

1 **Q. What steps will be taken by Newfoundland Power and Bell Aliant to mitigate the**
2 **risks referred to in PUB-NP-34, and what are the anticipated results, setting out the**
3 **time line required, of these actions?**

4
5 A. Please refer to the Response to Request for Information PUB-NP-34 for a description of
6 the steps taken by Newfoundland Power to address the risks referred to in the Response
7 to Request for Information PUB-NP-34. Newfoundland Power expects to achieve the
8 results indicated in the evidence and referred to in the Response to Request for
9 Information PUB-NP-34.

10
11 Newfoundland Power observes that the actual cost benefits for Newfoundland Power's
12 customers which will result from the new Joint-Use regime could exceed those indicated
13 in the Prefiled Evidence for a number of reasons.

14
15 Firstly, it is expected that the pole count survey will disclose more third party
16 attachments exist than are currently billed. The analysis contained in the evidence
17 assumes no increase in third party attachments resulting from the pole count survey. Any
18 increase in the number of third party attachments identified in the pole count survey will
19 increase the benefits associated with the new Joint-Use regime.¹

20
21 Secondly, it is expected that negotiations for new third party attachment rates will
22 commence later in 2011.² The analysis contained in the evidence assumes that rates
23 between third parties and Newfoundland Power will continue to be determined under the
24 current agreements through 2015. Any increase which might be negotiated over the next
25 year could increase the benefits associated with the new Joint-Use regime.³

26
27 Finally, the analysis contained in the Prefiled Evidence does not assume any further co-
28 operative construction, inspection or maintenance activities between Newfoundland
29 Power and Bell Aliant past 2012.⁴ Newfoundland Power expects that some co-operative
30 arrangements might well be negotiated for this period. Any co-operative arrangements
31 negotiated with Bell Aliant respecting Joint-Use of Support Structures which reduce
32 Newfoundland Power's costs beyond 2012, will increase the benefits associated with the
33 new Joint-Use regime from that indicated in the evidence.

34
35 These potential benefits have not been included in the analysis contained in the Prefiled
36 Evidence supporting the Application because the potential benefits were not sufficiently
37 certain at the time of filing the Application nor are they certain at the current time.

¹ Based on 7% of the poles surveyed to date in the pole count survey, there appears to be an increase in the number of poles to where 3rd parties are attached. Should the pole count survey continue to confirm increased attachments at the rate indicated to date, then Newfoundland Power's revenue from 3rd parties (and the associated benefit to customers) could increase by as much as \$500,000 per year under the new Joint Use regime.

² See Prefiled Evidence, Page 11, footnote 28.

³ For example, if Newfoundland Power were to agree to a rate for 3rd party attachments equivalent to the \$18.53 charged by Bell Aliant, the benefit to customers, in addition to that indicated in the evidence, would be approximately \$200,000 per year.

⁴ As indicated in the Prefiled Evidence, Page 10, lines 1 to 3 and footnote 25, Newfoundland Power has agreed to perform certain work for Bell Aliant through 2012.