

1 **Volume 1, Section 2 – Customer Operations (sic)***
2

3 **Q. (page 46, lines 9-10) “Increases in engineering services being provided under**
4 **contract with Aliant Telecom Inc. and Persona Communications Inc. also**
5 **contributed to growth in other revenue since 2002.” Please provide these contracts**
6 **as presently in force and provide the number of hours since 2002 to 2008 (f) that has**
7 **been spent (and is forecasted to be spent) by NP personnel in relation to the same.**
8 **Please demonstrate the benefit to NP’s ratepayers of this arrangement.**

9
10 A. Attachment A is the Provisioning Services Partnership Agreement between
11 Newfoundland Power and Aliant Telecom Inc.

12
13 Attachment B is the Pole Rental Agreement between Newfoundland Power and Regional
14 Cable TV Inc., now Persona Inc. Clause 4 of this agreement covers the engineering
15 services provisioning arrangement.

16
17 Table 1 provides the hours spent on Telecommunications work from 2002 to 2008F.
18

Table 1

**Engineering Services Hours
By
Telecommunications Company**

Year	Aliant	Persona
2002	868	44
2003	5,359	194
2004	5,406	859
2005	3,424	1,151 ¹
2006	3,313	4,515 ¹
2007F	3,300	4,500 ¹
2008F	3,300	500

19
20 The benefit to the customers of Newfoundland Power consists of two principal aspects:

21
22 Firstly, Aliant and Persona pay for the engineering services provided by Newfoundland
23 Power employees. The revenue so derived reduces the revenue that would otherwise be
24 required from customers through electricity rates.

25
26 *Refer to Volume 1, Section 3 – Finance.

¹ The increase in 2005 through 2007F is principally the result of the Persona cross island fibre installation project which is expected to be completed in 2007.

1 Secondly, there are significant efficiencies in having a single entity responsible for the
2 design and execution of poles and wires work. Prior to the agreements with Aliant and
3 Persona, a relatively simple project such as the relocation of a single pole involved the
4 coordination of the work by engineering staff at all three service providers. These
5 administrative efforts created delays and added no value to the work, and also imposed
6 additional costs that had to be recovered from the customers of all three entities.

**Provisioning Services Partnership Agreement
Between Newfoundland Power and Aliant Telecom Inc.**

PROVISIONING SERVICES PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of the 1st day of September, 2002,

BETWEEN:

ALIANTELECOM INC., a corporation amalgamated
under the laws of Canada,

("Aliant")

- and -

NEWFOUNDLAND POWER INC., a corporation incorporated
under the laws of the Province of Newfoundland and Labrador,

("NP")

WHEREAS the parties entered into to a Joint Use Facilities Partnership Agreement dated as of the 1st day of January, 2001 (the "JUFPA") pursuant to which NP, as owner of the Support Structures used jointly by the parties, shall construct, operate and maintain, and provide all related administration with respect to all existing and future joint use Support Structure requirements of Aliant in the operating territory of NP on the island portion of the Province;

AND WHEREAS by a Non Joint Use Facilities Partnership Agreement dated as of the 1st day of January, 2001 (the "NJUFPA") and made between Aliant and 11003 Newfoundland Inc., as assigned to Fortis Inc. ("Fortis"), Fortis, as owner of the Support Structures not used jointly by the parties, shall construct, operate and maintain, and provide all related administration with respect to all existing and future non joint use Support Structures requirements of Aliant on the island portion of the Province;

AND WHEREAS pursuant to the JUFPA and the NJUFPA (collectively, the "FPA"), Aliant is responsible for its Provisioning Services;

AND WHEREAS Aliant wishes to engage NP as an independent contractor in respect of the Provisioning Services to undertake, perform, satisfy and fulfill the duties, responsibilities and obligations as required or requested from time to time by Aliant as set forth in Schedule A, and NP has agreed to such engagement, all on the terms and subject to the conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the respective covenants, undertakings, promises and agreements of each party and the sum of \$1.00

paid by each party to the other (the receipt and sufficiency of which is acknowledged by each party), the parties agree as follows:

ARTICLE 1 DEFINITIONS

- 1.1 The following definitions shall apply in this Agreement and the Schedules unless the context clearly requires otherwise:
- (a) **“Agreement, this Agreement, the Agreement”** means this Provisioning Services Partnership Agreement and may be alternatively referred to as the PSPA;
 - (b) **“Attachment”** means any cable, wire, material, apparatus or fixture attached to a support structure but does not include materials required to provide underground service;
 - (c) **“Business Day”** means any day, other than a Saturday or a Sunday or a statutory or civic holiday, on which major chartered banks in the Province are open for business;
 - (d) **“Construction Practices”** means the construction practices attached to and forming part of the administrative practices of the JUFPA or the NJUFPA, as the case may be, as amended from time to time by the parties;
 - (e) **“Effective Date”** means the first day of September, 2002;
 - (f) **“Make Ready”** means the work required to prepare existing support structures for the installation of new Attachments;
 - (g) **“Province”** means the Province of Newfoundland and Labrador;
 - (h) **“Provision, Provisioning”** means detail or detailing requirements for construction of Aliant facilities;
 - (i) **“Provisioning Services”** means the duties, responsibilities and obligations to be performed by NP, at the request of Aliant, pursuant to this Agreement, as more fully described in Schedule A of this Agreement which Schedule A may be amended from time to time by the parties in accordance with this Agreement;
 - (j) **“Provisioning Services Committee”** means the committee established to oversee the implementation and supply of Provisioning Services pursuant to this Agreement and having the duties and responsibilities more fully set out in this Agreement;
 - (k) **“PSPA”** means this Provisioning Services Partnership Agreement;

- (l) **“Rural”** means an area which is not Urban;
- (m) **“Service Rate”** means the rate for the Provisioning Services, as more fully described in Schedule B of this Agreement;
- (n) **“Service Territory”** means: (1) with respect to Support Structures jointly used by the parties, the operating territory of NP on the island portion of the Province; and (2) with respect to Support Structures not jointly used by the parties, the island portion of the Province;
- (o) **“Standard Processing Time”** means the standard time for completion of Aliant work requests, made pursuant to a Support Structure Work Request Form, as more fully described in Section 2.4 of Schedule A of this Agreement;
- (p) **“Standard Service Rate”** means the standard hourly rate at which NP shall perform the Provisioning Services, as more fully described in Schedule B of this Agreement;
- (q) **“Support Structures”** means poles, anchors, guys, grounding systems, pole cribs and related hardware owned by NP to which Aliant is attached or intends to attach;
- (r) **“Support Structures Committee”** means the committee established by the parties pursuant to the FPA;
- (s) **“Support Structure Work Request Form”** means the form upon which a request is made by Aliant for the supply of Provisioning Services pursuant to this Agreement; and
- (t) **“Urban”** means an area within thirty (30) kilometres of NP’s regional engineering offices in Stephenville, Corner Brook, Grand Falls, Gander, Clarenville, Salt Pond, Carbonear and St. John’s, or such other places as may be added or deleted as regional engineering offices by NP from time to time.

