend at least 1000 mm above and 1000 mm below the limiting Attachment.
- (b) Communication main line cables and power secondary conductors shall, where practical, be located on the same side of the Support Structure, preferably on the street side to allow one side free from obstructions for climbing.
- (c) Where it is necessary to have communication risers and power risers on the same Support Structure, they shall be arranged as indicated on the following drawing so as not to obstruct climbing or guying space. Communication drop wires shall preferably be distributed from the sides of Poles, as indicated on the following drawing, to ensure the 750 mm climbing space through them.

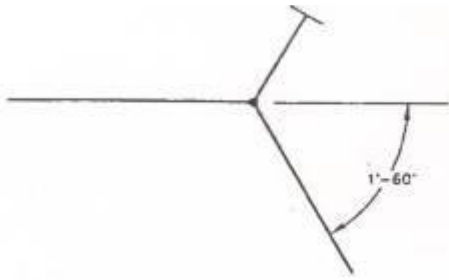


CLIMBING SPACE REQUIREMENTS FOR SUPPORT STRUCTURES

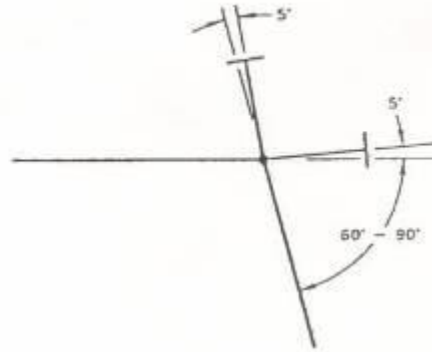
18.04 Anchors and Guys

- (a) Anchors and Guy leads shall be selected such that the minimum safety factor for the Anchor, Anchor rod, and Guys common to both Parties will not be less than the minimum of 1.6, as specified by CSA Standard C22.3 No. 1.
- (b) The types of Anchors and their intended use are listed below. All Anchors are to be installed in accordance with the installation details indicated on the following drawing.
 - (i) Anchor Log: 250 mm (10") diameter x 1200 mm.
 - (ii) Anchor Log: 250 mm (10") diameter x 1800 mm - for use on heavy loaded Support Structures as required.
 - (iii) Steel Anchor Plate: 500 mm (20").
 - (iv) Rock Anchor - for anchoring in rock.
 - (v) Power Installed Screw Anchor (PISA) - alternative to log and plate Anchors for installation by power digger equipment.
- (c) Standard Anchor rod type for log and plate Anchors shall be 25 mm (1") x 2440 mm (8') triple eye, and shall be in accordance with CSA Standards.
- (d) The charts and instructions attached shall be used to ensure the Anchor arrangement, type, setting depth, and lead is adequate to satisfy both the power and communication guying requirements for standard Support Structures.
- (e) The attached charts give the number of Guys, Guy leads, number and size of Anchor rods and Anchor setting depths for each standard Support Structure type. "S" in structure type column denotes secondary.
- (f) The guying arrangement may vary depending on the line angle for a particular Support Structure. The attached drawings give an outline of the guying arrangements for typical Support Structures.
- (g) The Guy lead is the horizontal distance from the Pole to the point where the rod enters the ground. The attached charts assumes level ground between the Pole and the Anchor. If the ground is sloping, the Guy lead should be decreased or increased accordingly. Refer to the attached chart to determine the corrected guy lead for sloping ground. This chart also outlines the Anchor setting depth for sloping ground.
- (h) In the case of two Anchors, the Guy lead refers to the first Anchor; add 1.8 metres for the second Anchor. For rock Anchors or PISA Anchors, the Guy lead will determine the Anchor locations.

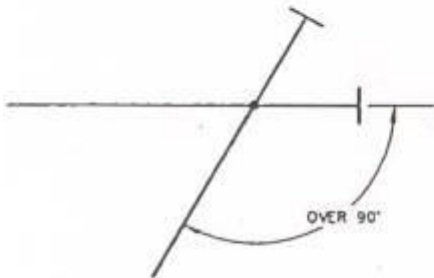
- (i) The Guy leads listed in the charts are for the standard Pole height as indicated. Add 0.75 metres to the minimum and 1.2 metres to the maximum guy leads for each extra 1.5 metres (5') of Pole height.
- (j) The Anchor location should be chosen such that the Guy lead will not be less than the minimum or exceed the maximum as determined from the attached charts.
- (k) The Anchor setting depth is listed for each Anchor type at the minimum and maximum Guy lead.
- (l) Where the Anchor setting depth is omitted from the attached charts, it indicates that the Anchor type is not adequate for guying the Support Structure type in question.
- (m) Guy guards shall be used on all Guys. If there is more than one Guy attached to the same Anchor, a Guy guard shall be installed on each Guy.
- (n) The loading region to be considered when using the attached charts shall be in accordance with CSA standard C22.3 No. 1.



LINE ANGLE 1° - 60°
(NOT DEADENDED)
ANCHOR SHALL BE PLACED
SO THAT GUY WILL BISECT
ANGLE.



LINE ANGLE 60° - 90°
(DEADENDED)
ANCHOR SHALL BE PLACED
5° (APPROX. 1m) OFF
LINE AS SHOWN.



LINE ANGLE OVER 90°
(DEADENDED)
ANCHORS SHALL BE PLACED
IN LINE AS SHOWN.

ANCHOR ATTACHMENTS - POLE LINES

Heavy Loading Areas

GUYING ARRANGEMENT AND ANCHOR LOCATION *															
STR. TYPE	POLE HEIGHT	MAX. LINE ANGLE	COMM TENSION (LBS)	NUMBER OF GUYS		GUY LEAD (m)		ANCHOR RODS	ANCHOR SETTING DEPTH/GUY LEAD						NUMBER OF PISA
									1.2m LOG		1.8m LOG		20" PLATE		
				NP	COMM.	MIN.	MAX.		MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	
1/0 AASC, #2 ACSR - 150															
1B	35'	30°	6500	1	1	4.57	8.23	1	1.52	1.16	-	-	1.77	1.34	1
1BS	35'	30°	6500	1	1	4.88	8.23	1	1.71	1.37	-	-	1.95	1.55	1
1BL	35'	25°	6500	1	1	4.57	8.23	1	1.52	1.19	-	-	1.77	1.34	1
1C	35'	60°	4800	1	1	6.10	8.23	1	1.62	1.40	-	-	1.83	1.58	1
1CS	35'	35°	5600	1	1	5.79	8.23	1	1.65	1.40	-	-	1.86	1.58	1
1CS	35'	60°	4200	2	1	4.88	8.23	1	-	-	1.89	1.46	-	-	2
1CL	35'	60°	3700	1	1	5.49	8.23	1	1.68	1.40	-	-	1.89	1.58	1
1E	35'	-	5000	1	1	5.49	8.23	1	1.62	1.34	-	-	1.83	1.52	1
1ES	35'	-	4600	2	1	4.88	6.71	1	-	-	1.80	1.43	-	-	2
1EL	35'	-	5100	1	1	5.79	8.23	1	1.62	1.40	-	-	1.83	1.58	1
3B	35'	30°	6500	1	1	5.49	8.23	1	1.62	1.34	-	-	1.86	1.52	1
3BS	35'	22°	6500	1	1	5.49	8.23	1	1.65	1.34	-	-	1.86	1.52	1
3BS	35'	30°	6500	2	1	6.71	8.23	1	1.68	1.52	1.49	1.37	1.80	-	2
3BL	35'	25°	6500	1	1	7.01	8.23	1	1.49	1.40	-	-	1.68	1.58	1
3C	40'	60°	4400	2	1	5.79	9.75	1	-	-	1.71	1.34	-	-	2
3CS	45'	60°	4500	3	1	6.10	7.92	2	1.71	1.52	1.52	1.34	-	-	2
3CL	40'	60°	4000	2	1	7.01	7.62	1	-	-	1.65	1.58	-	-	2
3E	40'	-	5400	2	1	7.62	9.75	1	-	-	1.49	1.34	-	-	2
3ES	45'	-	4400	3	1	6.71	11.28	2	1.77	1.34	1.62	1.22	-	-	2
3EL	40'	-	5300	2	1	7.62	9.75	1	-	-	1.55	1.37	-	-	2
4/0 AASC, 4/0 ACSR, 477 ASC															
3B	35'	17°	6500	1	1	6.71	8.23	1	1.43	1.31	-	-	1.65	1.49	1
3BS	35'	13°	6500	1	1	6.10	8.23	1	1.49	1.31	-	-	1.65	1.49	1
3BS	35'	17°	6500	G2	1	6.10	8.23	1	1.65	1.43	1.52	1.52	1.80	1.62	2
3BL	35'	15°	6500	1	1	7.32	8.23	1	1.37	1.31	-	-	1.55	1.49	1
3C	40'	35°	6500	2	1	5.79	9.75	1	-	-	1.77	1.40	-	-	2
3CH	40'	60°	4400	3	1	4.57	6.71	2	1.74	1.52	1.58	1.37	-	-	2
3CS	45'	35°	6500	3	1	4.88	7.32	2	1.68	1.43	1.52	1.28	1.83	1.58	2
3CHS	45'	60°	4700	4	1	5.49	8.23	2	-	-	1.83	1.52	-	-	3
3CL	40'	35°	5000	2	1	8.23	9.75	1	-	-	1.52	1.40	-	-	2
3CLH	40'	60°	4800	3	1	5.79	7.62	2	-	-	1.52	1.37	-	-	2
3EH	40'	-	4800	3	1	4.57	8.23	2	1.68	1.37	1.52	1.25	-	-	2
3EHS	45'	-	5400	4	1	5.79	9.75	2	-	-	1.80	1.43	-	-	3
3ELH	40'	-	4800	3	1	4.88	7.32	2	1.74	1.49	1.55	1.34	-	-	2

* FOR ANCHOR LOCATION ADD 0.9 M TO MINIMUM LEAD AND 1.5 M TO MAXIMUM LEAD

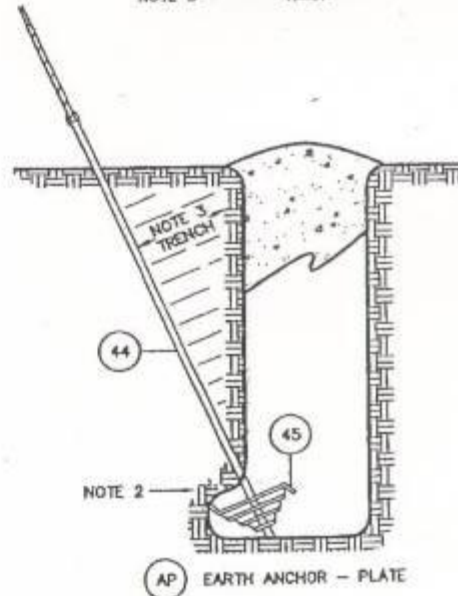
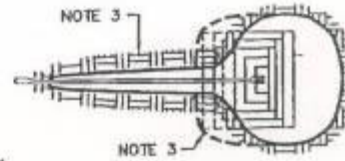
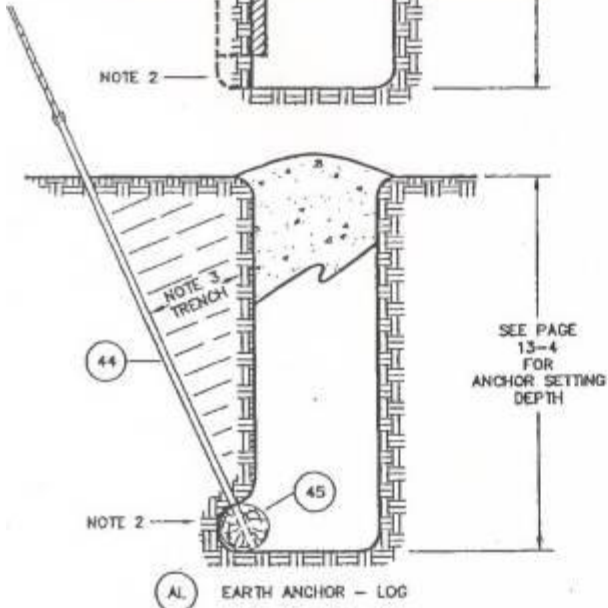
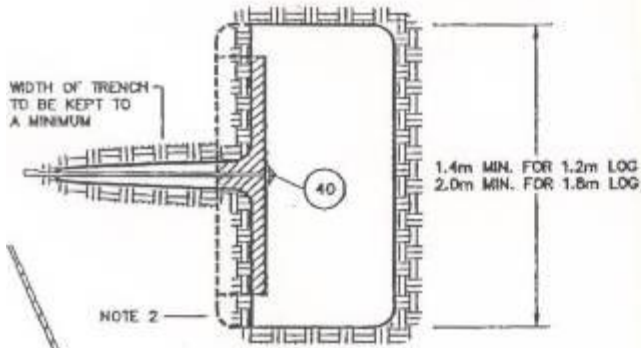
GUYING ARRANGEMENTS FOR TYPICAL STRUCTURES (CSA NORMAL HEAVY LOADING AREAS)

Severe Loading Areas

GUYING ARRANGEMENT AND ANCHOR LOCATION *															
STR. TYPE	POLE HEIGHT	MAX. LINE ANGLE	COMM TENSION (LBS)	NUMBER OF GUYS		GUY LEAD (m)		ANCHOR RODS	ANCHOR SETTING DEPTH/GUY LEAD						NUMBER OF PISA
									1.2m LOG		1.8m LOG		20" PLATE		
				NP	COMM.	MIN.	MAX.		MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	
1/0 AASC, #2 ACSR - 150															
1B	35'	30°	6500	1	1	4.57	8.23	1	1.58	1.22	-	-	1.83	1.40	1
1BS	35'	30°	5900	1	1	4.88	6.71	1	1.74	1.40	-	-	1.98	1.58	1
1BL	35'	25°	6500	1	1	4.57	8.23	1	1.58	1.22	-	-	1.83	1.40	1
1C	35'	60°	3900	1	1	5.49	8.23	1	1.68	1.40	-	-	1.89	1.58	1
1CS	35'	35°	3900	1	1	5.49	8.23	1	1.65	1.40	-	-	1.89	1.58	1
1CS	35'	60°	4200	2	1	6.71	8.23	1	-	-	1.71	1.52	-	-	2
1CL	35'	60°	2875	1	1	6.40	8.23	1	1.58	1.40	-	-	1.80	1.58	1
1E	35'	-	4900	1	1	5.49	8.23	1	1.68	1.40	-	-	1.89	1.58	1
1ES	35'	-	5000	2	1	5.79	7.92	1	-	-	1.77	1.52	-	-	2
1EL	35'	-	4400	1	1	5.49	8.23	1	1.68	1.40	-	-	1.89	1.58	1
3B	35'	25°	6500	1	1	6.10	8.23	1	1.52	1.34	-	-	1.77	1.52	1
3BS	35'	20°	6500	1	1	6.40	8.23	1	1.55	1.37	-	-	1.77	1.58	1
3BS	35'	25°	6500	2	1	7.32	8.23	1	1.58	1.49	1.43	1.34	-	-	2
3BL	35'	20°	6500	1	1	7.32	8.23	1	1.43	1.34	-	-	1.62	1.52	1
3C	40'	60°	4000	2	1	6.10	8.23	1	-	-	1.77	1.52	-	-	2
3CS	45'	60°	4900	3	1	7.01	9.45	2	-	-	1.68	1.31	-	-	2
3CL	40'	60°	4000	3	1	4.57	8.23	2	1.62	1.25	1.46	1.22	1.80	-	2
3E	40'	-	4900	2	1	5.79	9.75	1	-	-	1.74	1.37	-	-	2
3ES	45'	-	4700	3	1	5.49	9.14	2	1.74	1.40	1.58	1.25	-	-	2
3EL	40'	-	4900	2	1	7.01	7.62	1	-	-	1.71	1.62	-	-	2
4/0 AASC, 4/0 ACSR, 477 ASC															
3B	35'	15°	6500	1	1	7.62	8.23	1	1.37	1.31	-	-	1.55	1.49	1
3BS	35'	10°	6500	G2	1	5.79	8.23	1	1.49	1.28	-	-	1.71	1.43	1
3BS	35'	15°	6500	G2	1	4.88	8.23	1	1.86	1.49	1.71	1.34	-	-	2
3BL	35'	15°	6500	1	1	4.88	7.92	1	1.74	1.40	1.55	1.25	-	1.58	1
3C	40'	35°	5000	2	1	7.62	9.75	1	-	-	1.65	1.43	-	-	2
3CH	40'	60°	5300	3	1	6.40	8.53	2	-	-	1.52	1.43	-	-	2
3CS	45'	35°	6500	3	1	6.71	9.45	2	1.58	1.40	1.43	1.25	-	-	2
3CHS	45'	60°	3800	4	1	8.23	8.84	2	-	-	1.55	1.49	-	-	3
3CLH	40'	50°	6000	3	1	6.40	7.92	2	-	-	1.49	1.37	-	-	2
3EH	40'	-	5000	3	1	5.49	8.53	2	1.71	-	1.55	1.34	-	-	2
3EHS	45'	-	5000	4	1	7.01	8.23	2	-	-	1.71	1.55	-	-	3
3ELH	40'	-	5700	3	1	7.01	7.92	2	-	-	1.49	1.43	-	-	2

