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1 Q. 2012 Capital Budget, Schedule B, pg. 30 of 90, Extensions (Pooled), \$10,326,000 2 2012 Capital Budget, Schedule B, pg. 43 of 90, Reconstruction (Pooled), \$2,861,000 3 2012 Capital Budget, Schedule B, pg. 48 of 90, Relocate/Replace Distribution Lines for Third Parties (Pooled), \$2,205,000 4 5 6 In each of the above projects NP notes that an adjustment has been made to 7 recognize the impact of the sale of 40% of joint use support structures to Bell Aliant. 8 With the issuance of Board Order No. P.U. 17(2011), will NP file a revised 2012 9 Capital Budget with the appropriate adjustments? 10 At this time Newfoundland Power does not intend to file a revised 2012 Capital Budget 11 A. 12 Application as a result of the issuance of Board Order No. P.U. 17 (2011). The nature 13 and justification of the noted projects remain unchanged. 14 15 The Company would anticipate that additional capital expenditures which may arise as a 16 result of Board Order No. P.U. 17 (2011) would be reported as variances to the 2012 Capital Budget, if approved by the Board as filed.¹ 17 18 19 Newfoundland Power currently expects to file an application requesting that the Board 20 re-open and/or re-hear its application with respect to the sale of 40% of Joint Use support

structures to Bell Aliant, in order to receive further evidence on this matter.

A reduction in the Company's 2012 capital expenditures of approximately \$3.5 million was estimated related to the installation of fewer joint use support structures in future years. Please see Exhibit 8 filed with the application for the sale of 40% of joint use support structures to Bell Aliant on February 4, 2011.