ARTICLE 2 APPOINTMENT OF NP AND TERM

2.1 Appointment.

- (a) Aliant appoints and retains NP to undertake, perform, satisfy and fulfill or to cause to be undertaken, performed, satisfied and fulfilled the duties, responsibilities and obligations described in Schedule A on the terms and subject to the conditions of this Agreement.
- (b) This appointment shall in no way prevent Aliant from:

- i) utilizing its own employees to perform the Provisioning Services for the purpose of skills retention, training or quality control; or
 - ii) intervening and acting on its own behalf when dealing with certain customer work or work involving complex designs.
- (c) In the event that NP is unable to perform the Provisioning Services in the timeframes specified by Aliant, or at all, or at the Standard Service Rate, Aliant may use its own or other resources to perform the Provisioning Services.
- (d) It is understood that from time to time Aliant may require a shorter response time than the Standard Processing Time due to the nature of the work requested in the Support Structure Work Request Form. In such cases, Aliant shall specifically indicate the required response time at the time of the work request in the Support Structure Work Request Form, and NP shall determine its ability to comply in the time specified at the Standard Service Rate and shall immediately advise Aliant of the same. In the event that NP is unable to perform the work requested in the time specified by Aliant and at the Standard Service Rate, Aliant may use its own or other resources to provide the Provisioning Services.

2.2 Territory.

This Agreement is effective within the Service Territory and such other places on the island portion of the Province as Aliant may, from time to time, request.

2.3 Capacity of NP.

The parties acknowledge that Aliant is engaging NP as an independent contractor for the purpose of performance of the Provisioning Services in accordance with this Agreement, and for that purpose only, NP may act as an agent of Aliant.

2.4 Effective Date and Term.

This Agreement shall commence as of the Effective Date, and except as otherwise provided in this Agreement or as agreed by the parties in writing, shall continue for a period of five (5) years.

2.5 Additional Training

- (a) NP shall have its employees participate in such training in relation to outside plant Provisioning (the "Additional Training") as may be necessary to provide the Provisioning Services in accordance with this Agreement.

- (b) NP shall notify Aliant four (4) weeks in advance of any scheduled Additional Training and shall provide the opportunity for Aliant employees to participate in the Additional Training. Aliant shall pay to NP, in accordance with the terms of this Agreement, its proportional cost of the particular Additional Training that Aliant participates in based on the number of participants.

2.6 Termination

(a) Termination by NP

- (i) Upon default of payment for Provisioning Services or Additional Training pursuant to Clause 2.5(b) by Aliant, NP shall advise Aliant by written notice of the default, and subject to this Clause, if the default continues for thirty (30) days after written notice has been given, NP may, in addition to any other remedy it may have, elect to terminate this Agreement.
- (ii) Within thirty (30) days of the giving of written notice of default pursuant to Clause 2.6(a)(i), Aliant may forward to NP a written notice of dispute outlining the reason for non-payment, and the dispute shall then be dealt with by the Support Structures Committee. For greater certainty, when a notice of dispute is given in the requisite time frame, NP shall not exercise the right of termination of this Agreement as provided in Clause 2.6(a)(i).

(b) Termination by Aliant

- (i) Where NP defaults in the performance of any work which it is obligated to do under this Agreement or where the Provisioning Services are not performed in accordance with this Agreement, Aliant shall advise NP by written notice, and should the default or failure to perform in accordance with this Agreement continue for thirty (30) days after written notice has been given or such shorter period as may be reasonable in the event of an emergency, Aliant may use its own or other resources to perform or remedy the work. Any reasonable out of pocket expenses incurred by Aliant over and above the amount otherwise payable for the performance of the work under this Agreement shall be paid by NP to Aliant upon receipt of an invoice from Aliant.
- (ii) Where NP repeatedly defaults in the performance of any work which it is obligated to do under this Agreement or where the Provisioning Services are repeatedly not performed in accordance with this Agreement, Aliant may, in addition to any other remedy it may have, elect to immediately terminate this Agreement.

(c) Termination by Either Party

- (i) Notwithstanding any other provision of this Agreement, either party may terminate this Agreement at any time by providing at least six (6) months written notice to the other party. Subject to this Clause, should Aliant, without cause, terminate this Agreement in accordance with this Clause within twelve (12) months of the Effective Date, or if NP shall terminate this Agreement pursuant to Clause 2.6(a)(i) within twelve (12) months of the Effective Date, Aliant shall pay to NP the lesser of fifty percent (50%) of any external out-of-pocket training expenses incurred by NP for any Additional Training or the sum of forty thousand dollars (\$40,000). Any Additional Training pursuant to this Clause shall be directly related to the supply of the Provisioning Services and not beneficial to any service NP provides to itself or any customer other than Aliant. For greater clarity, after a period of twelve (12) months from the Effective Date has expired, Aliant shall have no obligation to reimburse NP in accordance with this Clause.
- (ii) If the parties are unable to mutually establish a Service Rate structure based on unit cost and/or percentage of project costs by September 1, 2003, either party may immediately terminate this Agreement.

(d) Saving Provision

Nothing contained in this Clause 2.6 shall affect any rights or obligations which either party may have under the *Public Utilities Act*, R.S.N.L 1990, c. P-47, as amended, or the *Telecommunications Act*, S.C. 1993, c. 38, as amended.

(e) Post Termination.

NP shall, within sixty (60) days after the date of termination of this Agreement, render a final accounting to Aliant and shall immediately surrender to Aliant all files, records, contracts and information that may be requested by Aliant in relation to this Agreement.

ARTICLE 3 RESPONSIBILITIES

3.1 NP's Responsibilities.

- (a) NP agrees, and Aliant authorizes NP at its request, to undertake, perform, satisfy and fulfill the duties, responsibilities and obligations described in Schedule A during the term of this Agreement and to enter into such contracts and agreements as agent of Aliant as may be necessary or advisable in the performance by NP of its duties, responsibilities and obligations under this Agreement. The parties

acknowledge that in the performance by NP of its duties and obligations under this Agreement, NP may, from time to time or at any time, retain or engage third parties to perform portions of the work required, provided that NP shall remain liable to Aliant for the performance of such work. NP shall obtain the written approval of Aliant prior to engaging any third party, whether a business or an individual, to do any such work and shall obtain from the third party a confidentiality agreement for the protection of Aliant in a form first approved in writing by Aliant.