* FOR ANCHOR LOCATION ADD 0.9 M TO MINIMUM LEAD AND 1.5 M TO MAXIMUM LEAD

GUYING ARRANGEMENTS FOR TYPICAL STRUCTURES (CSA SEVERE LOADING AREAS)



NOTES:

1. ANCHOR LOGS - TREATED POLE (a) 1.2m x 250mm MINIMUM DIA.
(b) 1.8m x 250mm MINIMUM DIA.

ANCHOR PLATES - STEEL, 20" x 20"

ANCHOR RODS - 1" x 8'-0" TRIPLE EYE

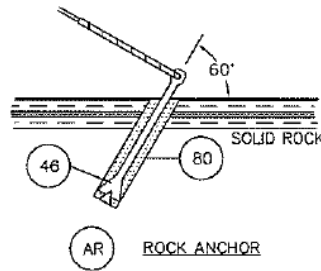
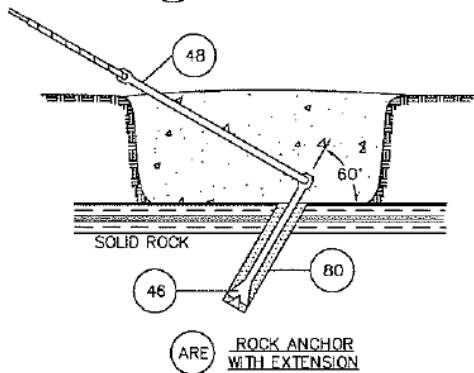
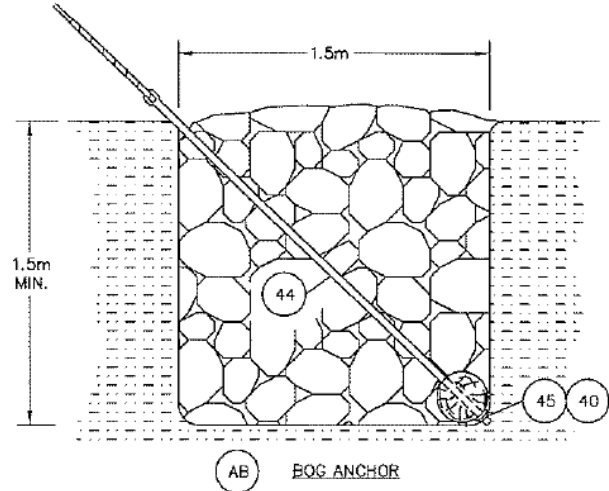
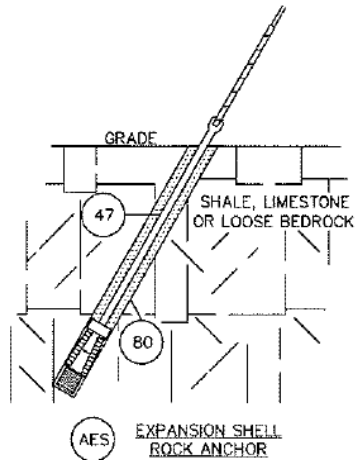
2. ANCHOR HOLE SHALL BE TRENCHED AT BOTTOM TO PROVIDE SOLID ANCHORING (AN ANCHOR HAS ITS MAXIMUM HOLDING STRENGTH WHEN RESTING AGAINST SOLID UNDISTURBED EARTH AND THE TRENCHING HELPS PREVENT THE ANCHOR LOG OR PLATE FROM CREEPING UPWARD IN THE ANCHOR HOLE EXCAVATION.)

3. THE ANCHOR ROD SHALL BE TRENCHED INTO THE SIDE OF THE ANCHOR HOLE UNTIL THE ROD IS IN LINE WITH THE POINT OF ATTACHMENT OF THE GUY AT THE POLE.

4. WHEN THE ANCHOR LOG AND ANCHOR ROD ARE TRENCHED AS SHOWN ABOVE, THERE SHOULD BE NO GIVE IN THE ANCHOR AS IS USUALLY THE CASE WHEN NEITHER THE ROD OR ANCHOR IS TRENCHED.

5. THE ANCHOR HOLE SHALL BE FILLED WITH THE EXCAVATED FILL AND TAMPED WELL. ANY EXCESS SHALL BE MOUND ON TOP OF THE HOLE FOR SETTLEMENT UNLESS IN A LANDSCAPED AREA.

STANDARD EARTH ANCHOR DETAILS



NOTES:

AB – ANCHOR IN BOG

- (1) HOLE SHALL BE 1.5m DEEP, 1.5m WIDE & 1.5m LONG.
- (2) ANCHOR LOG SHALL BE PLACED AGAINST THE BACK EDGE OF THE HOLE.
- (3) ANCHOR ROD SHALL BE PLACED SO THAT IT IS IN LINE WITH THE GUY.
- (4) FILL HOLE WITH ROCK NOT LESS THAN 10cm GRADE.

AR – ANCHOR IN SOLID ROCK

- (1) DRILL HOLE 3.2cm IN DIAMETER AND EXACTLY 40cm DEEP.
- (2) DRILL HOLE AT 60° FROM THE HORIZ. AND AWAY FROM THE POLE.
- (3) INSERT WEDGE IN ANCHOR AND INSTALL IN HOLE WITH SLEDGE.
- (4) GROUT AROUND ANCHOR.

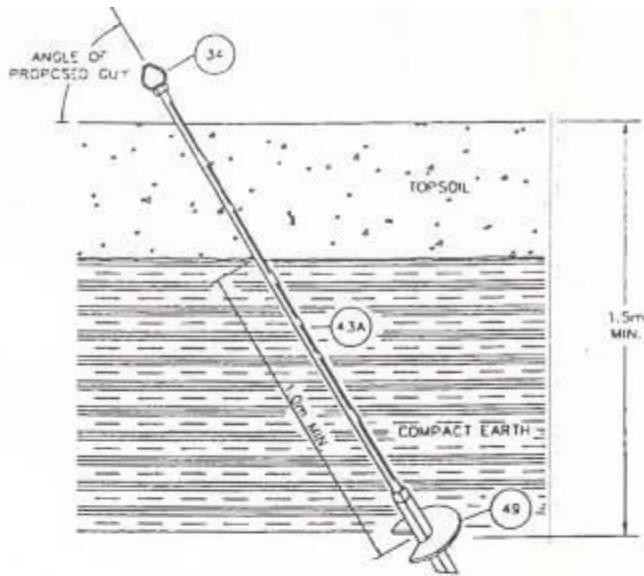
ARE – ANCHOR IN ROCK WITH EXTENSION

- (1) EXCAVATE EARTH TO BARE ROCK.
- (2) DRILL HOLE AND INSTALL ANCHOR AS SPECIFIED IN (1) TO (4) ABOVE.
- (3) ATTACH ROCK ANCHOR EXTENSION AND FILL IN EXCAVATION.

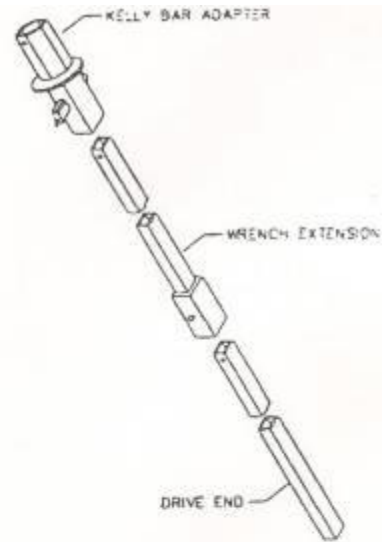
AES – ANCHOR IN SHALE OR LOOSE ROCK

- (1) DRILL A 3.2cm DIA. HOLE IN LINE WITH PROPOSED GUY TO ACCOMMODATE THE ROCK ANCHOR.
- (2) DRILL HOLE TO A DEPTH SUCH THAT AFTER INSTALLATION THE BOTTOM OF THE EYE SHALL NOT BE MORE THAN 15.2cm ABOVE SURFACE OF ROCK.
- (3) PLACE A 5/8" BAR THROUGH THE EYE OF THE ANCHOR AND TURN IN A COUNTER CLOCKWISE DIRECTION UNTIL THE EXPANSION SHELL IS FIRMLY WEDGED AGAINST THE WALL OF THE HOLE.
- (4) GROUT AROUND ANCHOR.

STANDARD ROCK & BOG ANCHOR DETAILS



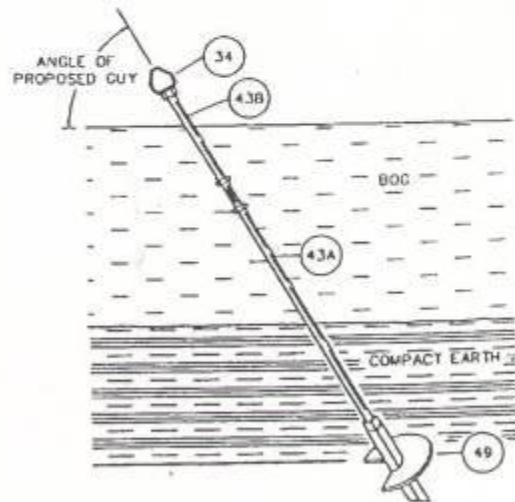
SCREW ANCHOR



WRENCH ASSEMBLY DETAILS

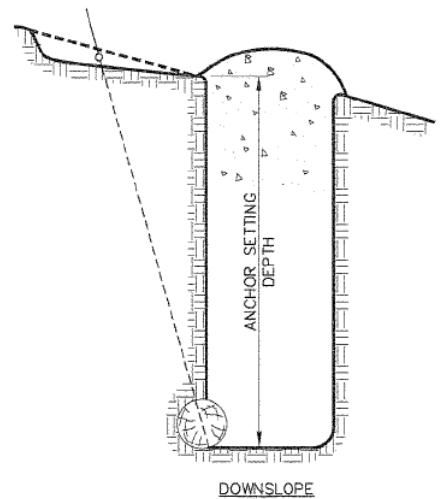
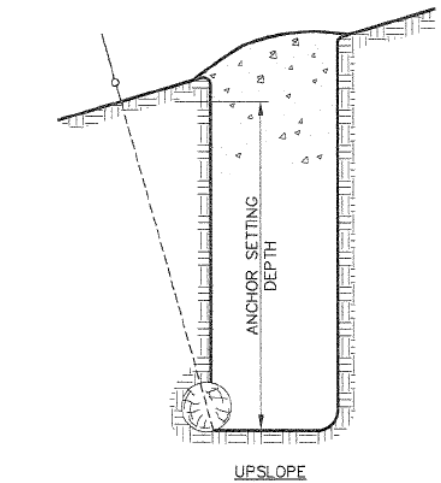
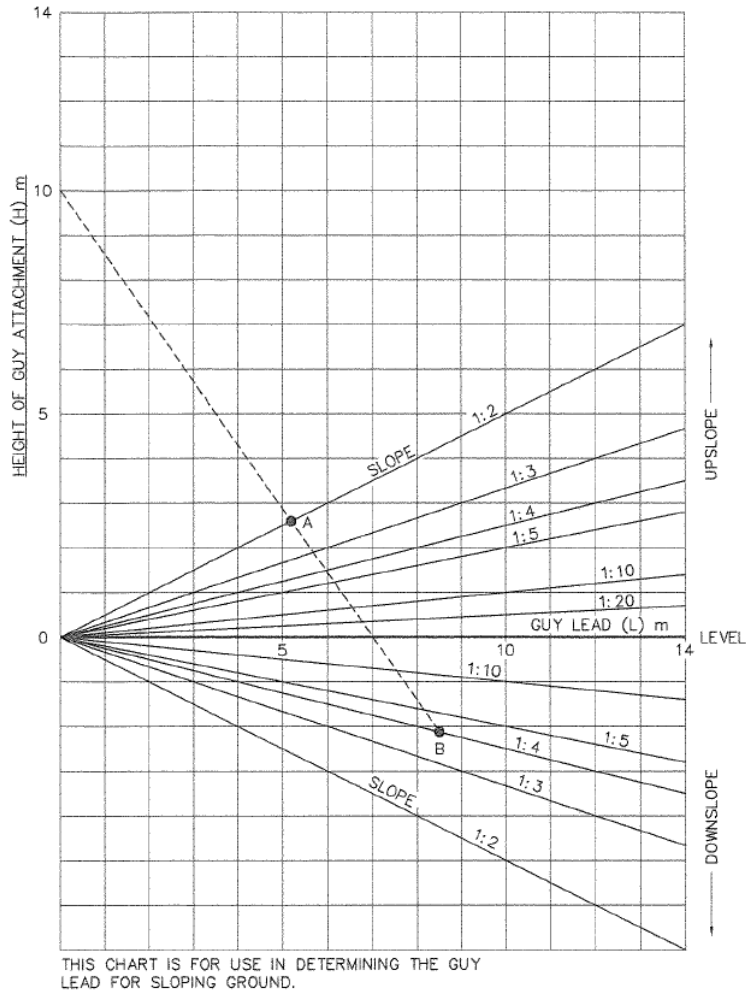
NOTES:

1. ASSEMBLE HELIX AND ANCHOR ROD (WITHOUT EYENUT) AND THREAD THROUGH WRENCH ASSEMBLY. ENSURE THAT THE LOCKING DOGS OF WRENCH ARE COMPLETELY CLOSED ENGAGING THE ANCHOR ROD COLLAR.
2. ALINE ANCHOR WITH THE PROPOSED GUY AND, USING A DOWNWARD PRESSURE WITH THE BOOM, SCREW ANCHOR ITS REQUIRED DEPTH TO THE RATED TORQUE OF THE DIGGER MOTOR.
3. AFTER INSTALLATION PULL LOCKING DOGS OF WRENCH ONE HALF WAY OUT TO RELEASE THE ANCHOR ROD COLLAR AND, USING BOOM, WITHDRAW DRIVE AND ASSEMBLY OF WRENCH.
4. A SCREW ANCHOR MUST HAVE A MINIMUM COVER OF 3 FEET OF SOIL TO ENSURE THAT IT IS BELOW THE FROST LINE, AND MUST PENETRATE THROUGH 3 FEET OF FIRM SOIL TO ENSURE MAXIMUM HOLDING STRENGTH.
5. IF, DUE TO POOR SOIL CONDITIONS, MAXIMUM HOLDING STRENGTH CANNOT BE ACHIEVED WITH THE ANCHOR AND 7'-0" ROD, A 3'-6" ROD EXTENSION MAY BE COUPLED TO PENETRATE DEEPER INTO FIRMER SOILS. TO ACHIEVE THIS A WRENCH EXTENSION MUST BE COUPLED WITH THE KELLY BAR AND WRENCH.
6. AN ANCHOR WHICH CAN BE ROTATED AT MAXIMUM PENETRATION IS NOT IN FIRM SOIL AND SHOULD BE WITHDRAWN. AN EARTH, ROCK OR BOC ANCHOR MUST BE USED IN THIS CASE.



SCREW ANCHOR WITH ROD EXTENSION DETAILS

POWER INSTALLED SCREW ANCHOR DETAILS



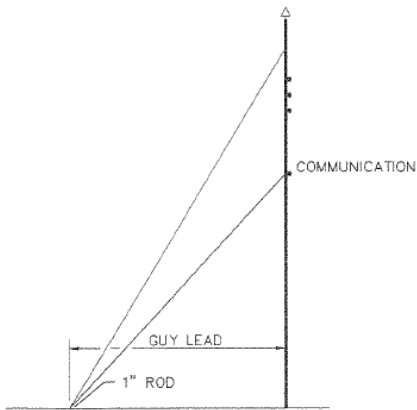
NOTES:

1. FIND GUY LEAD (L) FOR LEVEL GROUND FROM CHARTS 13-4 & 13-5.
2. ESTIMATE OR MEASURE SLOPE OF GROUND.
3. DETERMINE THE HEIGHT ABOVE GROUND OF GUY WIRE ATTACHMENT.
4. PROJECT A STRAIGHT LINE FROM (H) ON THE VERTICAL AXIS THROUGH (L) ON THE HORIZONTAL AXIS AS OUTLINED IN THE CHART
5. THE CORRECTED GUY LEAD IS DETERMINED FROM THE INTERSECTION OF THIS LINE WITH THE SLOPE IN QUESTION.

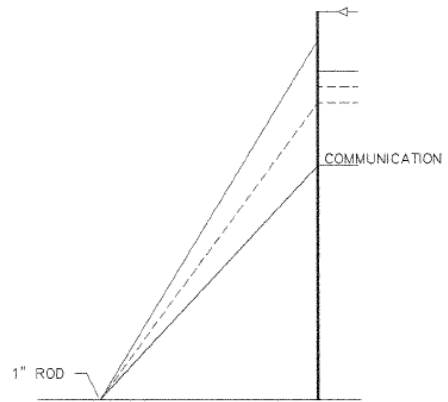
EXAMPLE (1) - L = 7m, H = 10m, UPSLOPE = 1:2
 POINT OF INTERSECTION = A, CORRECTED GUY LEAD = 5.2m.

EXAMPLE (2) - L = 7m, H = 10m, DOWNSLOPE = 1:4
 POINT OF INTERSECTION = B, CORRECTED GUY LEAD = 8.5m.

