

1 **Q. Can Newfoundland Power provide further information with regard to pole sharing**
2 **agreements of other Canadian electricity utilities, including other Canadian Fortis**
3 **Utilities, taken from other sources of information, in addition to the information**
4 **received in the survey and set out in Exhibit 2 to the 2011 Application? If so, please**
5 **provide.**

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7 A. Arrangements for Joint Use of Support Structures and related cost sharing between
8 electric utilities and other service providers generally support the regulatory principle of
9 ensuring nondiscriminatory access to essential facilities that are controlled by either
10 party. The terms of such arrangements have typically been negotiated between electric
11 utilities and incumbent telecommunications service providers. Decisions by regulatory
12 boards in recent years have been mainly concerned with the terms of use of Support
13 Structures by cable television service providers.

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15 The types of arrangements for Joint Use of Support Structures in Canada tend to reflect
16 historic regional differences in Support Structure ownership and use.

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18 In Eastern Canada, a joint ownership approach is typically used. In the provinces of
19 Nova Scotia, New Brunswick, Prince Edward Island, Quebec and Ontario, all electric
20 utilities, with the exception of the local electricity distribution companies in Ontario, have
21 pole ownership agreements with the incumbent telecommunications service providers.¹
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23 In all cases, under the joint ownership agreements in these jurisdictions, (i) the agreed
24 ownership ratios have been achieved and (ii) the agreed ownership ratios are being
25 maintained on an annual basis.

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27 The achievement of agreed ownership ratios has often taken place over many years. In at
28 least one instance, the ownership ratio was achieved through a pole sale. In 1998, Hydro
29 Quebec and Telebec moved from a rental arrangement to a joint ownership arrangement
30 through a sale of pole assets from Hydro Quebec to Telebec.² Telebec now owns in
31 excess of 112,000 poles, or approximately 40% of the jointly used poles in its service
32 territory.

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34 The maintenance of agreed ownership ratios is routinely achieved through the sale of
35 poles by electric utilities to telecommunications service providers.³ Since 2003, in Nova
36 Scotia, New Brunswick and Prince Edward Island, approximately 8,200 poles have been
37 sold to Bell Aliant to maintain the agreed ownership ratios.

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39 In Western Canada, a rental approach is typically used. In the provinces of
40 Saskatchewan, Alberta and British Columbia, all electric utilities, with the exception of

¹ Telecommunications service providers (historically telephone companies) are identified by the Canadian Radio-
Television and Telecommunications Commission (CRTC) as Incumbent Local Exchange Carriers (ILEC's).

² Telebec is a member of the Bell Aliant Regional Communication Group.

³ Under the 2011 Joint Use Agreement, Newfoundland Power and Bell Aliant expect to maintain the agreed
60%/40% ownership ratio through ongoing pole installation activity. Sales of Support Structures are presently
not within the contemplation of the parties.

1 one utility in British Columbia, have pole rental agreements with the incumbent
2 telecommunications service providers. Rental agreements are common in Western
3 Canadian jurisdictions where the relative number of Joint Use attachments is low.⁴ For
4 example, only 5.5% of the poles owned by Fortis Alberta are jointly used by a
5 telecommunications service provider, and these are subject to a rental agreement.

⁴ The lower relative number of Joint Use attachments in Western Canadian jurisdictions is largely due to the historically higher incidence of underground, as opposed to overhead, infrastructure, and higher incidence of separately-constructed lines for electric and other service providers in some areas.