- (b) NP shall carryout all Provisioning Services in accordance with current Aliant standards, guidelines and the Construction Practices with the exception of accepted practice variances that are pre-approved in writing by Aliant.
- (c) NP shall, upon the request of Aliant, provide such status reports as Aliant may require specifying costs incurred, invoicing details, work completed, anticipated timelines and such other information as Aliant may request with respect to the Provisioning Services.
- (d) NP acknowledges that in the performance of the Provisioning Services it may receive confidential and proprietary information. NP shall hold this information in trust for Aliant, which shall retain all proprietary interest in the information, and NP shall not disclose, demonstrate, reproduce or copy such information or communicate it, in whole or in part, to any other person or entity for any other purpose except as is necessary in the performance of this Agreement or with the express written consent of Aliant. NP shall advise its officers, employees and contractors of their obligations with respect to such information and shall be responsible to Aliant for the protection of such information.

3.2 Aliant's Responsibilities.

Aliant shall review all Provisioning sketches/drawings and Support Structure Work Request Forms and shall provide its response within the timeframes specified in this Agreement. Aliant shall provide NP with the latest standards and guidelines and shall ensure that NP has received updates on a timely basis as those updates are made.

3.3 Joint Aliant/NP Responsibilities.

- (a) The Provisioning Services Committee shall be composed of two members from each party. The Provisioning Services Committee shall oversee the implementation and supply of Provisioning Services pursuant to this Agreement and shall, when agreed upon by the Committee, recommend to the Support Structures Committee such revisions, amendments or replacements to Schedules A and B of this Agreement as may be advisable, from time to time. The Support Structures Committee shall be engaged to resolve disputes and review schedules

for approval referred to it by the Provisioning Services Committee. The Provisioning Services Committee shall:

- i) promote cooperation and co-ordinate Provisioning;
- ii) negotiate, where possible, a resolution to questions and problems which come under dispute in the performance of this Agreement;
- iii) *initiate reviews and modifications, as required, to the Schedules of this Agreement for Provisioning and to refer recommendations in respect of the same to the Support Structures Committee;*
- iv) *refer disputes which can not be resolved at its level to the Support Structures Committee; and*
- v) such other things as are necessary and advisable to carry out the terms and conditions of this Agreement.

3.4 Performance of Work.

- (a) NP shall perform the work contemplated in this Agreement in accordance with the procedures and processes set-out in Schedule A or such other procedures and processes as may be, from time to time, agreed upon in writing by the Provisioning Services Committee.
- (b) The parties may, from time to time, revise, amend or replace the Schedules to this Agreement upon the approval of the Support Structures Committee.

ARTICLE 4 ACCOUNTING

4.1 Accounting.

NP shall keep and maintain full, detailed and proper records of all financial transactions involved in the performance of NP's duties and obligations pursuant to this Agreement, and all such records shall be made available to Aliant and the auditors of Aliant or other designated representatives upon reasonable notice and at reasonable times whenever requested.

ARTICLE 5 COMPENSATION

5.1 Service Rates.

- (a) For the supply of the Provisioning Services, Aliant shall compensate NP at the Service Rates. NP shall invoice Aliant, for the Service Rates applicable to the Provisioning Services provided and for any Additional Training in which Aliant employees are involved, on a calendar monthly basis by forwarding any invoices to the Aliant area manager for the area in which the work or Additional Training was completed. Subject to Clause 2.6, Aliant shall pay the invoiced amount within sixty (60) days of receipt of an invoice in accordance with this Clause. Aliant shall be responsible for, and pay as appropriate, any taxes applicable to the Service Rates, including harmonized sales tax.

- (b) Where Aliant specifically requests the performance of Provisioning Services outside normal hours of business on Business Days, NP may perform the same at a Service Rate in excess of the Standard Service Rate, as provided in Schedule B, provided that Aliant has given its prior written approval of the Service Rate to be charged.

ARTICLE 6 LIABILITIES AND DAMAGES

6.1 Losses

- (a) NP shall save, defend, keep harmless and fully indemnify Aliant from and against all claims, demands, proceedings, losses, damages, liabilities and costs, including, without limitation, reasonable solicitor's fees on a solicitor and client basis and other disbursements, costs, interest and expenses which Aliant may sustain or be put to on account of injury to or death of any person or persons, or damage to or destruction of any of the property of Aliant or of any other person, arising out of or in respect of fault or negligence on the part of NP, or any person on its behalf, with respect to the performance of the Provisioning Services or the failure to perform the Provisioning Services, otherwise than in accordance with the terms of this Agreement.

- (b) Notwithstanding the above, Aliant shall save, defend, keep harmless and fully indemnify NP from and against all claims, demands, proceedings, losses, damages, liabilities and costs, including, without limitation, reasonable solicitor's fees on a solicitor and client basis and other disbursements, costs, interest and expenses which NP may sustain or be put to on account of injury to or death of any person or persons, or damage to or destruction of any of the property of NP or of any other person, arising out of or in respect of fault or negligence on the part

of Aliant with respect to the preparation or updating of the standards or guidelines referred to in Clause 3.2.

- (c) Other than as provided in this Agreement, neither party shall be liable to the other for any costs, damages or Losses arising in the performance of the Provisioning Services, as a result of the termination of this Agreement or otherwise.
- (d) Whenever any liability is proven against either or both of the parties for injury to or the death of any person, including employees of either party, for damages to any property or for any other damages or injuries arising out of the provision of the Provisioning Services, the liability for such damages, except as otherwise provided in this Agreement, shall be shared by the parties in the same proportion that their negligence contributed to the Losses.
- (e) Where the parties are unable to agree upon the proportion of liability, the issue of the apportionment of liability shall be decided by arbitration as provided in Article 7.

ARTICLE 7 DISPUTE RESOLUTION

7.1 Disputes

- (a) Where any dispute or differences arises as to any matter or thing related to or in respect of this Agreement, such dispute or difference shall be first referred to the Provisioning Services Committee for resolution. In the event the Provisioning Services Committee is unable to resolve the dispute within thirty (30) Business Days of the referral, the dispute or difference shall be referred to the Support Structures Committee for resolution. In the event the Support Structures Committee is unable to resolve the dispute within thirty (30) Business Days of the referral, the dispute or difference shall be referred to arbitration in accordance with the provisions of the *Arbitration Act*, R.S.N.L, 1990, c. A-14, as amended, and shall be submitted to a sole arbitrator agreed upon between the parties. The decision of the arbitrator shall be final and binding upon the parties.
- (b) Where the parties are unable to agree upon a sole arbitrator within seven (7) Business Days of one party giving written notice to the other Party, the dispute or difference shall be referred to three (3) arbitrators. Each party shall appoint One (1) arbitrator, and the remaining arbitrator, who shall be chairman, shall be selected by the arbitrators appointed. The decision of any two (2) arbitrators shall be final and binding upon the parties.