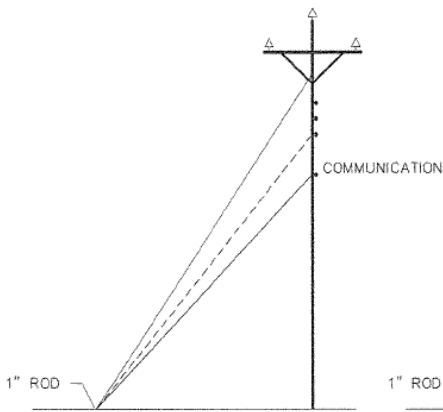
GUY LEAD AND ANCHOR SETTING DEPTH ADJUSTMENT FOR SLOPE



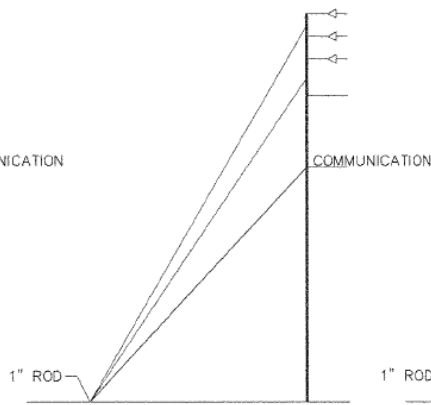
STRUCTURE TYPE "1B"



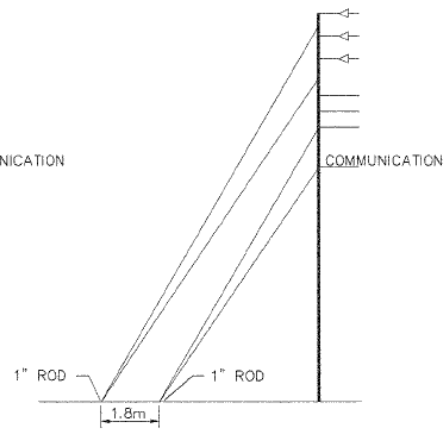
STRUCTURE TYPE "1C" & "1E"



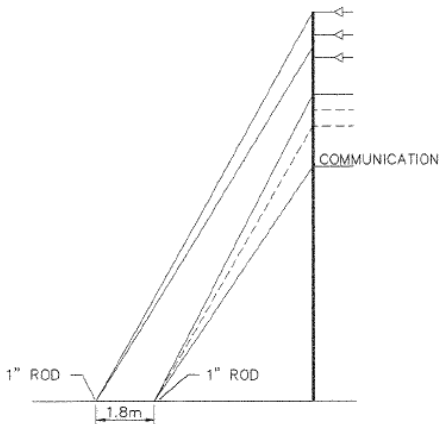
STRUCTURE TYPE "3B"



STRUCTURE TYPE "3C" & "3E"



STRUCTURE TYPE "3CS" & "3ES"



STRUCTURE TYPE "3CH" & "3EH"

NOTES:

1. THIS DRAWING OUTLINES THE GUYING ARRANGEMENTS AS PER THE CHARTS ON PAGE 13-4 AND 13-5.
2. SEE CHARTS PAGE 13-4 AND 13-5 TO DETERMINE IF SECONDARY GUYING, INDICATED BY BROKEN LINES, IS REQUIRED.
3. 1" DIAMETER, TRIPLE EYE ROD WILL BE REQUIRED FOR ATTACHMENT OF THREE GUYS.
4. MINIMUM GUY LEAD FOR SECONDARY DEADEND ON MAINLINE POLE IS 4.8m (15'-9") FOR 35' POLE.

GUYING ARRANGEMENT FOR TYPICAL STRUCTURES

18.05 Poles

18.05.1 Pole Line Design

Pole Type and Treatment

- (a) The physical and treatment properties of Poles shall be in accordance with the following:
 - (i) CSA C22.3, No. 1;
 - (ii) CSA 015; and
 - (iii) CSA 080
- (b) The standard Pole shall be a minimum class 4 Pole. Class 3 Poles or larger shall be used where larger cables or conductors and/or longer spans are encountered.
- (c) Wood Poles shall be as follows:
 - (i) Southern Yellow Pine treated with penta;
 - (ii) Scots Pine treated with penta;
 - (iii) Red Pine treated with penta, or Chromated Copper Arsenate (“CCA”); or
 - (iv) Western Red Cedar, untreated.
- (d) Machine peeled with physical properties in accordance with CSA Standard 015.
- (e) Poles treated with pentachlorophenol (penta), shall be in accordance with CSA Standard 080, to an average net retention by assay of:
 - (i) Southern Yellow Pine 4.8 kg/m³
 - (ii) Red Pine 6.4 kg/m³
- (f) Red Pine Poles treated with CCA, with or without additives, may be used in certain areas where the use of penta treated Poles is objectionable. The treatment of these Poles shall be in accordance with CSA Standard 080, to an average net retention by assay of 9.6 kg/m³.
- (g) The use of wood Poles of a species or treatment process other than those listed above must have prior approval of both Parties.

18.05.2 Span Lengths – Joint Use Lines

- (a) The class and maximum span length of Poles for standard power conductors and communication cables shall be determined from the charts and instructions attached in this Section.
- (b) The charts attached give the standard span lengths for Pole Lines with various types of conductor and sizes of communication cables. These charts should be used when

building, upgrading or reconstructing Pole Lines. They are prepared for both class 4 Poles and class 3 Poles. The standard span lengths are limited by the wind span and the maximum span length.

- (c) The wind span is proportional to the breaking strength of the Pole. CSA standards state that a class 4 Pole and a class 3 Pole must withstand a horizontal load of 1,089 kg. and 1,361 kg., respectively, applied 0.6 metres from the top of the Pole, before the Pole breaks. The Pole breaks at the ground line when a greater than rated force is applied.
- (d) Based on this Section 18.05.2, and with an appropriate safety factor, the wind span lengths are calculated for lines subjected to both heavy wind loading and wind and ice loading. The lesser result of the two was used to determine the wind span.
- (e) A safety factor of $1\frac{1}{3}$ with winds gusting to 153 km/h was used in calculations for heavy wind loading. A safety factor of $1\frac{2}{3}$ with heavy loading (400 N/m^2 with 12.5mm of radial ice) or $1\frac{1}{2}$ with severe loading (400 N/m^2 with 19 mm of radial ice) was used for wind and ice loading.
- (f) The wind span, for any Support Structure, is one half the sum of the two adjacent spans, assuming that the wind force on the conductor is shared evenly between the two supporting Support Structures. For example, the wind span for a Support Structure having adjacent span lengths of 73m and 91m is $(73 + 91) \div 2 = 82\text{m}$.
- (g) All other things being equal the wind span will be greater for a class 3 Pole than that for a class 4 Pole.
- (h) The maximum span length is limited by the conductor spacing and the strength of the hardware used to support conductors. Under similar conditions it will be the same for a class 3 Pole and a class 4 Pole.
- (i) A standard 1200 mm phase spacing was used in calculations. For Support Structures supporting secondary conductors (Chart 3) the maximum span length is that recommended by the manufacture for polyethylene weatherproof (PEWP) conductor subjected to heavy or severe loading conditions.
- (j) The curves on the attached charts are limited by a vertical line. This indicates the maximum span length for the type of line which the curve represents. For example, the maximum span length for three phase 477 MCM is 61 metres, and for single phase 1/0 AASC is 99 metres.
- (k) The standard span lengths are based upon a thirty-five foot Pole with standard long span spacing for Chart 1 and Chart 2; short span spacing for Chart 3.
- (l) In some areas of the province and in some highly exposed sections of distribution lines wind and ice loading may exceed these used in the calculations. Where these conditions are expected the span lengths used should not be more than 80% of the values obtained

from Charts 1, 2 and 3. This is intended to provide an additional safety factor for these areas.

- (m) When using Charts 1, 2 and 3, consideration should be given for possible future additions to the Pole Line, either additional cables or larger conductors, when arriving at a suitable span length.
- (n) The following steps outline the procedure to be followed when using charts 1, 2 and 3 to determine a suitable span length.
 - (i) Determine the type of line involved (three phase, single phase with secondary, etc.), and the conductor size to be used for same.
 - (ii) Determine the loading area as per CSA Standard C22.3 No.1.
 - (iii) If the Pole Line is to be used for Joint Use determine the total diameter of the communication cables involved. Table C1 on page 58 outlines the cable diameter to be used in Charts 1, 2 and 3 for various combinations.
 - (iv) Determine the class of Pole involved; Section 9-9 of Newfoundland Power's Distribution Standards indicates the minimum dimensions for class 4 Poles and class 3 Poles.
 - (v) With this information locate the appropriate curve (A, B, C or D) and determine the span length corresponding to the cable diameter in question.
 - (vi) If all, or sections of the Pole Line, are in extremely exposed areas and extra heavy loading is expected the span length should be reduced to 80% of the chart values in such areas.
- (o) For example, assume a three-phase line with 477 MCM primary, 4/0 neutral and a total diameter of communication cable of 125 mm.
 - (i) From Curve A on Chart 1 and Chart 2 the span length will be 40 metres for a class 4 Pole and 50 metres for a class 3 Pole; this will be the wind span length. When doing an actual layout an individual span length can exceed this value as long as it does not exceed the maximum span length.
 - (ii) For the above example, where a value of 50 metres was obtained for the wind span an individual span length could be 61 metres. However, the span lengths adjacent to this span would have to be limited to 39 metres in order not to exceed the wind span for the Support Structure.

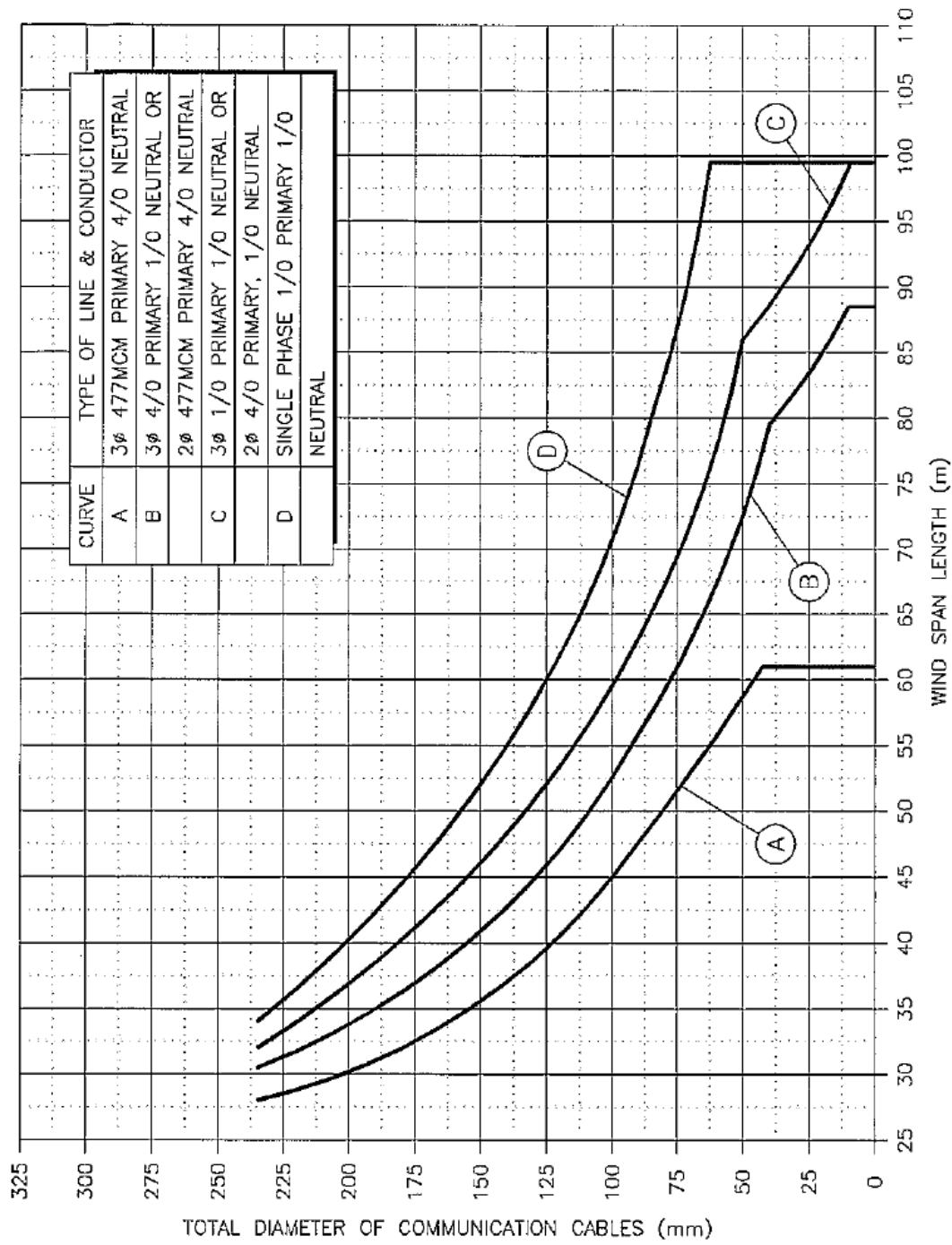
i.e. $(61 + 39) \div 2 = 50$ (The wind span)

- (iii) For high quality line construction and consistency in sag it is recommended that the span lengths be kept, wherever possible, approximately equal in length.

TABLE C1

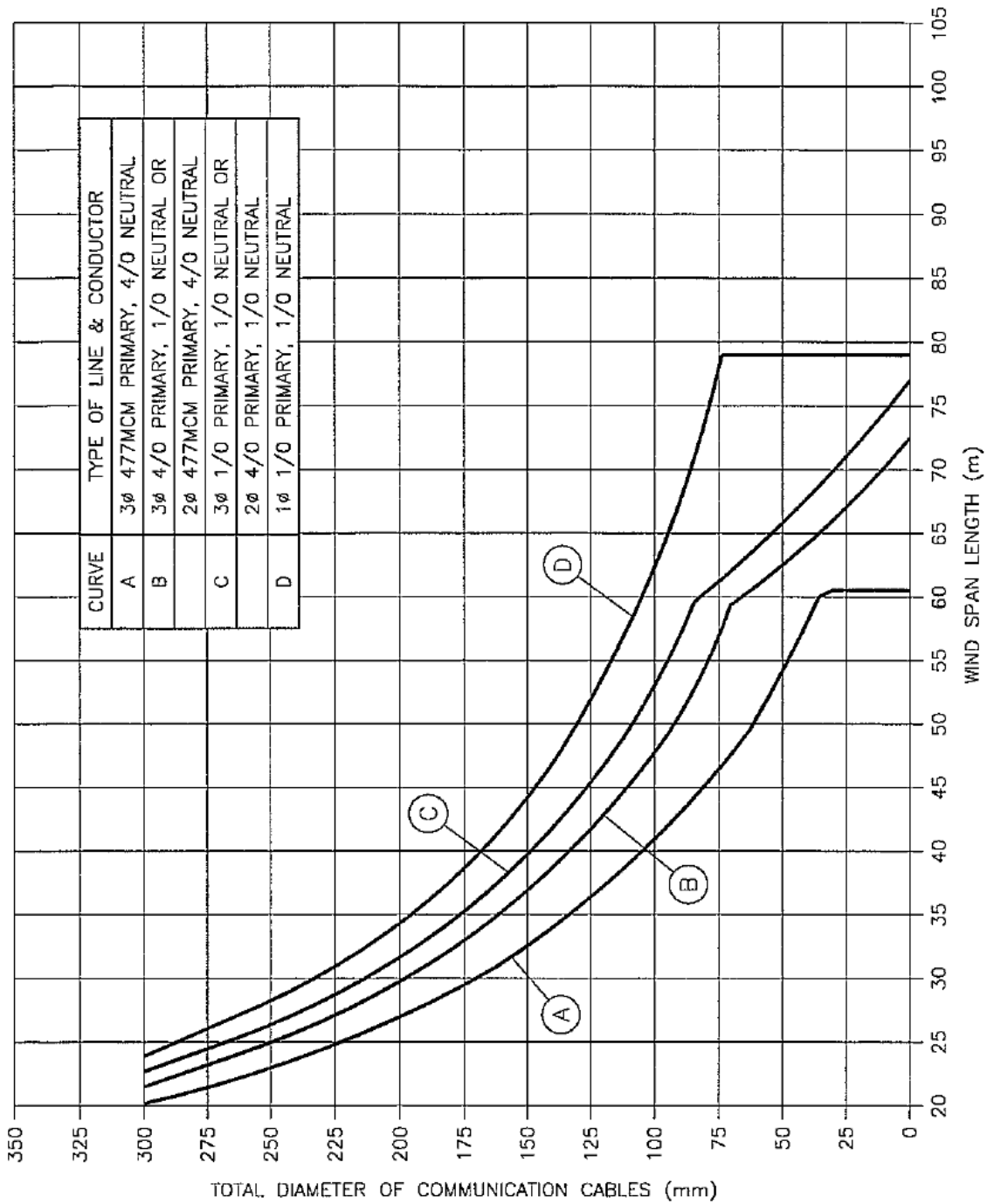
COMMUNICATION CABLE DIAMETERS		
CABLE CONFIGURATION SUPPORTED BY STRUCTURES	CROSSSECTIONAL VIEW	COMMUNICATION CABLE DIAMETER FOR USE IN SPAN LENGTH CHARTS
ONE CABLE SUPPORTED BY MESSENGER		D = DIAMETER OF COMMUNICATION CABLE PLUS MESSENGER
TWO CABLES SUPPORTED HORIZONTALLY		D = DIAMETER OF TWO CABLES PLUS MESSENGER AS SEEN HORIZONTALLY
TWO CABLES SUPPORTED VERTICALLY		D = TOTAL DIAMETER OF BUNDLED CABLES PLUS MESSENGER
BUNDLED CABLES		D = OVERALL DIAMETER OF BUNDLED CABLES PLUS MESSENGER
TWO OR MORE CABLES EACH SUPPORTED BY A MESSENGER		D = TOTAL OF EACH CABLE DIAMETER PLUS THE DIAMETER OF THE MESSENGER SUPPORTING SAME
		D = D1+D2+

