

1 **Q. Please provide the details and the rationale for the adjustment that has been made**
2 **to the capital expenditure history from 2008 to 2012F shown in Table 2, pg. 49 of**
3 **Schedule B.**

4
5 A. Expenditure required under Rebuild Distribution Lines is estimated based on average
6 historical expenditure over the prior five years. For 2013 the estimate was based on
7 actual expenditures for the period 2008 to 2011 and forecast expenditure for 2012.

8
9 At year end 2010 Newfoundland Power sold 40% of its jointly used poles to Bell Aliant.
10 From 2011 forward Bell Aliant is responsible for installing 40% of the poles required
11 under the Rebuild Distribution Lines project. To properly project the 2013
12 Newfoundland Power cost associated the Rebuild Distribution Lines project it was
13 necessary to adjust the actual data for 2008 to 2010 to exclude 40% of the pole cost. The
14 adjustments made are shown in Table 1 below:
15
16

Table 1
Adjustments to Rebuild
Distribution Lines
(\$000s)

<u>2008</u>	<u>2009</u>	<u>2010</u>
(400)	(185)	(140)