- (c) Except where the arbitrator determines that a different disposition is appropriate, the cost of arbitration of a matter referred to arbitration shall be borne equally by the parties.
- (d) Time is of the essence in respect of this Agreement, and any matter referred to arbitration in accordance with this Agreement shall be determined and adjudicated upon as soon as is reasonably possible.

**ARTICLE 8
ASSIGNMENT**

8.1 Assignment of Agreement by Aliant.

Aliant may assign this Agreement, without the consent of NP, to an affiliate, associate, parent or subsidiary of Aliant, provided that the assignee shall be bound by the terms and conditions of this Agreement. In any other case, neither party may assign its rights or obligations under this Agreement without having first obtained the prior written consent of the other party.

**ARTICLE 9
GENERAL CONTRACT PROVISIONS**

9.1 Notices.

With the exception of Support Structure Work Request Forms, which shall be exchanged between the applicable area manager, on behalf of Aliant, and the appropriate NP technician, on behalf of NP, any notice required to be given under this Agreement shall be in writing and shall be sufficiently given if sent by facsimile transmission or delivered by hand and addressed as follows:

if to Aliant	Aliant Telecom Inc. Fort William Building 10 Factory Lane P.O. Box 2110 St. John's, NF A1C 5H6 Attention: Corporate Secretary or Assistant Corporate Secretary Facsimile: (709) 739-2046
if to NP	Newfoundland Power Inc. 55 Kenmount Road P.O. Box 8910 St. John's, NF

A1C 5H6
Attention: Corporate Secretary
Facsimile: (709) 737-5300

Each party shall inform the other in writing of any changes in the applicable addresses or contact persons for the notices pursuant to this Clause, failing which any notice given by either party to the other shall be deemed to be properly and adequately given if given in accordance with this Clause 9.1.

9.2 Confidentiality

Each party shall keep in strict confidence the terms of this Agreement along with any information of a confidential nature relating to the performance of this Agreement. Neither party shall disclose, show, demonstrate, reproduce or copy any confidential information or communicate it for any purpose other than as specified in this Agreement or as expressly authorized in writing by the party disclosing such confidential information. The parties shall advise their employees receiving this Agreement or any confidential information pursuant to this Agreement of their obligations and shall protect this Agreement and any confidential information received in furtherance of this Agreement from any manner of unauthorized disclosure.

9.3 Additional Consideration.

The parties shall do such further acts and execute such further instruments as may be necessary or desirable to give full effect to this Agreement.

9.4 Counterparts.

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

9.5 Time of the Essence.

Time shall be of the essence of this Agreement and no extension or variation of this Agreement shall operate as a waiver of this provision.

9.6 Entire Agreement.

This Agreement constitutes the entire agreement between the parties with respect to all of the matters specified in this Agreement, and its execution has not been induced by, nor do either of the parties rely upon or regard as material, any representations or writings not incorporated into and made a part of this Agreement. This Agreement may not be

amended or modified in any respect except by written instrument signed by the parties in accordance with the terms of this Agreement.

9.7 Enurement.

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

9.8 Currency.

Unless otherwise provided in this Agreement, all monetary amounts shall refer to the lawful money of Canada.

9.9 Headings for Convenience Only.

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

9.10 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province and the applicable federal laws of Canada and each party agrees irrevocably to conform to the jurisdiction of the applicable Courts.

9.11 Gender.

In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

9.12 Calculation of Time.

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the next Business Day.

9.13 Legislation References.

Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body ("Legislation") shall be

construed as a reference to the Legislation as amended or re-enacted from time to time or as a reference to any successor to the Legislation.

9.14 Severability.

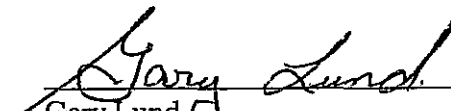
If any Article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid or any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, section or portion shall be severed from the remainder of this Agreement.

9.15 Transmission by Facsimile.

The parties agree that this Agreement may be transmitted by facsimile or such other similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals, and each party undertakes to provide other party with a copy of the Agreement bearing original signatures forthwith upon demand.

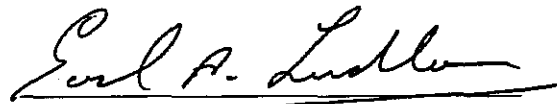
IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first before written.

ALIANTELECOM INC.



Gary Lund
Chief Technology Officer

NEWFOUNDLAND POWER INC.



Earl A. Ludlow,
V. P. - Operations and Engineering

SCHEDULE A
PROVISIONING SERVICES TO BE PROVIDED

1.0 Scope of Work

Newfoundland Power shall provide Provisioning Services to Aliant on the island portion of Newfoundland and Labrador as required or requested by Aliant from time to time.

More specifically this may include but is not limited to:

Field Services

- Representing both the interests of Newfoundland Power and Aliant Telecom in customer/developer field meetings.
- Gathering all information in the field to complete both the electrical and communications requirements for new customers and other projects. This will include both underground and aerial installations.
- Field survey information for non-customer driven work including but not limited to reconstruction projects and relocations for municipalities, Department of Works, Services and Transportation - Highways and others.
- Gathering data for underground cable installations, i.e. spare duct, racking & stubbing, inner-duct requirements.
- Gathering information for direct buried installations. This will include routing and obstacles and verification of existing cable locations.
- Make Ready assessments for third party Attachments.
- Communication service locations including telephone room requirements.
- Common Electrical – Communication project aspects such as clearances, tree trimming etc.

Provisioning Services

- Provision based on Aliant standards including
 - Cable sizing (copper and fibre)
 - Gauging per Aliant standards
 - Loading requirements
 - Sizing per Aliant standards
 - Terminal locations and assignable count sections
- Interface requirements
- Communication room requirements
- Sizing and routing of building entrance cables
- Cable pair allocation
- Fibre cable splice locations and backlash requirements
- Current planning (3 – 6 month view). Provisions should meet current and future needs.

2.0 Workflow

2.1 General Guidelines

- The Support Structure Work Request Form and flowcharts, which were jointly developed by NP and Aliant, will be followed and used by both parties and updated as required to meet the requirements of both the FPA and the PSPA.
- All work is initiated and workflows between NP and Aliant shall be documented using a Support Structure Work Request form.
- A completed Support Structure Work Request Form signed by a technician of NP and an Aliant EAM constitutes authorization to do work.
- A Support Structure Work Request Form is to be prepared for all projects. The party initiating the work prepares the Support Structure Work Request Form.
- Consistent process island wide is key to the success of this initiative.
- NP and Aliant shall follow the flowcharts for most major activities.