LEGEND: - MESSENGER
 CABLE



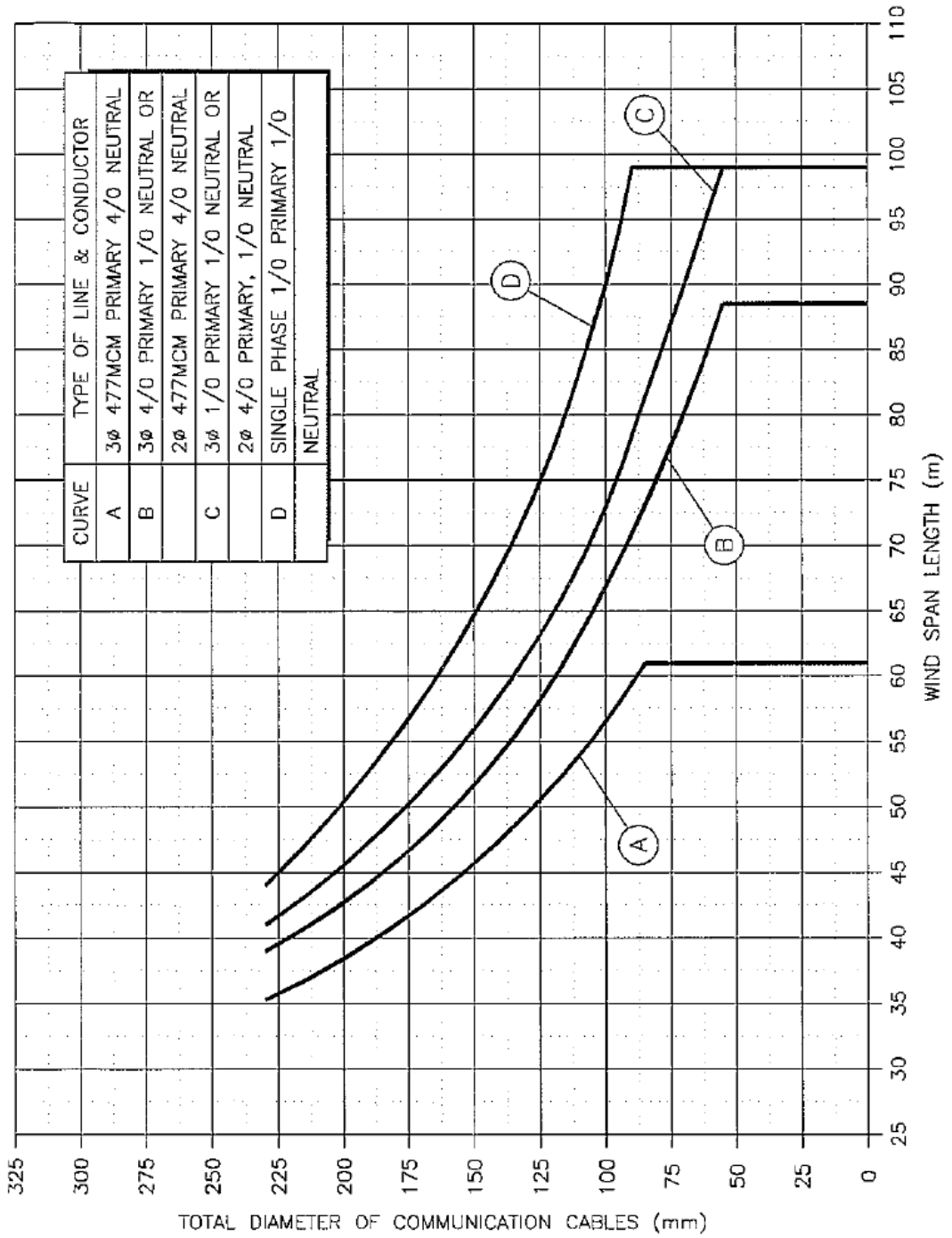
SPAN LENGTHS FOR CLASS FOUR POLES SUPPORTING STANDARD PRIMARY CONDUCTORS AND COMMUNICATION CABLES

CHART 1 – STANDARD SPAN LENGTHS (CSA NORMAL HEAVY LOADING AREAS)



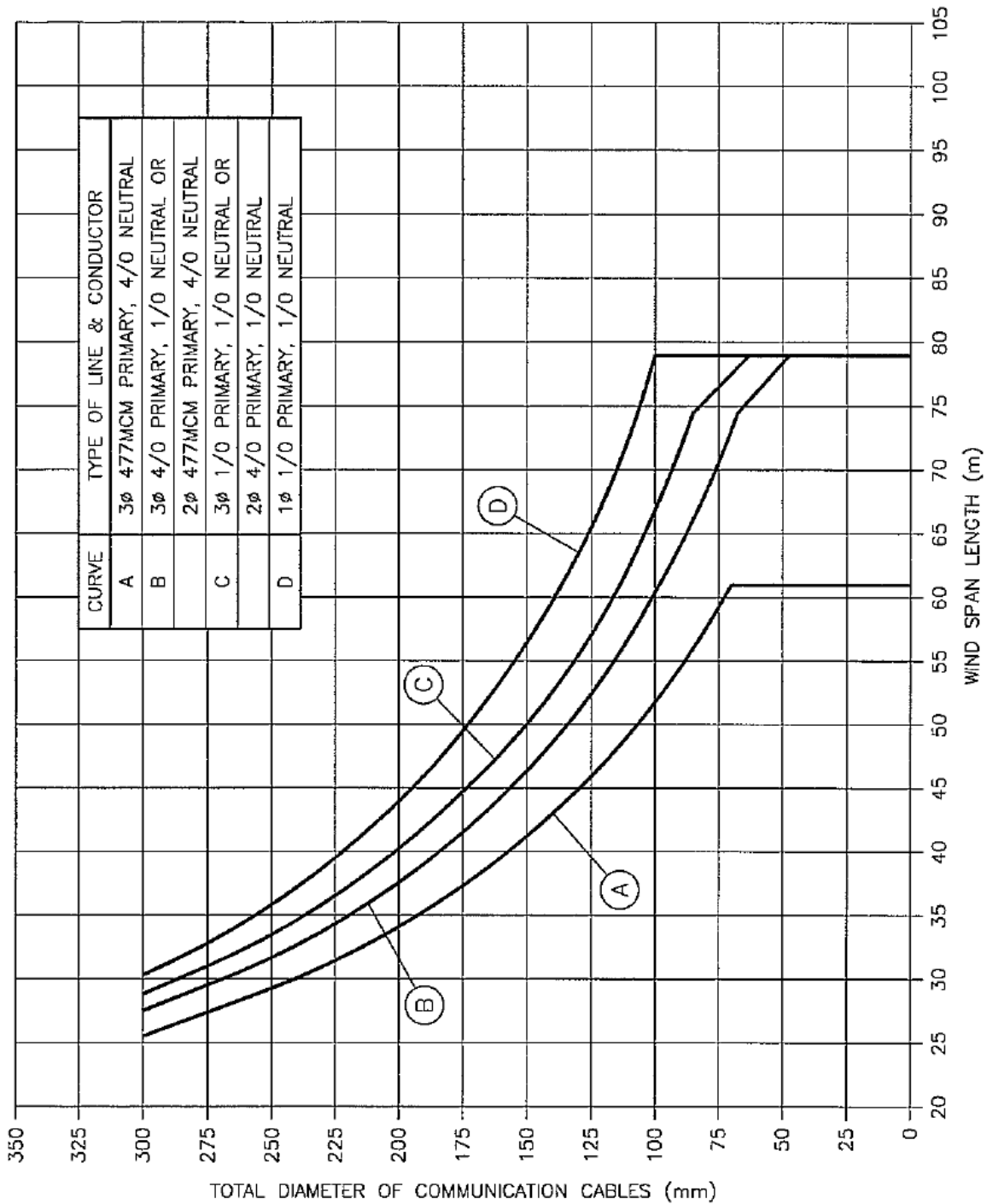
SPAN LENGTHS FOR CLASS FOUR POLES SUPPORTING
STANDARD PRIMARY CONDUCTORS AND COMMUNICATION CABLES

CHART 1 – STANDARD SPAN LENGTHS (CSA SEVERE LOADING AREAS)



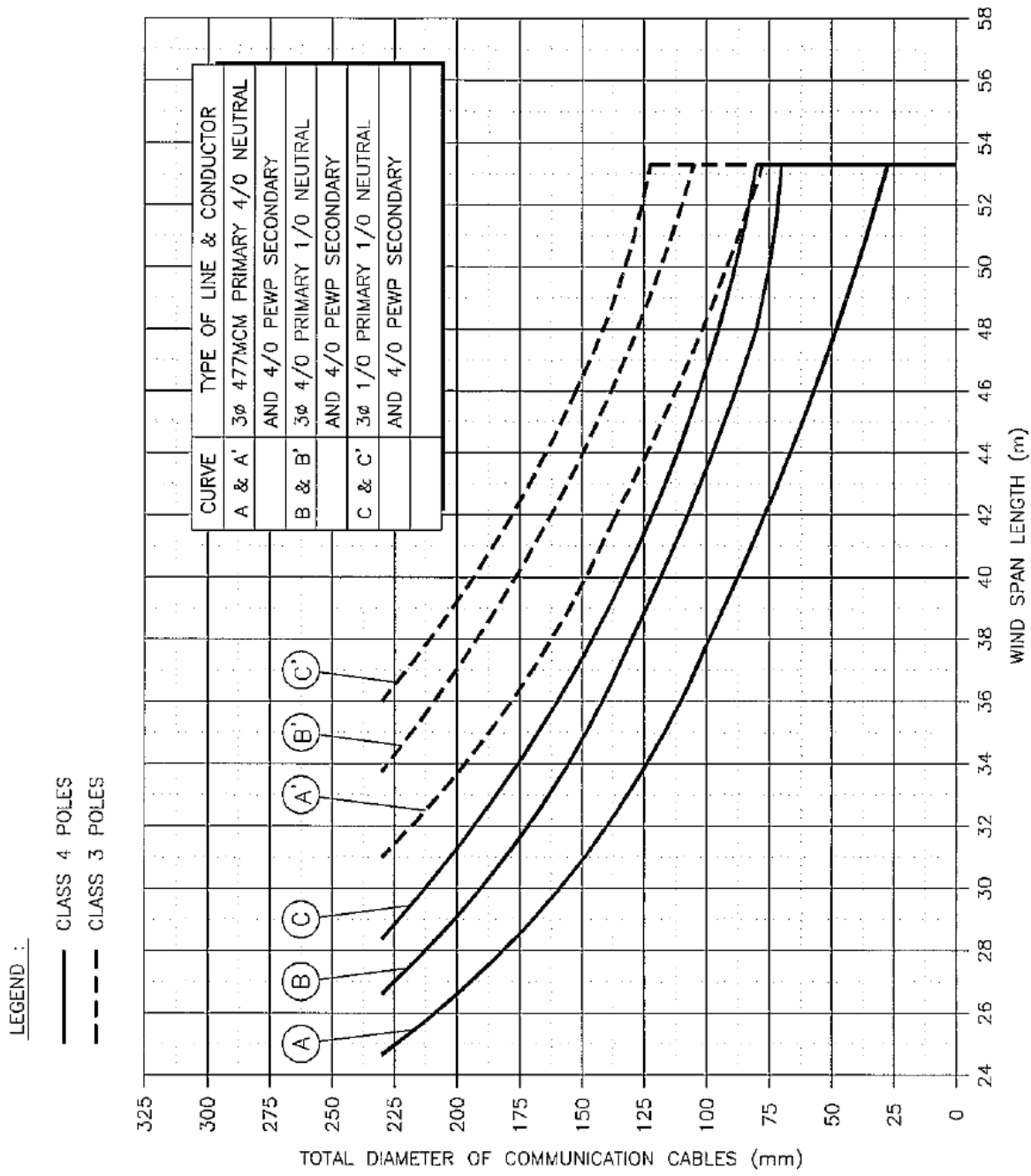
SPAN LENGTHS FOR CLASS THREE POLES SUPPORTING
STANDARD PRIMARY CONDUCTORS AND COMMUNICATION CABLES

CHART 2 – STANDARD SPAN LENGTHS (CSA NORMAL HEAVY LOADING AREAS)



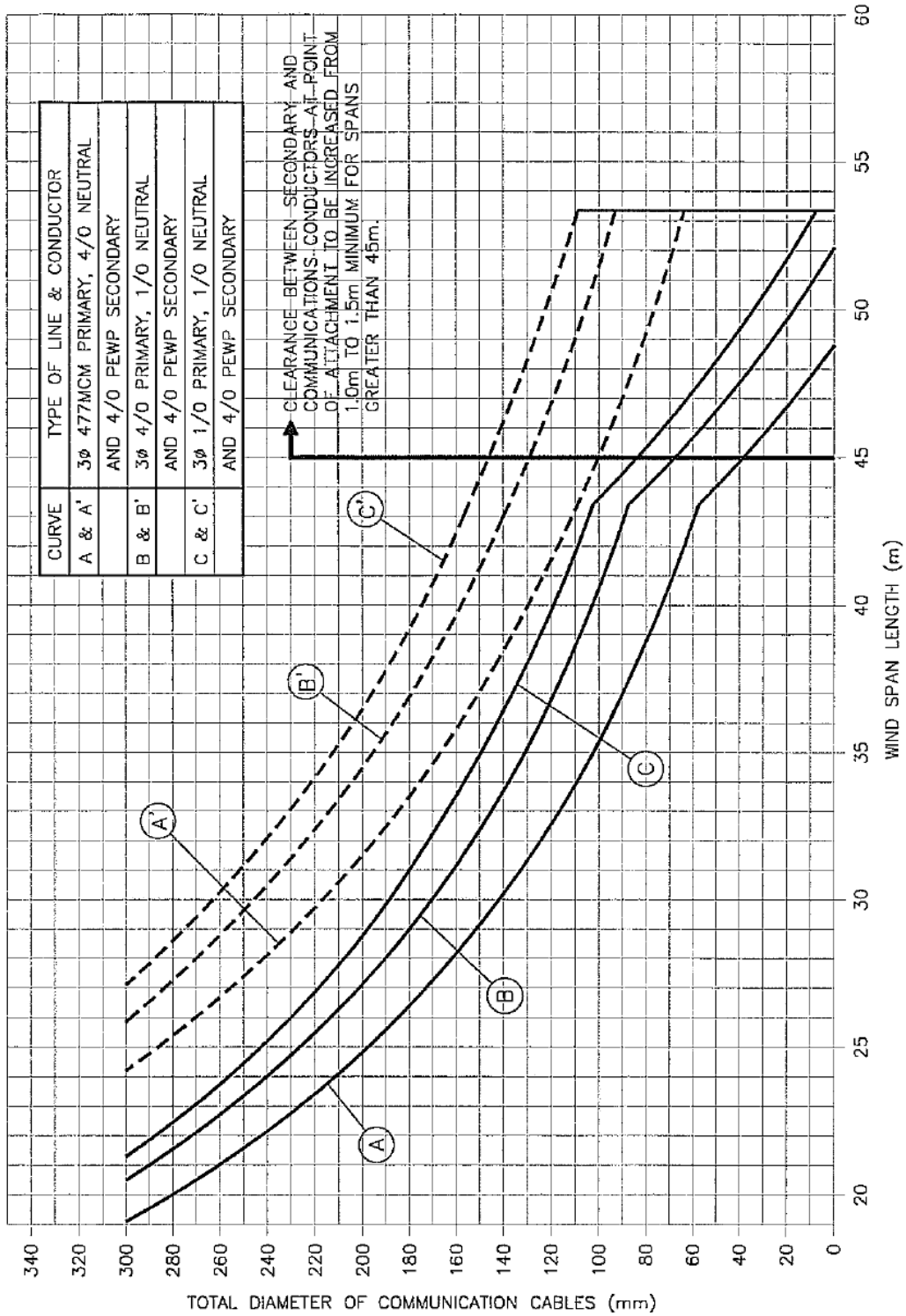
SPAN LENGTHS FOR CLASS THREE POLES SUPPORTING
STANDARD PRIMARY CONDUCTORS AND COMMUNICATION CABLES

