

1 **Q. What service benefits to current or future Newfoundland Power customers,**
2 **resulting from the sale of support structures, have been identified by Newfoundland**
3 **Power?**

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5 A. Bell Aliant's 2001 sale of its Joint-Use Support Structures to Newfoundland Power and
6 the right of repurchase of 40% of Joint-Use Support Structures by Bell Aliant in 2011
7 were both terms of a single agreement negotiated between the parties.
8

9 Prior to 2001, construction and maintenance activities for Joint Use Support Structures
10 were shared between Newfoundland Power and Bell Aliant. Since 2001, these activities
11 have been the sole responsibility of Newfoundland Power and, as such, these activities
12 have been conducted in accordance with the Company's construction and maintenance
13 standards. The maintenance standards include inspection and emergency maintenance
14 requirements that can impact both the frequency and duration of power outages.
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16 There has been an overall trend of improved electrical system reliability over the past
17 decade.¹ It is a generally accepted engineering observation that electrical system
18 reliability is primarily influenced by the condition of the electrical system assets. This
19 includes, but is not limited to, the condition of Joint Use Support Structures.
20

21 To ensure electrical system reliability as it relates to Joint Use Support Structures is
22 maintained on a go forward basis, Newfoundland Power negotiated the 2011 Joint Use
23 Agreement ("2011 JUA") to ensure that the Joint Use Support Structures that are owned
24 by Bell Aliant will be constructed and maintained consistent with Newfoundland Power
25 standards.² In this manner, the 2011 JUA preserves the service benefits to customers that
26 were achieved through the 2001 Joint Use Facilities Partnership Agreement.

¹ See Chart 9, page 17, 2011 Capital Plan, filed in support of the Company's 2011 Capital Budget Application.

² See Sections 18, 19 and 20 of Schedule A to the 2011 Joint Use Agreement, Administrative Practices.