2.2 Process Initiation

- The requirement for Provisioning Services is driven from the following sources and can be initiated by either NP or Aliant:
 - New customers and other customer requests
 - Planned upgrades
 - Third party relocations
 - Third party Attachments to Support Structures
 - Emergencies

2.3 Required Information and Data

- If required, supporting drawings and photographs are to be forwarded with the Support Structure Work Request Form.
- A file will be maintained for each project and will include the Support Structure Work Request Form, the job sheet and/or drawing and the invoicing information.

2.4 Processing Time for Work Requests

The following table is to be used as a guideline for response times for completion of work requested by Aliant.

# Pole Attachments	Location	Completion Time (Pole work not req'd)	Completion Time (Pole work req'd)
1 – 10	Urban	3 Business Days	5 Business Days
11 – 50	Urban	5 Business Days	10 Business Days
1 – 10	Rural	5 Business Days	10 Business Days
11 – 50	Rural	10 Business Days	15 Business Days
Greater than 50	Urban or Rural	15 Business Days	20 Business Days

- All Support Structure Work Request Forms forwarded to Aliant for review and approval shall be returned to NP within five (5) Business Days. Aliant shall respond to all Support Structure Work Request Forms, regardless of the answer. If NP does not receive a response within five (5) Business Days from the date of Aliant's receipt of the Support Structure Work Request Form, NP may construct the pole line as designed. Aliant's Provisioning will not be part of that project.

SCHEDULE B
SERVICE RATES

1. NP shall perform Provisioning Services pursuant to this Agreement at the rates outlined below. All rates are expressed as a rate per person hour:

STANDARD HOURLY RATES

- Clerical work \$37.00 per hour
- Technical work \$75.00 per hour

OVERTIME-HOURLY RATES

- Technical work \$104.00 per hour *

* Subject to Clause 2.1, specific requests by Aliant for NP to perform work as defined in Schedule A outside the normal days and hours of business will be completed at a rate of \$104.00 per person hour. Before the overtime-hourly rate is charged to Aliant, NP shall indicate that in order to complete the work in the timeframe requested by Aliant, NP shall have to perform the work at the overtime-hourly rate. The overtime-hourly rate will only be applied when it is pre approved in writing by Aliant.

2. The rates in this Schedule shall be reviewed by the Support Structures Committee on an annual basis and adjustments shall be made as required using the form attached as Exhibit A.
3. Both NP and Aliant will make best efforts to develop a subsequent service rate structure that is based on unit costs and/or percentage of project costs to replace the defined hourly rate structure and such rates shall be put in place as soon as possible but in any case no later than September 1, 2003. Once established, this new rate structure will be reviewed by the Support Structures Committee annually and adjusted as required. If a service rate structure that is based on unit costs and/or percentage of project costs has not been established by September 1, 2003, this agreement may be terminated by either party in accordance with Clause 2.6(c)(ii).

EXHIBIT A

SERVICE RATES FOR PROVISIONING SERVICES

The Service Rates for Provisioning Services for the period _____ to _____ shall be:

STANDARD HOURLY RATE

- Clerical Work \$ _____
- Technical Work \$ _____

OVERTIME HOURLY RATES

- Technical Work \$ _____

ALANT TELECOM INC.

NEWFOUNDLAND POWER INC.

Date: _____

Date: _____

Note: Entries on this page intentionally blank

**Pole Rental Agreement between
Newfoundland Power and Persona Inc.**

SCHEDULE "A"

POLE RENTAL AGREEMENT

BETWEEN

NEWFOUNDLAND LIGHT & POWER CO. LTD.

AND

REGIONAL CABLE TV INC.

POLE RENTAL AGREEMENT
BETWEEN
NEWFOUNDLAND LIGHT & POWER CO. LIMITED
AND
REGIONAL CABLE TV INC.

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THIS AGREEMENT made as of the 1st day of July, 1996,

BETWEEN: **NEWFOUNDLAND LIGHT & POWER CO. LIMITED**

A body corporate organized under the laws of the Province of Newfoundland having its head office at St. John's, Newfoundland,

(hereinafter called the "Power Company")

of the one part

AND: **REGIONAL CABLE TV INC.**

A body corporate organized under the laws of Canada and having its registered office at St. John's, Newfoundland.

(hereinafter called the "Licensee")

of the other part

WHEREAS

- (a) The Power Company installs, operates and maintains poles for the distribution of electricity within the Province of Newfoundland; and
- (b) The Licensee has and may acquire one or more licenses from the CRTC and other regulatory authorities, granting it permission to provide cable television and other communications services in the respective areas of the Province of Newfoundland named in such license(s), the Licensee being duly incorporated under the laws of the Province of Newfoundland or authorized to carry on business within the said province; and
- (c) The Licensee has requested that the Power Company grant a license to attach to certain of the Poles, its Facilities, in order to furnish cable television and other communications services to its subscribers and customers; and
- (d) The Power Company is willing to license and permit the placement of the Facilities on the Poles subject to the terms and conditions contained herein.

NOW THEREFORE:

In consideration of the premises and the covenants, provisions and agreements herein contained to be performed and of the payments to be made as hereinafter provided, the parties hereto mutually agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

The following terms and expression shall have, for all purposes of this agreement, the meanings as set forth below:

- (a) **"Agreement"** means this agreement.
- (b) **"Article", "Section", "Subsection",** or other subdivision of this Agreement followed by a number means and refers to the specified Article, Section, Subsection or other subdivision of this Agreement.
- (c) **"Board of Commissioners of Public Utilities"** means a Board of Commissioners of Public Utilities as constituted pursuant to the Public Utilities Act.
- (d) **"Business of the Licensee"** means the cable television and other communication services as may now or hereafter be provided by the Licensee.
- (e) **"Communication Space"** means that portion of the Pole that is suitable for attachment of all or portions of the Facilities and provides at a minimum the separation required by the standards of construction and maintenance as specified in Schedule 1 attached *hereto*.
- (f) **"CPI"** means all items consumer price index for the Province of Newfoundland.
- (g) **"CRTC"** means the Canadian Radio - television and Telecommunications Commission as constituted pursuant to the Canadian Radio-television and Telecommunications Act.
- (h) **"Facilities"** mean messenger, strand, fibre, cable, equipment, subscriber drops and other associated hardware and equipment owned by the Licensee and as is or may be used in the Business of the Licensee.
- (i) **"Hereof", "hereto", "herein" and "hereunder"** and similar expressions mean and refer to this Agreement and not to any particular Article, Section, Subsection or other Subdivision.
- (j) **"Original Term"** means the period from the date of this Agreement until and including December 31, 1999.
- (k) **"Poles"** means all of the poles (other than non-wood poles that are used exclusively for street and area lighting), guys, anchors and pole grounds installed or acquired, operated, maintained and wholly owned by the Power Company for the distribution of electricity within the Province of Newfoundland.
- (l) **"Public Utilities Act"** means the *Public Utilities Act*, R.S.N. 1990, C. P-47, as amended from time to time.