CHART 2 – STANDARD SPAN LENGTHS (CSA SEVERE LOADING AREAS)



SPAN LENGTHS FOR CLASS THREE & CLASS FOUR POLES SUPPORTING STANDARD PRIMARY CONDUCTORS, COMMUNICATION CABLES AND SECONDARY CONDUCTORS

CHART 3 – STANDARD SPAN LENGTHS (CSA NORMAL HEAVY LOADING AREAS)



SPAN LENGTHS FOR CLASS THREE AND CLASS FOUR POLES SUPPORTING STANDARD PRIMARY CONDUCTORS, COMMUNICATION CABLES AND SECONDARY CONDUCTORS

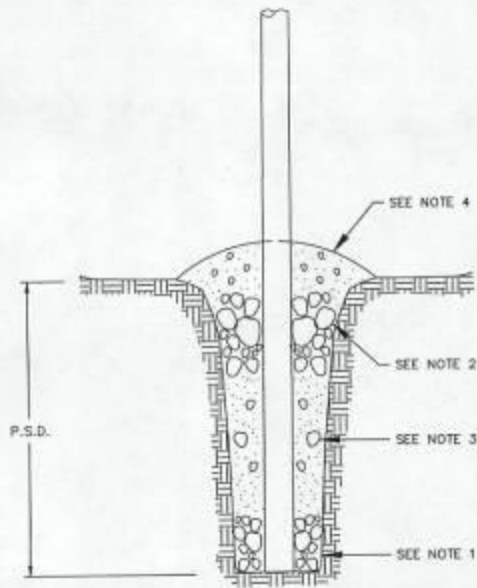
CHART 3 – STANDARD SPAN LENGTHS (CSA SEVERE LOADING AREAS)

18.05.3 Pole Setting Depth (P.S.D.)

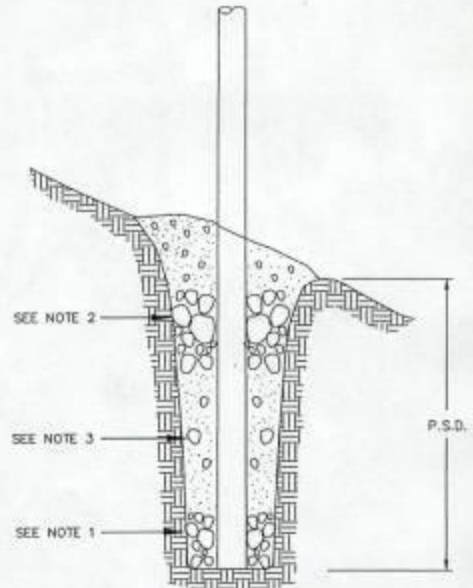
- (a) The recommended minimum Pole setting depths are shown in the P.S.D. Table.
- (b) Pole crib installation details are attached.

18.05.4 Pole Marking

Pole ownership, date nail, and numbering identification tags are to be placed by Newfoundland Power and Bell Aliant as illustrated on the attached drawing.



LEVEL TERRAIN



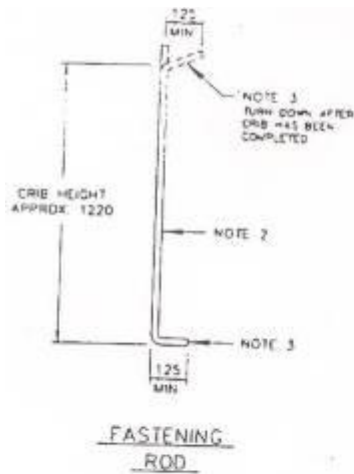
SIDE HILL TERRAIN

POLE SETTING DEPTH P.S.D.	
POLE HEIGHT FT.	MIN. SETTING DEPTH METERS (FT.)
25	1.37 (4 1/2)
30	1.52 (5)
32 1/2 & 35	1.68 (5 1/2)
40	1.83 (6)
45	1.98 (6 1/2)
50	2.13 (7)
55	2.29 (7 1/2)
60	2.44 (8)
65	2.59 (8 1/2)
70	2.74 (9)

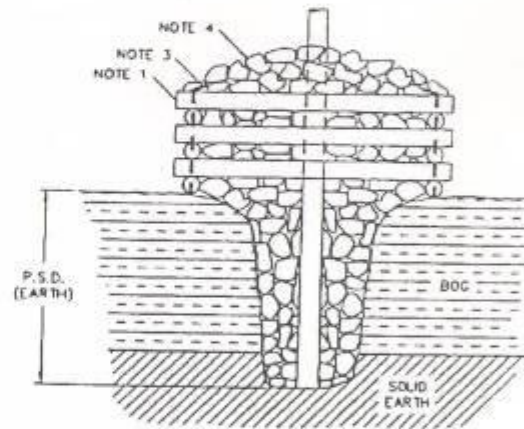
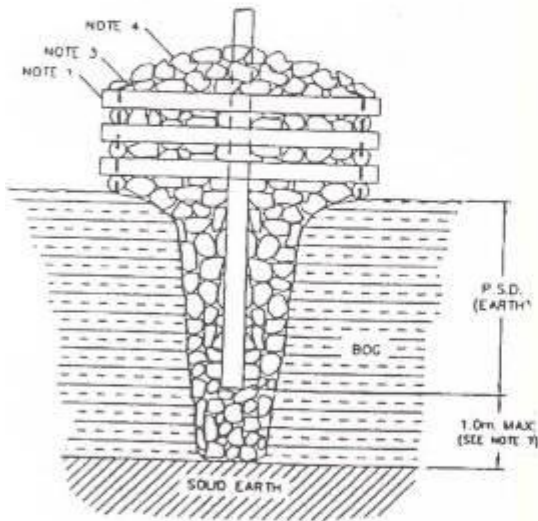
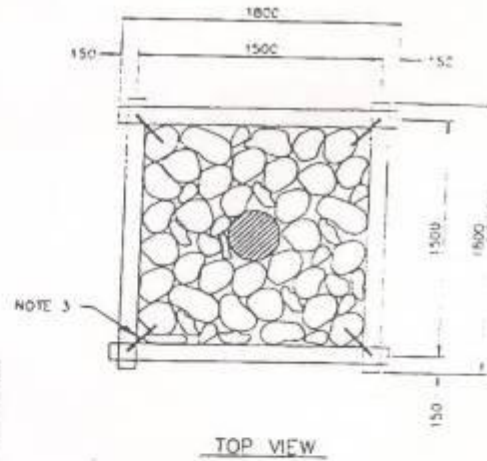
NOTES:

1. POLE SHALL HAVE A FOOTING OF 230mm (9") OF ROCK.
2. POLE SHALL HAVE A COLLAR OF 230mm (9") OF ROCK.
3. EARTH FILL SHALL BE PLACED IN 230mm (9") LAYERS AND THOROUGHLY TAMPED.
4. EXCESS FILL SHALL BE MOUNDED AROUND POLE UNLESS IN A LANDSCAPED AREA.
5. HOLES DUG BY BACKHOE SHALL ALWAYS BE DUG WITH THE LINE.

STANDARD POLE SETTING DETAILS



POLE HT.	CRIB HT. (mm)
30' & 35'	1070
40' & 45'	1220
50' & 55'	1370

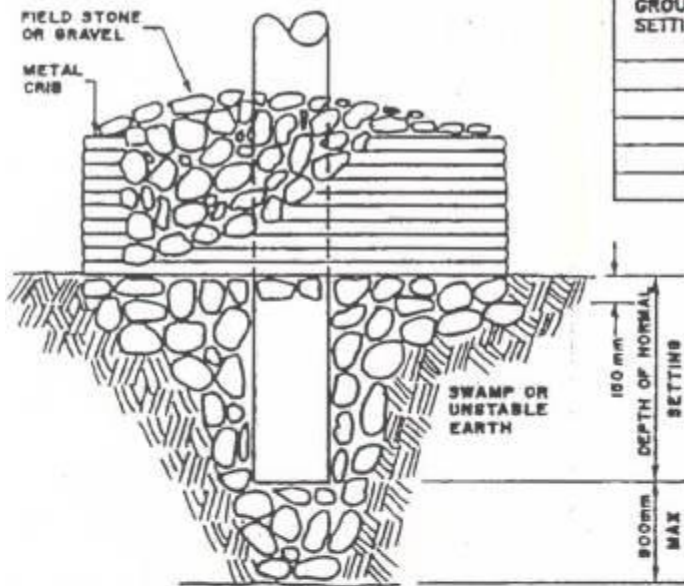
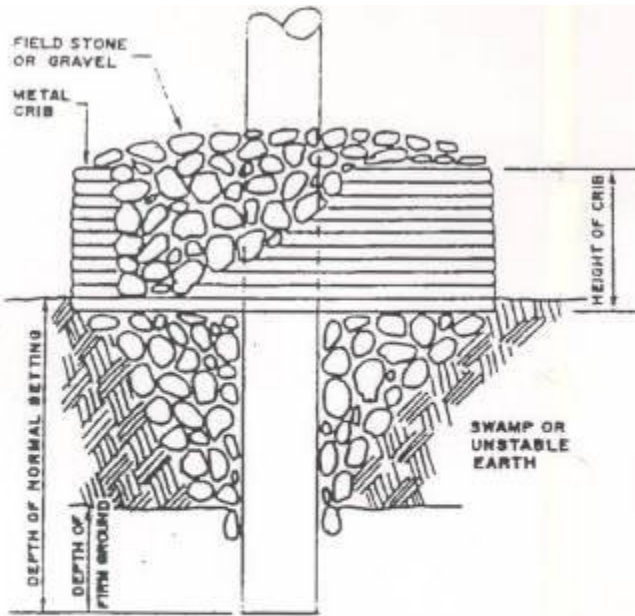


NOTES:

- CRIB TIMBER SHALL BE OF: -
 (a) TREATED POLES OR TREATED TIMBER.
 (b) LOCAL UNTREATED - IF SPECIFIED.
- CORNER FASTENING ROD SHALL BE OF: -
 (a) 1/2" GALVANIZED STEEL ROD (BUTTON HEAD).
 (b) 5/8" GALVANIZED STEEL ROD (BENT LEG)
- CORNER FASTENING ROD SHALL HAVE A MINIMUM OF 125mm BENT TOWARD POLE AT BOTTOM AND TOP OF CRIBBING AS INDICATED BY NOTE 3.
- ROCK FILL SHALL NOT BE LESS THAN 100mm GRADE.

- CRIB HEIGHT SHALL BE ACCORDING TO TABLE 1.
- CRIB TIMBER SHALL BE ERECTED WITH POLE IN CENTER.
- IF SOLID FOOTING CAN BE OBTAINED WITHIN 1.0m OF THE SETTING DEPTH - THEN THE BOG SHOULD BE EXCAVATED AND THE HOLE FILLED WITH ROCK TO POLE SETTING DEPTH BEFORE POLE IS ERECTED.
- IF SOLID FOOTING IS MORE THAN 1.0m BELOW THE POLE SETTING DEPTH A SPECIAL BOG STRUCTURE SHOULD BE USED OR THE POLE RELOCATED.

STANDARD CRIB DETAILS



DEPTH OF FIRM GROUND IN NORM. SETTING (mm)	HEIGHT OF CRIB REQ'D FOR POLE LENGTHS (mm)			
	7800	9150	10700	12200
300	1200	1200	1200	1200
800	800	1200	1200	1200
800	800	800	1200	1200
1200	800	800	800	1200
1500	-	-	800	800

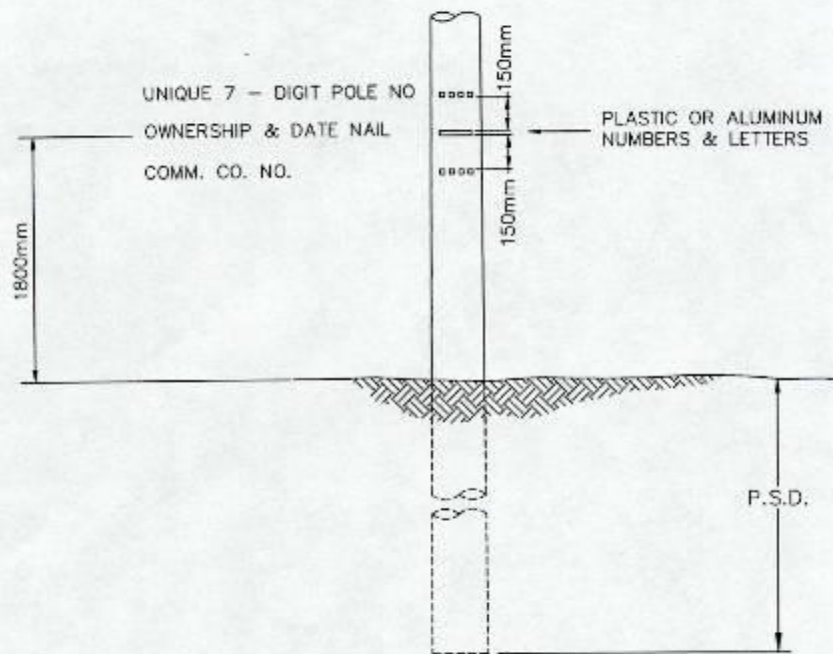
NOTES:

1. A METAL POLE CRIB CONSISTS OF FOUR SEEMI-CIRCULAR CORRUGATED STEEL PIECES WHICH ARE ASSEMBLED IN THE FIELD USING BOLTS TO FORM A 2100 mm DIA. x 1200 mm HIGH CULVERT SECTION. HALF A CRIB (i.e. 2 PIECES ASSEMBLED TO FORM A 2100 mm DIA. x 800 mm HIGH SECTION) MAY BE USED WHERE ADEQUATE.
2. WHERE FIRM GROUND IS ONLY PARTIALLY AVAILABLE, A POLE SHALL BE PLACED AT THE NORMAL DEPTH OF BETTING AND IN ADDITION SHALL BE SUPPORTED WITH A CRIB AS ILLUSTRATED ABOVE. THE HEIGHT OF THE CRIB SECTION REQUIRED IS SHOWN IN THE TABLE ABOVE.
3. WHERE NO FIRM GROUND IS AVAILABLE WITHIN 800 mm OF THE NORMAL POLE SETTING DEPTH THE POLE SHOULD BE RELOCATED OR A SPECIAL DESIGN CRIB USED. THE SPECIAL DESIGN CRIBBING MUST BE MUTUALLY ACCEPTABLE TO NEWFOUNDLAND TELEPHONE AND THE POWER COMPANY.

METAL POLE CRIB DETAILS

NOTES:

1. OWNERSHIP/DATE NAILS WILL BE INSTALLED ON ALL SUPPORT STRUCTURES AS SHOWN.
2. THE POLE OWNER WILL SUPPLY AND INSTALL OWNERSHIP TAGS.
3. POLE NUMBERING WILL BE LOCATED AS SHOWN ON THE DIAGRAM.
4. THE DATING NAIL WILL BE INSTALLED AT THE TIME OF CONSTRUCTION.



STANDARD MARKING FOR SUPPORT STRUCTURES

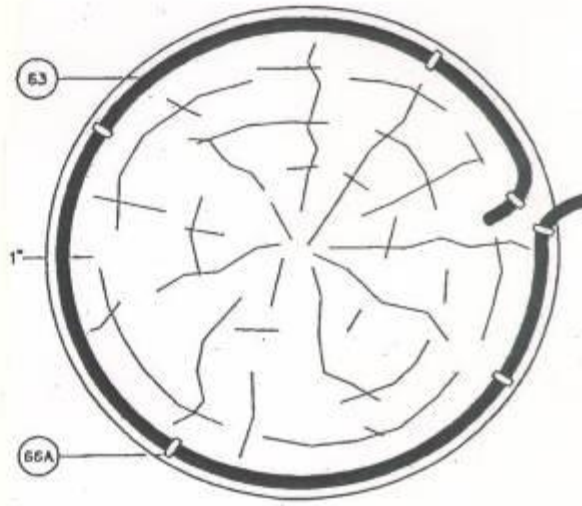
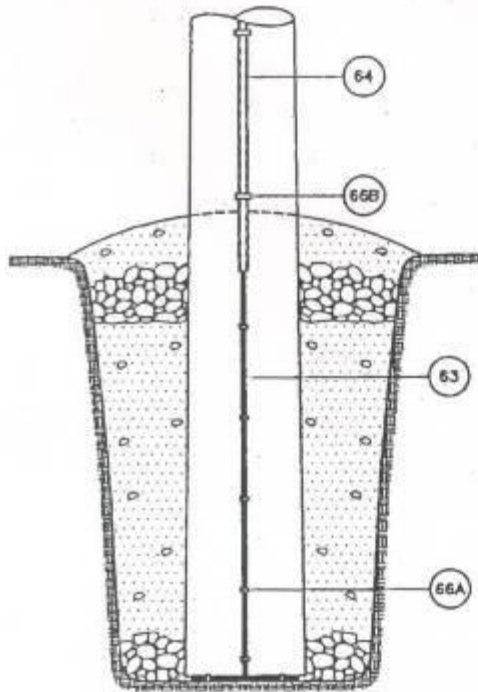
18.05.5 Reuse of Wood Poles

- (a) Used Poles are not to be scrapped prematurely, but should be reused if they are in good condition. Inspection procedures with respect to used Poles shall be carried out uniformly by the Parties. Defective material shall be recognized immediately upon inspection and not reused.
- (b) The following criteria shall apply for inspection of used Poles:
 - (i) Species: Only the following species will be acceptable to be used as Poles which may be reused:
 - (A) Southern Yellow Pine
 - (B) Red Pine
 - (C) Scots Pine
 - (ii) Treatment: Only the following will be acceptable treatments for Poles which may be reused:
 - (A) Pentachlorophenol (Penta);
 - (B) Chromated Copper Arsenate (CCA).
 - (iii) Defects: The following defects, as defined below shall be used as the criteria to determine whether used Poles are to be accepted or rejected for reuse:
 - (A) Check: Separation of the wood that extends radially across the annual growth rings and are the inevitable result of the drying of the wood.
 - (B) Crack/Break: A cross-break in the wood which is usually the result of rough handling (loading, unloading).
 - (C) Decay: The deterioration of wood caused by the action of wood destroying fungi, resulting in softening, loss of strength, and weight and often change of texture and colour. Note that advanced decay means the late stage of decay in which the decomposition is readily recognized as the wood becomes soft, stringy, pitted or crumbly. Incipient decay means the early stage of decay in which the decomposition has not proceeded far enough to soften or otherwise change the hardness of the wood. It is usually accompanied by the slight discoloration of the bleaching of the wood.
 - (D) Shake: The separation of the wood along the grain, the greater part of which occurs between the annual growth rings.

