

1 **Q. If this Application is not approved, what alternatives are available to the parties and**
2 **what are the consequences for Newfoundland Power customers?**

3
4 A. Based on the evidence in this proceeding, and for the reasons stated in the response to
5 Request for Information CA-NP-1, it is difficult for Newfoundland Power to envisage a
6 basis upon which the Application would be denied by the Board.
7

8 If, however, the Application were denied, Bell Aliant would be effectively denied the
9 right to repurchase the Joint-Use Support Structures as agreed in 2001 as part of the terms
10 of Newfoundland Power's acquisition of the Bell Aliant Joint Use Support Structures. In
11 such a circumstance, Bell Aliant would have the alternative to seek to hold
12 Newfoundland Power contractually responsible for any loss it may suffer as a result.
13 This could result in possible litigation or arbitration proceedings. Any costs incurred in
14 such proceedings would serve to reduce the benefits to customers arising from the sale
15 and repurchase of Joint Use Support Structures by Bell Aliant.
16

17 Further, if the Application were denied, the Purchase Agreement would be subject to
18 termination by either Newfoundland Power or Bell Aliant. Should the Purchase
19 Agreement be terminated, both it and the 2011 Joint Use Agreement become null and
20 void. This would result in the Company having no comprehensive regime for Joint Use
21 of Support Structures from January 1, 2011.
22

23 In this circumstance, Newfoundland Power and Bell Aliant would have the alternative of
24 renegotiation of the future terms of Joint Use of Support Structures. It is difficult to
25 predict what terms might result from such a renegotiation; however, there is no basis to
26 expect that they will be as beneficial to Newfoundland Power's customers as those
27 already negotiated.
28

29 Other specific alternatives available to the parties in the event that the Application were
30 denied would necessarily be in response to and address a specific, identified negative
31 customer impact indicated in the Board's detailed reasons for such a decision. It is not
32 possible to identify specific alternatives in the absence of evidence of any such negative
33 customer impact.
34

35 Please refer to the Responses to Requests for Information PUB-NP-5, PUB-NP-6, and
36 PUB-NP-26 for further information regarding the impact of the Board's refusal to
37 approve the Application.