- (m) **"Stipulated Percentage"** means the percentage rate contemplated in Subsection 15.04 hereof, and as prescribed in Schedule 4 hereof.
- (n) **"Subsequent Term"** means a period starting on the 1st day of January of a calendar year and ending on the 31st day of December of the same calendar year, the first such period beginning on the 1st day of January, 2000.
- (o) **"Termination Notice"** means a notice in writing given by a party to the other party at least 60 days prior to the expiry of the Original Term or a Subsequent Term, as the case may be, stating that the Agreement shall be terminated on the last day of the Term.
- (p) **"Term"** shall mean Original Term or Subsequent Term, or both, as the context requires.

1.02 **Gender and Number**

Any reference in this Agreement to gender shall include all genders, any words importing the singular number only shall include the plural and vice versa.

1.03 **Headings**

The provision of an Index, the division of this Agreement into Articles, Sections, Subsections and other Subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.

1.04 **Enforceability**

Any Article, Section, Subsection or other Subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed from this Agreement and be ineffective only to the extent of such illegality, invalidity or unenforceability and shall not affect or impair remaining provisions hereof.

1.05 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions whether oral or written, of the parties. There are no representations, warranties, conditions or other agreements, expressed or implied, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth herein or in the agreements referred to in the preceding sentence. This Agreement was negotiated through joint discussions and participation of the parties and shall be construed neither against nor in favor of any of them, but rather in accordance with its fair meaning.

1.06 **Termination of Prior Agreements**

Save for this Agreement, all written agreements pertaining to the subject matter hereof, are hereby terminated effective from and after the date of this Agreement.

1.07 Schedules

All Schedules hereto, as modified, amended, replaced, supplemented or added at a later date, in accordance with this Agreement, shall be part and parcel of this Agreement.

1.08 Amendment

This Agreement and the Schedules attached hereto may not be modified or amended except by instrument in writing signed by all parties hereto.

1.09 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Newfoundland and laws applicable therein.

1.10 Waivers

No waiver by a party of any breach of any term, condition, covenant, obligation or agreement of the other party hereunder shall be a waiver of any subsequent breach of the same or of any other term, condition, covenant, obligation or agreement herein contained, nor shall any failure or forbearance to enforce or insist upon compliance with any of the terms, conditions, covenants, obligations or agreements herein or to seek a remedy for any breach be a waiver of any rights or remedies with respect to any subsequent breach. Any such waiver must be in writing to be effective.

ARTICLE 2 - TERRITORIES AND SCOPE OF AGREEMENT

- 2.01 This Agreement is effective within any area in the Province of Newfoundland where the Licensee presently or in the future carries on its Business, and shall apply only to the Business of the Licensee and shall cover all such Poles of the Power Company now existing or hereafter erected or acquired in the above territory(ies).

ARTICLE 3 - STANDARDS OF CONSTRUCTION AND MAINTENANCE

- 3.01 The Facilities shall be placed within the Communication Space and maintained, as a minimum, in accordance with the requirements and specifications contained in Schedule 1 attached hereto. Those requirements and specifications may be replaced or amended from time to time by any binding revision of the Canadian Standards Association or by other governing body having binding jurisdiction to do so providing such replacement or amendment shall not be binding until such time the Licensee receives written notice thereof from the Power Company. Specifications may be replaced or amended by the Power Company from time to time provided that no such replacement or amendment shall be binding on the Licensee until such time as the Licensee provides written consent.

ARTICLE 4 - ATTACHMENTS TO POLES

- 4.01 Subject to the terms and conditions of this Agreement, the Power Company hereby grants a license to the Licensee to place its Facilities on the Poles, and to the extent permitted by law or by contract, access to the Poles over and the right to use for anchors and the like all lands, rights of way, easements and any other rights of access now owned or hereafter acquired by the Power Company with respect to the Poles. Whenever the Power Company acquires a future right of access, right of way or easement, the Power Company will endeavour to include therein the right of the Power Company to license any benefits thereunder to a licensee of the Power Company, subject to any and all applicable restrictions and obligations.
- 4.02 The Licensee is not required to submit a formal application to the Power Company prior to placing Facilities on the Poles. However, with the exception of subscriber drops, where the Licensee places new strand, makes a substantial modification of its existing Facilities or where the Licensee makes a substantial addition of Facilities to the Poles, such that the modification or addition could reasonably be seen as having a material impact upon the safety or stability of the Pole(s), then the Licensee shall notify the Power Company prior to such modification or addition and shall provide to the Power Company all technical and engineering information as the Power Company shall reasonably require, prior to making such substantial modification or substantial addition.
- 4.03 The Power Company shall have the right to carry out any engineering work, including but not limited to inspections or re-inspections, with respect to future installation of the Licensee's Facilities and the Licensee shall, at its expense, correct or remedy any improper or unsafe installation of its Facilities as may be determined by any such engineering work, inspection or re-inspection. The Licensee shall reimburse the Power Company for any reasonable cost incurred as a result of the Power Company having to provide new or additional engineering services in relation to future attachments by the Licensee. When requested to do so by the Licensee the Power Company shall, whenever possible, carry out engineering, and the Licensee shall reimburse the Power Company for the reasonable costs incurred, provided that such request relates only to repair, maintenance or incidental extension of the Licensee's Facilities.
- 4.04 Where other facilities already exist within the Communication Space or where reasonably requested to do so by the Power Company, the Licensee agrees to consult the owner of such other facilities and to observe any existing rights which they have been given as a result of being a tenant on the Pole.
- 4.05 The Licensee shall, with respect to all Facilities and its operations using the Poles secure any and all consents from any authority having jurisdiction with respect thereto and shall make reasonable efforts to obtain approval from owner(s) affected by the installation and/or maintenance of Licensee's Facilities on the Pole(s) of the Power Company.
- 4.06 The granting of permission by the Power Company to affix Facilities to the Poles shall not be construed as implying that the Licensee has complied with Article 4.05.

ARTICLE 5 - NO DETRIMENT TO PRESENT OR FUTURE SERVICE

- 5.01 The Licensee agrees that the installation of the Facilities shall be carried out in such a manner so as not to result in any substantial detriment to the service rendered or to be rendered by any other user of the Poles.
- 5.02 If, as a direct result of the installation of Facilities, additional anchoring or guying is required to support the Poles, in accordance with established and applicable standards, such anchors or guys shall be installed prior to attachment of the Facilities by the Licensee, at its cost and to the reasonable satisfaction of the Power Company. The Licensee and the Power Company agree that attachment to certain of the Poles is not reasonable or practical given either the physical or engineering constraints of the particular Pole. In all such cases, the Power Company will cooperate with the Licensee in identifying reasonable alternative routing for the Licensee's Facilities.