- (E) Split(s): Usually the result of two checks meeting at the centre of the Pole, resulting in two discrete portions of the Pole being completely separated.
- (iv) Application of Defects:
- (A) Check: Checks that result from normal seasoning of the wood shall be permitted. A combination of two checks (which meet in the centre) in the top or extending more than two feet in the butt shall be cut off to eliminate those portions.
 - (B) Crack/Break: Poles with cracks or breaks shall be rejected.
 - (C) Decay: Advanced decay or decay in heartwood (inner, dark core) shall be rejected; however, incipient decay in sapwood (outer, lighter wood) is permitted.
 - (D) Shake: Shakes in the butt end surface extending through an arc of not more than 90 degrees shall be permitted.
 - (E) Split(s): Poles with splits in the top or extending more than two feet in the butt shall be cut off to eliminate those portions.
 - (F) In addition to the above defects, Poles that have excessive amounts of climbing holes, bird holes, insect attack damage or burn marks that penetrate the sapwood or pores in poor physical condition shall be rejected or cut off to eliminate the defective portion.
- (v) Age Category: The following age categories shall apply in order to determine whether Poles may be reused:
- (A) 10 years or less: to be reused as per class and height.
 - (B) Over 10 years - less than 25 years: to be reused as 30' service Poles and street light Poles only.
 - (C) 25 years and over: to be rejected.
- (vi) Retreatment: All Poles in Age Category (B) shall be retreated in the following manner:
- (A) Butt: Butt ends that are cut off shall be retreated.
 - (B) Top: All Poles that are cut off at the top shall have the top retreated.
- (vii) Holes: All unused bolt-holes are to be plugged after framing using treated plugs.

18.06 Grounding and Bonding

- (a) Grounding coils shall be placed in accordance with the installation details as shown on the attached drawing, on all Poles supporting equipment such as distribution transformers and Guys. Additional ground coils shall be installed if these grounds do not satisfy the requirement of one ground per 300 metres. Where grounding is required on an existing Support Structure, ground rods shall be installed as per the installation details on the attached drawing.
- (b) The bonding and grounding of communication cables to the structure ground shall be at the beginning and the end and at approximately 300 metre intervals along the Pole Line. The connection of the communication ground wire and the power ground wire, to the structure ground is shown on the attached drawing.
- (c) Communication Guys that are not effectively grounded through the strand bolt shall be bonded to the strand as shown on the attached drawing.

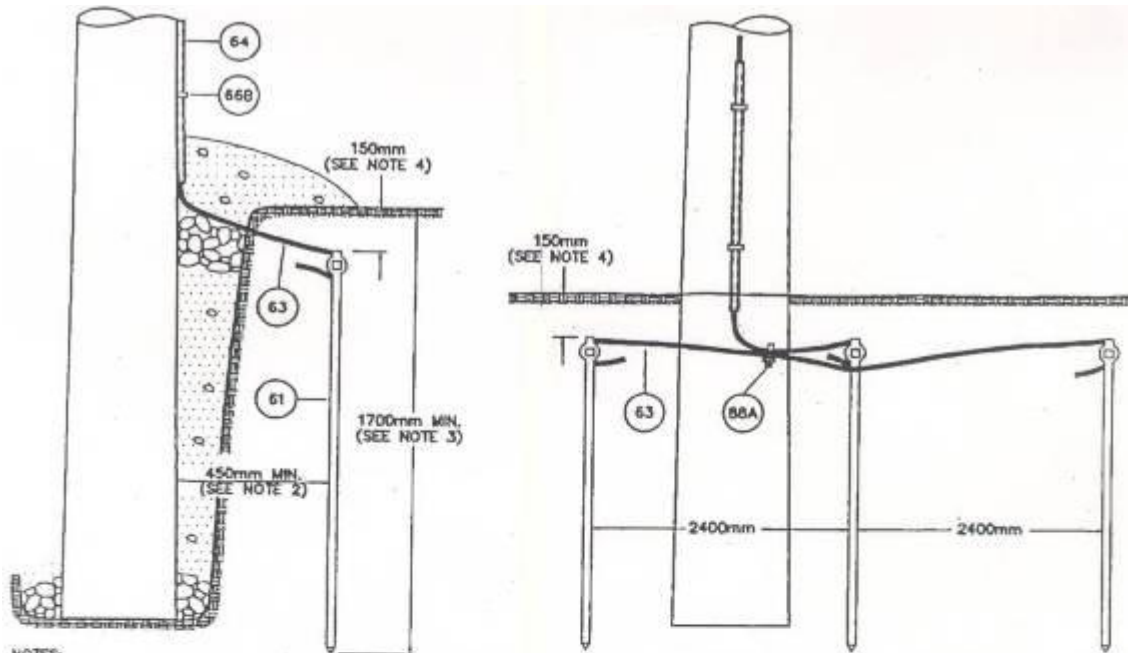


**GROUND COIL DETAILS
BUTT SECTION**

NOTES:

1. A GROUND COIL IS TO BE USED FOR GROUNDING GUYS, TRANSFORMERS AND OTHER APPARATUS ON WOOD POLES.
2. THE GROUND COIL WILL HAVE TO BE MADE UP AND CLAMPED PRIOR TO INSTALLING THE POLE.
3. THE COIL IS CONSTRUCTED BY WRAPPING A SINGLE TURN OF #4 BARE, SOLID COPPER WIRE AROUND THE OUTER EDGE OF THE POLE BUTT.
4. THE WIRE USED FOR THE GROUND COIL SHOULD BE OF SUFFICIENT LENGTH TO EXTEND AND CONNECT TO THE SYSTEM NEUTRAL.
5. THE GROUND WIRE SHALL BE COVERED WITH A GROUND WIRE GUARD. THE GUARD SHALL EXTEND 150mm BELOW FINAL GRADE AND BE CLAMPED AT 200mm INTERVALS.
6. A GROUND COIL IS NOT RECOMMENDED WHERE THE POLE IS RESTING ON A ROCK FOUNDATION.

STANDARD GROUND COIL INSTALLATION DETAILS

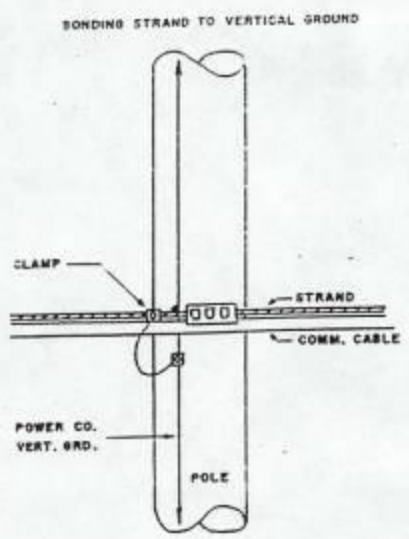


NOTES:

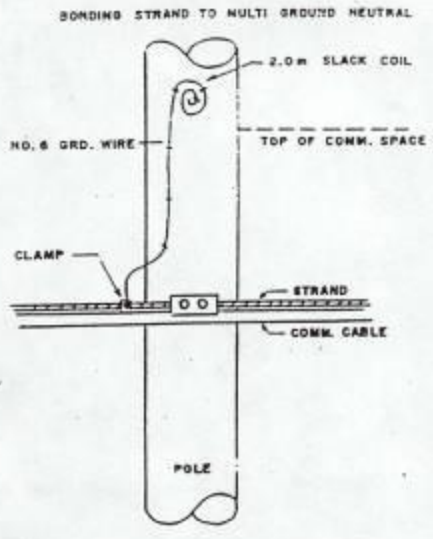
1. A GROUND ROD IS TO BE USED WHERE IT IS IMPRACTICAL TO INSTALL A GROUND COIL.
2. GROUND RODS SHALL BE INSTALLED IN UNDISTURBED EARTH (AT LEAST 450mm FROM WOOD POLES) TO ENSURE THE BEST POSSIBLE CONTACT WITH THE SOIL.
3. THE GROUND ROD SHALL BE DRIVEN VERTICAL. IF THIS IS NOT POSSIBLE THE GROUND ROD MAY BE DRIVEN AT AN ANGLE NOT LESS THAN 45° TO THE HORIZONTAL TO ITS FULL DEPTH.
4. FOR PROTECTION THE GROUND ROD AND GROUND WIRE SHALL BE BURIED AT LEAST 150mm BELOW FINAL GRADE.
5. THE GROUND WIRE SHALL BE COVERED WITH A GROUND WIRE GUARD. THE GUARD SHALL EXTEND 150mm BELOW FINAL GRADE AND BE CLAMPED AT 200mm INTERVALS.
6. TO IMPROVE GROUND RESISTANCE AT A PARTICULAR LOCATION TWO OR THREE GROUND RODS MAY BE ADDED TO THE EXISTING ELECTRODE AS INDICATED.
7. THE ADDITIONAL RODS SHOULD BE SPREAD NOT LESS THAN 2400mm APART AND INsofar AS POSSIBLE BE INSTALLED ALONG THE ROUTE OF THE POLE.

INSTALLATION DETAILS FOR IMPROVED GROUND RESISTANCE

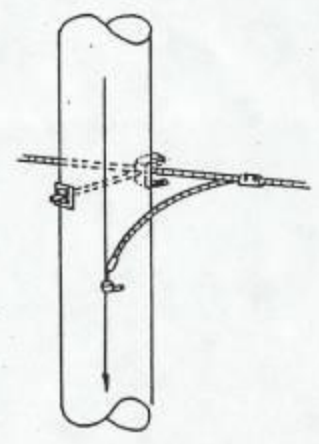
STANDARD GROUND ROD INSTALLATION DETAILS



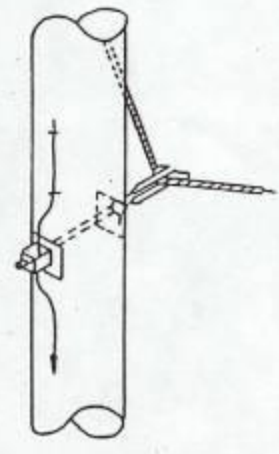
COMMUNICATION CONNECTION



POWER CONNECTION

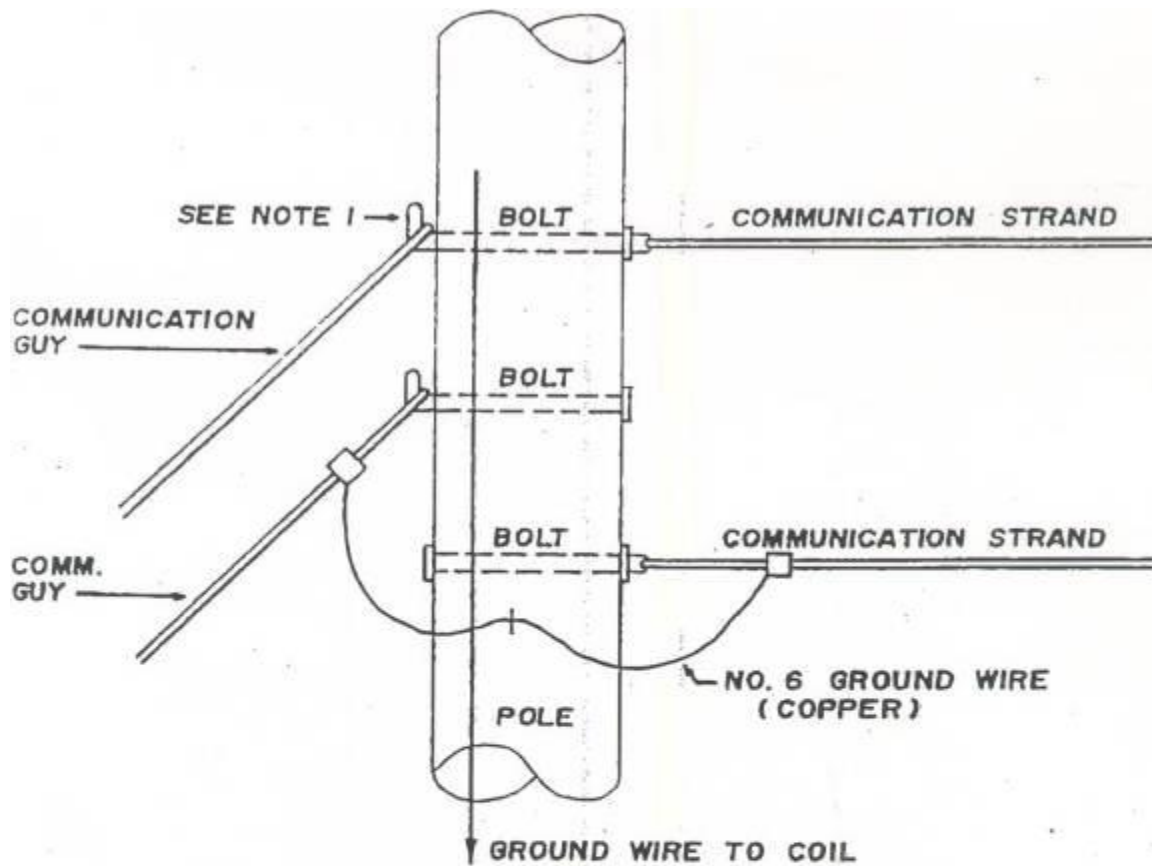


CONNECTION - GROUND WIRE TO NEUTRAL - "B" STRUCTURE



CONNECTION - GROUND WIRE TO NEUTRAL - "C" & "E" STRUCTURES

GROUND WIRE CONNECTION FOR SUPPORT STRUCTURES



NOTE 1: TOP GUY IS EFFECTIVELY GROUNDED THROUGH BOLT.

COMMUNICATION GUY BONDING DETAILS

18.07 Easement Widths for Pole Lines

- (a) The standard Joint Use easement widths shall be as follows:
 - (i) Span lengths less than, or equal to, 61 metres:
 - (A) two and three phase primary conductor and communication cables - 7.4 metres;
 - (B) single phase primary conductor and communication cables - 5.4 metres;
 - (C) secondary conductor and communication cables - 5.4 metres (minimum);
 - (D) Guy wire and Anchors - 3.0 metres wide x 8.0 metres (minimum) to 10.0 metres (maximum) long.
 - (ii) Span lengths more than 61 metres:
 - (A) single phase and three phase primary conductors and communication cables – 9.0 metres;
 - (B) Guy wires - 3.0 metres wide x 10.0 metres long.
- (b) The Pole Line shall be located in the center of the easement.

