

Q. In Section 3.2 of the Evidence it is stated that no attachment rental fees will be paid by either Newfoundland Power or Bell Aliant under the proposed 2011 Joint Use Agreement. Provide financial analysis of estimated attachment rentals due from each party over the initial five-year term of the Agreement to support this statement.

A. A *pro-forma* financial analysis of estimated attachment rentals which would be due from Newfoundland Power and Bell Aliant over the five year term of the 2011 Joint Use Agreement is detailed in Table 1.

Table 1
Estimated Joint Use Support Structure
Attachment Rentals 2011 - 2015

	2011	2012	2013	2014	2015
Estimated Total Number of Joint Use Support Structures	234,588	237,728	240,868	244,008	247,148
Newfoundland Power-Owned Joint Use Support Structures (60% of Total)	140,753	142,637	144,521	146,405	148,289
Rental Rate Payable By Bell Aliant (\$) ¹	38.18	38.59	38.94	39.32	39.66
Rental Payable By Bell Aliant (\$000s)	5,373	5,504	5,628	5,757	5,881
Bell Aliant-Owned Joint Use Support Structures (40% of Total)	93,835	95,091	96,347	97,603	98,859
Rental Rate Payable By Newfoundland Power (\$) ²	57.27	57.89	58.41	58.98	59.48
Rental Payable By Newfoundland Power (\$000s)	5,373	5,504	5,628	5,757	5,881
Net Rental Payable	0	0	0	0	0

The estimated net attachment rental amount which would be due from Newfoundland Power and Bell Aliant is zero. This reflects the Joint Use cost sharing principle that there should be no economic advantage to either owners or tenants of Support Structures.

¹ The calculation of the 2011 total annual cost per pole of \$95.46 is found in Table 1 of the Response to Request for Information PUB-NP-46. 40% of this amount, or \$38.18, represents Bell Aliant's portion of the 2011 total annual cost of a Joint Use Support Structure.

² The calculation of the 2011 total annual cost per pole of \$95.46 is found in Table 1 of the Response to Request for Information PUB-NP-46. 60% of this amount, or \$57.27, represents Newfoundland Power's portion of the 2011 total annual cost of a Joint Use Support Structure.