ARTICLE 6 - IMPROPER PLACEMENT OF ATTACHMENTS

- 6.01 If the Power Company reasonably determines that the Facilities are not being or have not been placed in accordance with Article 3, 4 and 5 of this Agreement, the Power Company may require the Licensee, by giving 45 days written notice to the Licensee, to make such changes as are reasonably necessary to meet the requirements of this Agreement. If in the reasonable judgement of the Power Company the improper placement of Facilities poses an immediate threat to safety or integrity of the Pole(s) then the Licensee shall respond immediately to make such changes necessary to meet the requirements of this Agreement. In the event that the improper placement of the Facilities by the Licensee necessitates the Power Company to carry out work to enable the Licensee to meet the requirements of this Agreement, the conditions of Article 7 shall apply.

ARTICLE 7 - POLE INSTALLATIONS, REPLACEMENTS AND REARRANGEMENTS

- 7.01 If the placement of the Facilities causes, in the reasonable opinion of the Power Company and the Licensee, the installation, replacement or relocation of any Poles or any Power Company equipment, the Power Company will install, replace or relocate the Poles and the Power Company equipment as necessary and the Licensee shall, on demand and presentation of a statement of cost, reimburse the Power Company for its reasonable costs and expenses less any benefit derived by the Power Company from the alterations, such benefits to be restricted to replacement cost of a Pole of similar size less the Structural Value of the Pole being removed. The Structural Value shall be calculated as the estimated cost to install a new Pole of similar size multiplied by the appropriate percent condition factor as set forth in Schedule 2 of the Agreement. Prior to commencing any work, the Power Company shall provide to the Licensee, in reasonable detail, a written estimation of costs and expenses and a reasonable period to elect or decline to have such work carried out. In any event, the Power Company undertakes to carry out any and all such work as economically as possible. In the event that the Licensee elects to decline to have such work carried out, then it shall, at its expense, remove the Facilities from the Pole(s) in question.
- 7.02 In the event that the Licensee wishes to attach its Facilities to a Pole already occupied by a third party, and the Power Company acting reasonably deems it necessary for that third party to transfer or re-arrange its equipment for that purpose, the Licensee shall deal directly with the third party as to the details of the transfer or re-arrangement.

ARTICLE 8 - MAINTENANCE OF FACILITIES

- 8.01 All Facilities shall be properly maintained by the Licensee at its cost in accordance with Schedule I attached hereto.
- 8.02 Whenever it is necessary to replace or relocate Poles to which the Facilities are attached the Power Company shall give notice thereof in writing to the Licensee provided that in case of emergency oral notice may be given and subsequently confirmed in writing. The Licensee shall transfer or rearrange its Facilities at its sole expense as requested within 45 days of such notice, unless mutually agreed otherwise. In the event that such replacement or relocation has been initiated by the Power Company, for the Power Company's own purposes within a 6 month period commencing at the time the Power Company approved in writing the attachment of the Licensee's strand or messenger then the Power Company, at the request of the Licensee, shall relocate or rearrange the Facilities at the Power Company's expense. Provided always that the relocation or replacement is not initiated by the requirements of others and that the relocation does not require the Power Company to splice, cut, join, terminate or the like the Licensee's cables.
- 8.03 In cases of emergency, provided that the Power Company shall notify the Licensee as much in advance as possible, or as soon as reasonably possible thereafter, the Power Company may, on a temporary basis, relocate or replace the Facilities placed on the Poles, transfer them to substituted Poles or perform any other temporary work in connection with the Facilities that may be required in the maintenance, replacement, removal or relocation of the Poles, or of the Facilities thereon, or for the service needs of the Power Company. In any such event, the expenses relating to such temporary relocation or replacement shall be borne by the Power Company or the Licensee in accordance with the provisions of Subsection 8.02. Where practicable, the Licensee shall be permitted to perform any such work utilizing its own employees or contractors.
- 8.04 If Facilities are attached to Poles by the Licensee in accordance with this Agreement and ground clearances are subsequently reduced by actions of third parties or other cause contemplated in Subsection 9.01, it will be the responsibility of the Power Company to re-establish standard clearance with respect to the Poles and its own equipment and the Licensee shall, at its own expense, transfer or rearrange its Facilities to meet the then standard clearance, provided that if the reduction in clearance shall be caused by the negligence of the Power Company or any other person for whom it is in law responsible, then the Power Company shall reimburse the Licensee for such expenses. Provided always that if any third party may be liable to the Power Company and the Licensee with respect to the loss of clearance, then the parties shall cooperate to recover their losses and expenses from such third party in as cost effective a manner as possible including, where practicable, joint action or an action by one of them on behalf of both.

ARTICLE 9 - IMPOSSIBILITY OF PERFORMANCE

- 9.01 If the performance by either the Power Company or the Licensee of any of their respective obligations as contained in this Agreement shall to any extent be prevented, restricted, delayed or interfered with by reason of:

- (a) war, revolution, civil commotion, riots, acts of public enemies, blockade or embargo, any strike, lock-out or other labour difficulty or work stoppage, explosion, epidemic, fire, flood, freeze, severe winter conditions, ice blockage, act of God, or order of any authority having jurisdiction, or
- (b) the prohibition, restraint, restriction or prevention from installing, constructing or replacing the Facilities or for making available any portion of the Poles arising out of any statute, law, by-law, ordinance, regulations, judgment, or any requirement of a third party owner, or the removal of any easement, right-of-way, servitude or other privilege: or
- (c) any other cause beyond the reasonable control of the Power Company or the Licensee:

then, the Power Company and the Licensee or either, as the case may be, shall, on prompt notice to the other, be excused from the performance of such obligations but only to the extent of the period of such prevention, restriction, delay or interference, provided that the provisions contained in this Article, shall not apply to the obligations of the Licensee as contained in this Agreement to pay the amounts required to be paid to the Power Company in the manner and at the times provided in this Agreement, but the Licensee shall not be liable to pay rental rates or charges for any period during which and to the extent that the Licensee is prevented from using any Pole(s) by reason of any of the foregoing. Provided always that the Licensee or the Power Company, as the case may be, shall use reasonable efforts to avoid or minimize the situations in which the Licensee or the Power Company, as the case may be, is prevented from using any of the Poles as aforesaid. Whenever either party claims relief under this Subsection 9.01, it shall make reasonable disclosure to the other of the basis upon which such relief is claimed, so as to enable verification of entitlement.

ARTICLE 10 - ASSIGNMENT

- 10.01 This Agreement and any rights granted to the Licensee pursuant to this Agreement may be sold, transferred, assigned, mortgaged, pledged or charged by the Licensee without the prior written consent of the Power Company. In the event of any such sale, transfer, assignment, mortgage, pledge or charge, the Licensee shall give written notice within 30 days after any such event, to the Power Company. Provided always that any failure to give such notice shall not affect the validity of any such sale, transfer, assignment, mortgage, pledge or charge.