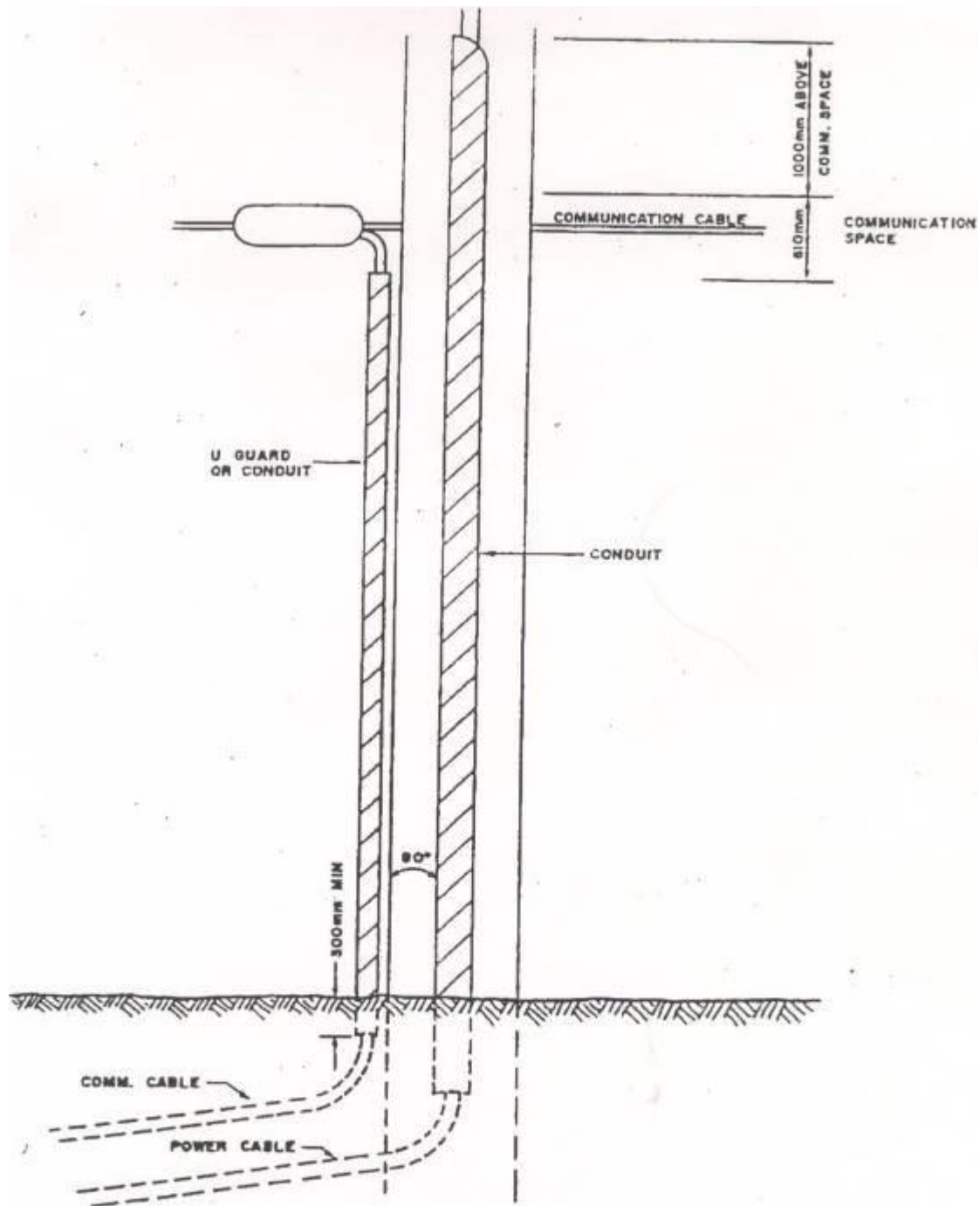
18.08 Line Clearing and Tree Trimming

- (a) For construction of new Pole Lines supporting primary conductors, the right of way shall be cleared to a maximum width of 7.4 metres, including all overhanging branches. The cleared section should be increased in locations where high trees or upslope is encountered. For secondary and service Pole Lines, a cleared width of 5.4 metres should be adequate providing the area is well sheltered and there is reasonable assurance that trees will not fall into the Pole Line. To provide adequate working conditions, all brush and stumps are to be cut within 150 mm of existing grade. All cuttings, trees, deadfall, bark and debris shall be burned or otherwise removed from the right of way. This burning must be conducted at a sufficient distance from the Pole Line to avoid heat damage to telephone cables and power lines. When a tree is located near energized power lines, a rope shall be used to anchor the tree to ensure that once cut it does not fall across these lines. All work near energized power lines shall be completed in accordance with Newfoundland Power's then current safety policies, standards and procedures. Once cleared, Newfoundland Power and Bell Aliant may, subject to environmental regulation, cut, use spray, pellets, or other acceptable methods to control the growth of underbrush.
- (b) Most properly maintained rights of way will require no tree trimming. However in areas where trees are maintained for aesthetic reasons, trimming is essential. Trimming, in general, should be carried out when branches reach a 1.8 metre radius when adjacent to

primary conductor and/or 0.9 metre radius when adjacent to secondary power lines and communication cable. All dead-wood which could blow into the line or trees which are leaning or appear to have inadequate support shall be removed during the trimming process. Special consideration shall be given to trees near school yards and playground areas to eliminate the possibility of climbing by children near energized conductors and/or cables.

18.09 Vertical Runs on Poles

- (a) Vertical runs of neutral conductors and ground wires shall be protected to a height of 2400mm with suitable grade material of adequate electrical insulating and mechanical properties. Where the vertical run consists of a power cable, the protection may consist of metal guard, or conduit, without insulating properties.
- (b) Power and communication vertical runs should not be made on the same Poles. Where it is not practical to place them on separate Poles they shall at least be 90° apart. A typical riser arrangement is shown on the following page.



NOTES:

1. CONCRETE ABUTMENT MAY BE REQUIRED AROUND DUCTS OR GUARDS IF EXPOSED TO VEHICULAR TRAFFIC.
2. SUPPLY SPACE AT DEADEND DIP POLE MUST BE AT 90 DEG. TO DOWN GUY TO ALLOW FOR COMMUNICATION GUY ATTACHMENT.

POLE RISER DETAIL








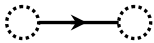


18.10 Standard Symbols

The following exhibits show the most common symbols used by Aliant and Newfoundland Power.

EXHIBIT A – Aliant Symbols

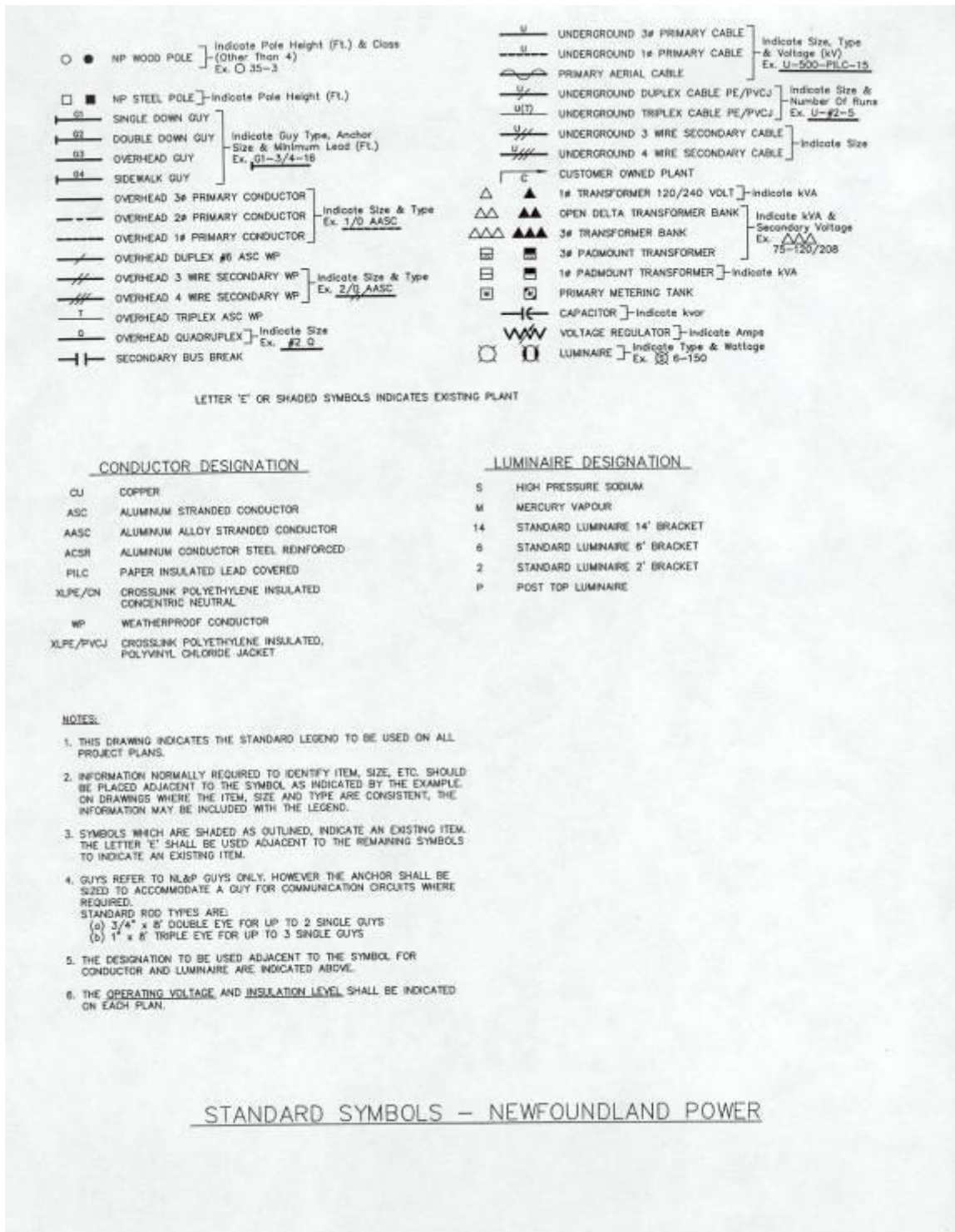
EXHIBIT B – Newfoundland Power Symbols

Exhibit A – Aliant Telecom Symbols

<u>NEW</u>	<u>EXISTING</u>	
		Wood Pole - Non-Joint Use, Indicate Height and Class
		Wood Pole - Joint Use, Indicate Height and Class
F	F	Foreign Owned Pole
		Downguy and
		Pole to Pole Guy
 PB	 PB	Push Brace

- NOTES: 1. STANDARD SYMBOLS USED ON WORKPLANS.
2. SYMBOLS WHICH ARE SHADED OR HEAVY INDICATE NEW CONSTRUCTION.
3. GUYS REFER TO ALIANT GUY ONLY. ANCHORS TO BE SIZED TO ACCOMMODATE ADDITIONAL NEWFOUNDLAND POWER REQUIREMENTS.
4. STANDARD ROD TYPE IS: 1" X 8' TRIPLE EYE.

Exhibit B - Newfoundland Power Symbols



SECTION 19 – INSPECTION AND PLANNED MAINTENANCE

19.01 Inspection Type and Frequency

All overhead primary distribution lines are required to have a minimum of one detailed ground inspection every seven (7) years.

Distribution vegetation management requires that distribution lines are inspected every three and a half years (3 1/2) for brush clearing and tree trimming. These inspections will be completed as part of the distribution line inspection every seven (7) years, and as a drive-by inspection once in between.

19.02 Asset Management System

Newfoundland Power and Bell Aliant agree to collect and store inspection information as each Party deems appropriate. Both Parties agree to share their respective inspection information and explore mechanisms whereby the information can be shared electronically if economical.

19.03 Distribution Line Inspections (7 Year Cycle)

Guidelines for detailed ground inspections of distribution lines and the associated record-keeping procedures are as follows:

- Personnel performing inspections shall use the necessary equipment to assist in the evaluation of distribution line components. For example, binoculars, plumb bob, hammer, core sampler, screwdriver, crescent wrench, digital camera may be needed.
- Inspection personnel shall assign a maintenance priority for each deficiency identified. This priority shall establish when corrective action is required (more information on assigning priority is given in Appendix A - Deficiency Reference Tables).
- Reasonable judgment is required in determining if something should be recorded as a deficiency. Each structure must be analyzed from the perspectives of public safety, employee safety, reliability and environment to determine if action is warranted. For example;
 - It is not the intent to bring all existing plant up to the current construction standards. Simply because a structure is not built to the latest construction standard does not mean it is deficient.
 - It is not the intent to record every minor deficiency even if it does warrant a repair. For example, if the inspector determines that a minor chip in a Pole does not undermine the strength of the Pole and poses no danger to public or employee safety, reliability or environment, then it should not be entered into the maintenance system as a deficiency.

19.04 Distribution Vegetation Management Inspections (7 Year Cycle)

A distribution line shall have a vegetation inspection completed twice every seven (7) years. This inspection shall be completed as part of the distribution line ground inspection every seven (7) years, and as a drive by inspection once in between. The inspection should be documented.

A vegetation deficiency can be one of two types. (1) A brush clearing deficiency which requires the entire width of the right of way to be cleared. A single brush clearing deficiency may cover an area several kilometers long. (2) A tree trimming deficiency in which a single tree or several trees at the same location are contacting or are in danger of contacting the line and will need to be trimmed. Each tree or small group of trees at the same location is considered a single deficiency.

To assign a priority to the vegetation deficiency, the inspector must take into consideration the details of the vegetation growth, as well as the following:

- Public and employee safety;
- The physical location of the line (populated or remote area, near existing roadways or cross-country, etc.); and
- The anticipated growth rate (depending on the type of vegetation).

19.05 Distribution Line Component Inspection Guidelines

Distribution line inspections require evaluation of the following components. For each component there are guidelines to follow during inspections. These guidelines do not cover all possible deficiencies that may exist on each component, and reasonable judgement must be used by the inspector in identifying and prioritizing deficiencies.

Structures

Wood Poles:

During each distribution line inspection, all wood poles require a detailed visual inspection. Depending on the results of the visual inspection a sounding test may be performed. If the visual inspection and/or the sounding test indicate a problem, a core-sampling test may be performed to aid in the evaluation of the pole.

- Inspect and determine condition of pole at ground line and above for rotting, deterioration, splitting, cracks, breaks, burns, woodpecker holes, insect infestation and plumbness.
- Ensure pole is properly backfilled and not undermined.
- Where applicable, inspect condition of crib timber. Ensure crib is properly rock filled.
- Check structure for plumbness or any degree of misalignment.

- Check for structure number tags.
- Ensure that pole grounds are installed on all poles with transformers on them. Ensure that it is rigidly supported, it has not been cut and a ground guard is present and secured

Hardware

Anchors and Guys:

- Inspect Guys and pre-formed grips for wear, breaks, slackness and corrosion.
- Ensure Guy guards are secure and installed on every guy wire. A missing Guy guard is a significant public safety issue and should be classified as high priority.
- Inspect Anchor rod and backfill conditions. Check for Anchor rod damage. Ensure Anchor is not undermined or pulling. Ensure that Anchor eye is above ground level.
- Check that all Guys are either insulated or effectively grounded to neutral/ground wire.
- Any Anchor rods with no Guy attached should be identified as a high priority work order if the Guy is required or cut off by the inspector on-site if the Guy is not required.

Vegetation and Right of Way

To assign a priority to the vegetation deficiency, the inspector must take into consideration the details of the vegetation growth, as well as the following

- Public and employee safety;
- The physical location of the line (populated or remote area, near existing roadways or cross-country, etc.); and
- The anticipated growth rate (depending on the type of vegetation).

Brush Clearing:

- Check condition of vegetation growth along right-of-way.
- When recording a brush clearing vegetation deficiency, be sure to record information on the type of brush to be cleared (deciduous or coniferous), the density of brush to be cleared (Light, Medium, Heavy), the average height of the brush, and the start and end points of the section on line requiring brush clearing.
- Check for danger trees that may contact the conductor or trees close to the line that can be easily climbed. Public safety, in particular that of children or teenagers climbing trees is a concern. Remember that a person's weight on a weak branch could cause it to deflect enough to contact the line.

Tree Trimming:

Public safety and reliability are important factors in determining the priority of the danger tree deficiency. When recording a danger tree deficiency, it is important to make the following considerations:

- Whether the tree is in close proximity to the energized high-voltage conductors such that it may make contact. Consider that a branch may swing or bend into the line due to the weight of a climber, wind or buildup of snow or ice.
- Whether the tree is easily accessed from the ground and climbable.
- Whether individuals who are possibly interested in climbing the tree frequently visit the site that the tree occupies.

Encroachments:

- Check for encroachments by foreign structures, unauthorized excavation or fill areas, etc. These should be identified as a deficiency if the inspector judges them to be a public safety hazard.

19.06 Maintenance Classifications

All defects identified through the inspection process are given one of six classifications based on the nature of the abnormal condition. Unless otherwise stated or directed, the response times shall be as follows:

PRIORITY	RESPONSE TIME
Emergency	Immediate
TD1	1 Week
TD2	1 Month
TD3	6 Months
TD4	Next Budget Cycle
TD5	Next Budget Cycle

SECTION 20 - EMERGENCY MAINTENANCE

1. Customer trouble calls are reported to Newfoundland Power's system control centre (SCC), Bell Aliant's contact centre and Bell Aliant's surveillance centre.
2. Based on the information received, the severity of the trouble call will be determined as follows:
 - i. **Call out Level 1 Response**

Minor damage has occurred, customer interruptions are limited to less than three (3) hours and service can be restored promptly;
 - ii. **Call out Level 2 Response**

Moderate damage has occurred, customer interruptions are widespread and service restoration will take more than two (2) hours; or
 - iii. **Call out Level 3 Response**

Damage to the electrical/communications system is extensive, interruptions are widespread and service restoration will take more than six (6) hours.
3. For calls requiring a **Level 1 Response**:
 - i. A trouble crew is dispatched for a field visit;
 - ii. The trouble crew assesses the damage and either:
 - o Completes the necessary repair work and reports the call as being closed; or
 - o Notifies the dispatcher that damage has occurred to the Joint Use partner's facilities and the crew is not able to effect repairs (example: broken wires or a broken pole); and
 - iii. The dispatcher reports the damage to the Joint Use partner's facilities to the Joint Use partner.
4. For calls requiring a **Level 2 response**:
 - i. The dispatcher notifies the Joint Use partner and dispatches a trouble crew and the on call supervisor;

- ii. The on call supervisor assesses the damage and either:
 - Completes the necessary repairs using the trouble crew, or
 - Notifies the Joint Use partner that the partner's facilities are damaged and must dispatch resources to make the necessary repairs.
5. For calls requiring a **Level 3 Response**:
- i. The dispatcher notifies the Joint Use partner and the on call supervisor;
 - ii. The on call supervisor, in consultation with the Joint Use partner, arranges to have resources assigned to the service restoration effort; and
 - iii. The service restoration team provides updates to management and others as required.

Appendix A - Deficiency Reference Tables

Wood Poles						
DEFICIENCY	EMERGENCY	TD1	TD2	TD3	TD4	TD5
Damaged	Broken	Serious Horizontal Cracks				
Pole Rot		Rotted to Imminent Failure			Rotted - Failed Core Test	
Woodpecker Holes					Severe Woodpecker Holes	
Unauthorized Attachments						Unauthorized Attachments
Off Vertical	Severe Lean - Failure Imminent				Lean >20° Unloaded or >15° Loaded	
Pole Crib	Major Frame Damage - No Longer Supporting Pole				Frame Damaged - Rocks Becoming Loose	
Pole Ground	Grounds Cut or Broken Near Ground Level Repaired by Planner During Inspection				Grounds Cut or Broken Above Ground Level	Ground Cover Missing Staples Missing Ground Rod Exposed No Pole Ground Installed
Backfilling	Large Hole – Public Safety Hazard		Pole Not Supported			

Anchors and Guys						
DEFICIENCY	EMERGENCY	TD1	TD2	TD3	TD4	TD5
Guard Missing	Replaced by Planner During Inspection					
Preform Rusting			C or E Structure		All Others	
Loose Guy					Loose Guy	
Preform Unravelling			C or E Structure		All Others	
Broken Guy	C or E Structure or Public Safety		All Others			
Broken Rod or Fitting	C or E Structure or Public Safety		All Others			
Backfilling	Large Hole – Public Safety Hazard		Pole Not Supported		Pole Support Uncompromised	
Anchor Buried					Rotting preform	Stable
Ungrounded / Uninsulated	Pole has damaged insulators or damaged porcelain cutout		Rock anchor, undamaged 2-piece or 8080 insulators or porcelain cutout			All other ungrounded or uninsulated guys

Underground Cables/Conduit/Guards						
DEFICIENCY	EMERGENCY	TD1	TD2	TD3	TD4	TD5
Guard Loose			Guard Hanging Off			Guard Loose
Guard Missing		High Traffic Pedestrian Area		Low Traffic Area		
Cable Damaged	Cable Severely Damaged/Broken			Jacket Damaged		
Pothead Damaged				Excessive Pitch Leaking		Minor Pitch Leaking
Cracked/Broken Bushing	Broken	Insulator Severely Cracked				Minor or Moderate Chips or Cracks, Skirts Missing

Vegetation and Right-of-Way						
DEFICIENCY	EMERGENCY	TD1	TD2	TD3	TD4	TD5
Tree Trimming	Touching Conductor or Showing Signs of Burning			Within 2ft of Primary Conductor		
Brush Clearing	Touching Conductor or Showing Signs of Burning			Within 2ft of Primary Conductor	Above Neutral but Greater than 2ft from Primary Conductor	
Encroachments						Encroachments

Appendix B - 2011 Estimated Third Party Revenue Sharing

Appendix B

2011 Estimated Third Party Revenue Sharing¹

A. Attachments and Revenue	Mainline Poles		Service Poles		Total
Estimated Attachments	101,438		11,162		112,600
Estimated Revenue	\$1,507,978		\$165,934		\$1,673,912
B. Sharing (Annual)	Common ²	Incremental	Common ³	Incremental	Total
Revenue Breakdown	\$973,805	\$534,173	\$0	\$165,934	\$1,673,912
BA ⁴ Share (%)	62.5	37.5	62.5	37.5	
NP ⁵ Share (%)	37.5	62.5	37.5	62.5	
BA Share (\$)	608,628	200,315	0	62,225	871,168
NP Share (\$)	<u>365,177</u>	<u>333,858</u>	<u>0</u>	<u>103,709</u>	<u>802,744</u>
	973,805	534,173	0	165,934	1,673,912
C. Sharing (Monthly)					
BA Share (\$)	50,719	16,693	0	5,185	72,597
NP Share (\$)	<u>30,431</u>	<u>27,822</u>	<u>0</u>	<u>8,642</u>	<u>66,895</u>
	81,150	44,514	0	13,828	139,493

2011 Monthly Estimated Revenue Sharing

	BA Share	NP Share	Total
January	\$72,597	\$66,895	\$139,493
February	72,597	66,895	139,493
March	72,597	66,895	139,493
April	72,597	66,895	139,493
May	72,597	66,895	139,493
June	72,597	66,895	139,493
July	72,597	66,895	139,493
August	72,597	66,895	139,493
September	72,597	66,895	139,493
October	72,597	66,895	139,493
November	72,597	66,895	139,493
December	<u>72,597</u>	<u>66,895</u>	<u>139,493</u>
Total	\$871,168	\$802,744	\$1,673,912

¹ To the extent that the total revenue collected by Newfoundland Power from third parties for attachment to poles in its territory for 2011 exceeds the total estimated revenue on this Appendix B, the related number of attachments will first be derived from the additional revenue and then the number of additional attachments and revenue will be added to mainline poles and shared on the basis illustrated in this Appendix B.

² Common rate for mainline poles is \$9.60

³ Common rate for Service Poles is \$0

⁴ BA Means Bell Aliant

⁵ NP means Newfoundland Power

Appendix C - Sacrificed Value of Poles

Appendix C

Sacrifice Value of Poles 2011

Age	Percent Condition	Pole (\$)	Anchor (\$)
0	100.000%	1,540.00	382.00
1	96.466%	1,485.58	368.50
2	93.315%	1,437.05	274.21
3	90.319%	1,390.91	265.40
4	87.428%	1,346.39	256.91
5	84.616%	1,303.09	248.64
6	81.873%	1,260.84	240.58
7	79.188%	1,219.50	232.69
8	76.559%	1,179.01	224.97
9	73.979%	1,139.28	217.39
10	71.449%	1,100.31	209.95
11	68.966%	1,062.08	202.66
12	66.528%	1,024.53	195.49
13	64.136%	987.69	188.46
14	61.789%	951.55	181.57
15	59.487%	916.10	174.80
16	57.230%	881.34	168.17
17	55.002%	847.03	161.62
18	52.858%	814.01	155.32
19	50.742%	781.43	149.11
20	48.676%	749.61	143.03
21	46.660%	718.56	137.11
22	44.866%	690.94	131.84
23	42.783%	658.86	125.72
24	40.924%	630.23	120.26
25	39.119%	602.43	114.95
26	37.369%	575.48	109.81
27	35.675%	549.40	104.83
28	34.036%	524.15	100.01
29	32.452%	499.76	95.36
30	30.923%	476.21	90.87
31	29.448%	453.50	86.53
32	28.025%	431.59	82.35
33	26.653%	410.46	78.32
34	25.328%	390.05	74.43
35	24.047%	370.32	70.66
36	22.808%	351.24	67.02
37	21.607%	332.75	63.49
38	20.441%	314.79	60.07
39	19.307%	297.33	56.73
40	18.204%	280.34	53.49
41	17.132%	263.83	50.34
42	16.088%	247.76	47.27

Appendix C

Sacrifice Value of Poles 2011

Age	Percent Condition	Pole (\$)	Anchor (\$)
43	15.073%	232.12	44.29
44	14.083%	216.88	41.38
45	13.117%	202.00	38.54
46	12.171%	187.43	35.76
47	11.357%	174.90	33.37
48	10.651%	164.03	31.30
49	9.961%	153.40	29.27
50	9.284%	142.97	27.28

Appendix D - Structural Value of Poles

Appendix D

Structural Value of Poles 2011

<u>Age</u>	<u>Percent Condition</u>	<u>NBV</u>
0	100.00%	\$1,540.00
1	96.38%	\$1,484.25
2	92.76%	\$1,428.50
3	89.14%	\$1,372.76
4	85.52%	\$1,317.01
5	81.90%	\$1,261.26
6	78.28%	\$1,205.51
7	74.66%	\$1,149.76
8	71.04%	\$1,094.02
9	67.42%	\$1,038.27
10	63.80%	\$ 982.52
11	60.18%	\$ 926.77
12	56.56%	\$ 871.02
13	52.94%	\$ 815.28
14	49.32%	\$ 759.53
15	45.70%	\$ 703.78
16	42.08%	\$ 648.03
17	38.46%	\$ 592.28
18	34.84%	\$ 536.54
19	31.22%	\$ 480.79
20	27.60%	\$ 425.04
21	23.98%	\$ 369.29
22	20.36%	\$ 313.54
23	16.74%	\$ 257.80
24	13.12%	\$ 202.05
25	9.50%	\$ 146.30
26	5.88%	\$ 90.55
27	2.26%	\$ 34.80
28	0.00%	\$ 1.00

Appendix E - Transfer Cost Factors

Appendix E

Transfer Cost Factors

Pole Age	Factor
0	1.00
1	0.99
2	0.97
3	0.96
4	0.94
5	0.92
6	.0.90
7	0.88
8	0.87
9	0.85
10	0.83
11	0.81
12	0.79
13	0.77
14	0.76
15	0.74
16	0.72
17	0.70
18	0.68
19	0.66
20	0.64
21	0.62
22	0.60
23	0.57
24	0.55
25	0.53

Pole Age	Factor
26	0.51
27	0.49
28	0.46
29	0.44
30	0.42
31	0.39
32	0.37
33	0.35
34	0.33
35	0.30
36	0.28
37	0.26
38	0.24
39	0.22
40	0.21
41	0.19
42	0.17
43	0.16
44	0.14
45	0.13
46	0.12
47	0.10
48	0.09
49	0.08
50	0.07

Note: For pole ages over 50 years, the value listed for 50 years will apply.

SCHEDULE 5

Amount Due on Payment Date

Purchase Price		\$45,698,000
Payment Date Adjustments		
<i>Add:</i>		
9.63% of Net Book Value from January 1, 2011 to Payment Date	•	
Amounts due under Services Agreement from January 1, 2011 to last month ended prior to Payment Date	•	•
<i>Subtract:</i>		
3 rd party revenues in accordance with this Agreement from January 1, 2011 to last month ended prior to Payment Date	(•)	
Interest earned on Purchase Price Held in Trust	(•)	(•)
Subtotal		•
HST (13%)		•
Balance Due on Payment Date		•

SCHEDULE 6
2011 Estimated Third Party Revenue Sharing³

A. Attachments and Revenue	Mainline Poles		Service Poles		Total
Estimated Attachments	101,438		11,162		112,600
Estimated Revenue	\$1,507,978		\$165,934		\$1,673,912
 B. Sharing (Annual)	Common ⁴	Incremental	Common ⁵	Incremental	Total
Revenue Breakdown	\$973,805	\$534,173	\$0	\$165,934	\$1,673,912
BA ⁶ Share (%)	62.5	37.5	62.5	37.5	
NP ⁷ Share (%)	37.5	62.5	37.5	62.5	
 BA Share (\$)	608,628	200,315	0	62,225	871,168
NP Share (\$)	<u>365,177</u>	<u>333,858</u>	<u>0</u>	<u>103,709</u>	<u>802,744</u>
	973,805	534,173	0	165,934	1,673,912
 C. Sharing (Monthly)					
BA Share (\$)	50,719	16,693	0	5,185	72,597
NP Share (\$)	<u>30,431</u>	<u>27,822</u>	<u>0</u>	<u>8,642</u>	<u>66,895</u>
	81,150	44,514	0	13,828	139,493

2011 Monthly Estimated Revenue Sharing

	BA Share	NP Share	Total
January	\$72,597	\$66,895	\$139,493
February	72,597	66,895	139,493
March	72,597	66,895	139,493
April	72,597	66,895	139,493
May	72,597	66,895	139,493
June	72,597	66,895	139,493
July	72,597	66,895	139,493
August	72,597	66,895	139,493
September	72,597	66,895	139,493
October	72,597	66,895	139,493
November	72,597	66,895	139,493
December	<u>72,597</u>	<u>66,895</u>	<u>139,493</u>
Total	\$871,168	\$802,744	\$1,673,912

³ To the extent that the total revenue collected by Newfoundland Power from third parties for Attachments to Poles for 2011 exceeds the total estimated revenue on this Schedule 6, the related number of Attachments will first be derived from the additional revenue and then the number of additional Attachments and revenue will be added to mainline Poles and shared on the basis illustrated in this Schedule 6.

⁴ Common rate for mainline poles is \$9.60.

⁵ Common rate for Service Poles is \$0.

⁶ BA means Bell Aliant.

⁷ NP means Newfoundland Power.

Calculation of Sale Price

	Joint Use Purchase Agreement “Schedule 1”
Embedded Cost of Support Structures	\$249,031,765
Deduct: General Expenses Capital ¹	(5,087,353)
Deduct: Accumulated Depreciation	(93,240,504)
Deduct: Unamortized Contributions	<u>(7,902,719)</u>
Net Book Value	142,801,189
Net Book Value of Joint Use Support Structures ²	114,244,281
Bell Aliant Share	<u>40%</u>
Sale Price	<u>\$ 45,697,712</u>

¹ General expenses capital (“GEC”) and interest during construction are deducted per the JUFPA Schedule C. GEC is deducted on the basis that there has been no incremental change in Newfoundland Power’s GEC as a result of the purchase or sale of the Joint Use Support Structures.

² This reflects the estimated 80% of Support Structures which are jointly used by Newfoundland Power and Bell Aliant.

**Indicative Time Line
(Assuming Board Approval May 10th, 2011)**

Execution of Agreements	December 22 nd , 2010
Submission of Application to Board	February 4 th , 2011
Board Approval	May 10 th , 2011
Payment of Purchase Price from Bell Aliant to Newfoundland Power	May 15 th , 2011
Completion of Pole Count Survey	August 31 st , 2011
Delivery of Deed of Conveyance for Joint Use Support Structures	before December 31 st , 2011

Joint Use Regime Effective 2011
Pro forma Revenue Requirement Analysis
2011-2015
(\$)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Incremental Revenues¹	(3,295,995)	(6,173,074)	(7,463,385)	(7,637,738)	(7,809,373)
Incremental Costs					
Depreciation Expense ²	(2,494,753)	(2,581,966)	(2,673,539)	(2,771,391)	(2,873,158)
Cost of Capital ³	(1,314,950)	(2,650,264)	(3,396,901)	(3,466,028)	(3,538,109)
Income Taxes ⁴	(405,268)	(699,771)	(712,243)	(726,737)	(741,851)
Operating Expenses ⁵	-	(397,772)	(507,040)	(516,694)	(525,576)
Total Incremental Costs	(4,214,971)	(6,329,773)	(7,289,723)	(7,480,850)	(7,678,694)
Surplus (Deficiency)	918,976	156,699	(173,662)	(156,888)	(130,679)
Levelized Revenue Requirement⁶	122,883				
Net Present Value of Surplus (Deficiency)⁷	496,847				

Notes:

¹ The forecast reduction in incremental revenues includes reductions in attachment rental revenues for 2011-2015, offset in 2011 and 2012 by recoveries from Bell Aliant in those years.

² The forecast reduction in depreciation reflects the sale of joint use support structures in 2011 and an annual reduction in pole installation costs for 2011 to 2015. The composite depreciation rate for distribution assets is 3.14%.

³ The forecast reduction in cost of capital is based on a capital structure of 55% debt/45% equity and assumes an incremental cost of capital of 5.83% in 2011 and 2012, and 7.35% thereafter. The sale of joint use support structures will reduce Newfoundland Power's average rate base by approximately \$46 million.

⁴ The forecast reduction in income taxes primarily reflects the reduction in the cost of capital.

⁵ The forecast reduction in incremental operating costs includes increased joint use administration costs of approximately \$100,000 per year beginning in 2012; approximately \$200,000 operating cost savings per year commencing in 2013 as a result of the 2011 JUA (50% of which is forecast to be realized in 2012); as well as decreased vegetation management costs related to distribution poles of approximately \$400,000 per year.

⁶ This is the levelization of the annual revenue surplus (deficiency) from 2011 to 2015.

⁷ This is the net present value of the annual surplus (deficiency) from 2011 to 2015.

Joint Use Regime Effective 2011
2011 Financial Forecast: Proposed Sale
Statement of Income
(\$000's)

Revenue	553,269
Purchased Power Expense	364,621
Contribution	<u>188,648</u>
Other Revenue	<u>7,522</u>
Other Expenses:	
Operating Expenses	54,243
Pension Costs	19,292
Deferred Cost Recoveries	(1,631)
Depreciation	42,755
Finance Charges	35,803
	<u>150,462</u>
Income Before Income Taxes	45,708
Income Taxes	<u>13,992</u>
Net Income	31,716
Preferred Dividends	<u>568</u>
Earnings Applicable to Common Shares	<u>31,148</u>
Rate of Return	
Rate of Return on Rate Base (percentage)	7.82%
Regulated Return on Book Equity (percentage)	8.21%
Revenue Shortfall (at 8.38% Regulated Return on Equity)	1,010