ARTICLE 11 - PRIORITY OF WORK AND ACCESS

- 11.01 Any and all work to be performed or carried out by the Power Company shall have priority over any work to be carried out or performed by or on behalf of the Licensee pursuant to this Agreement, or otherwise, and the employees and contractors of the Power Company shall, subject to the foregoing, always have priority of access to the Poles at any time notwithstanding the fact employees or contractors of the Licensee may already be working on, in or near any such Poles, provided that the right of the Power Company under this Article shall not be exercised unreasonably. Provided always that the Power Company, its employees and contractors, shall act diligently and shall organize and perform any and all such work so as to minimize the period of any disruption of work being carried on by or for the Licensee.

ARTICLE 12 - LIABILITY AND DAMAGE INDEMNIFICATION AND INSURANCE

- 12.01 The Power Company reserves to itself, its successors and assigns, the right to maintain its Poles and to operate its installations thereon in such manner as would best enable it to fulfill its own service requirements, but shall exercise such right reasonably and in good faith with a view to allowing the Licensee to have reasonable access to the Poles for the installation and maintenance of its Facilities.
- 12.02 The Power Company shall not be liable for damage to the Facilities arising in any manner except when caused by the negligence of the Power Company or others for whom it is at law responsible, and in no event shall the Power Company be liable for any interruption of service of the Facilities. In the case of planned interruptions the Power Company will provide reasonable advance notice to the Licensee. The Power Company and the Licensee shall cooperate in identifying and minimizing the disruption of services of strategic importance to the Licensee.
- 12.03 The Licensee, in respect of the installation, maintenance and operation of the Facilities, shall exercise caution to avoid damaging the cables, equipment and installations of the Power Company and of others occupying the Poles. The Licensee shall make an immediate report to the Power Company of the occurrence of such damage and hereby agrees to reimburse the Power Company for expenses reasonably incurred by the Power Company in making any resulting repairs to its property as a result of any negligence by the Licensee. In no event shall the Licensee be liable for any interruption of service.
- 12.04 Each of the Licensee and the Power Company shall indemnify and keep indemnified the other of them from and against any and all actions, proceedings, judgments, costs, claims, demands, expenses, liabilities and damages of every nature and kind which might arise or result directly or indirectly or be in anywise related to or connected with their respective Facilities and Poles or the use of such Facilities and Poles, except when caused or arising out of the negligence of the other one of them.
- 12.05 Each of the Licensee and the Power Company shall carry liability insurance to protect itself and the other from and against any and all claims, demands, actions, costs, judgments, expenses and *liabilities of every nature and kind which may arise or result, directly or indirectly from or relating to the attachment or maintenance of the Facilities on the Poles, or the use of the Facilities.* The amount of such insurance against liability for damage to property and against liability for injury or death of persons shall be no less than one Million Dollars (\$1,000,000) in each instance and for each occurrence. Each party shall, upon the request of the other, provide evidence of such insurance coverage to the satisfaction of the other.

ARTICLE 13 - OWNERSHIP OF FACILITIES

- 13.01 The Licensee shall bear the cost of construction of the Facilities and of attaching the Facilities to the Poles and shall retain ownership of the Facilities.
- 13.02 No use, however extended, of the Poles under this Agreement shall create or vest in the Licensee or any other person any interest, ownership or property rights in the Poles, but the Licensee's rights therein shall be and remain a mere license.

- 13.03 Nothing herein contained shall be construed to compel the Power Company to continue ownership of any Pole for a period longer than demanded by its own service requirements and the Licensee acknowledges and agrees that when the Power Company gives up ownership the Power Company has no obligation to maintain such Pole.
- 13.04 The Licensee shall be entitled to purchase at its Structural Value as set forth in Schedule 2 of this Agreement any Pole which the Power Company has decided to sell or abandon, subject always to the existing rights of any third party in or to the Pole or the use of such Pole.
- 13.05 In the event that the Power Company decides that any Pole upon which the Facilities are attached is no longer required for the Power Company's use, the Licensee shall, if it does not purchase the Pole under the provisions of Article 13, vacate the Pole by removal of all the Facilities, at its own expense, within 60 days of receipt of written notice.
- 13.06 Notwithstanding Subsection 13.03 hereof, in the event that the sale or abandonment of any Pole by the Power Company has an adverse affect upon the Licensee's use or enjoyment of its Facilities as attached to other Poles within close proximity to the Pole being sold or abandoned, then the Power Company shall, at the cost and expense of the Licensee, replace or maintain, whichever is more economic, the Pole which it intended to sell or abandon, so as to maintain the economic viability of the Licensee's use and enjoyment of its Facilities as attached and maintained upon such other Poles.
- 13.07 In any event that the Power Company wishes to sell any Pole upon which the Licensee has attached Facilities pursuant to this Agreement, then the Power Company shall endeavour to include as a term of any such sale or transfer that the purchaser or transferee will continue to allow the attachment of the Facilities upon terms and conditions which are no less favourable than those which are provided herein. Provided always, that if the Power Company fails in having the purchaser or transferee agree to continue to allow the attachment of the Facilities to such Pole upon the terms and conditions as provided for herein, such failure shall not affect the validity of such sale or transfer.

ARTICLE 14 - POLE RENTAL RATES

- 14.01 During the Term of this Agreement, and any renewal thereof, the Licensee shall pay the Pole rental charges calculated and determined in accordance with the provisions of Schedule 3 of this Agreement. Commencing with the annual period January 1, 1998, and for each calendar year of the Term thereafter, the Power Company shall calculate and determine the applicable Pole rental rate during the month of November immediately preceding the calendar year for which the rental rates are applicable (the first such calendar year being the year 1998). Upon completing the calculation of the Pole rental rates as aforesaid, the Power Company shall provide written notification thereof to the Licensee, together with the detailed calculations utilized by the Power Company and all supporting information and documentation, so as to allow the Licensee to verify the appropriateness and calculation of the rental rate in question. In the event that the Power Company does not provide the notice, details and information as aforesaid by no later than the November 30 immediately preceding the calendar year for which such rental rates are being calculated, then the implementation and effectiveness of such Pole rental rates shall be delayed to the first day of the month which would have the effect of providing the Licensee with

not less than 30 days advance notice (including such detailed calculations and supporting information and documentation as aforesaid).

- 14.02 In the event of the termination of this Agreement in accordance with Article 26 hereof, then the existing Pole rental rate, the rate calculation provisions as stipulated in Subsection 14.01 hereof, and the billing and payment provisions as stipulated in Article 16 hereof, shall remain in force and effect and shall survive the termination of this Agreement until either:
- (a) a new agreement is reached between the parties; or
 - (b) if no agreement is reached within six (6) months of the date of termination of this Agreement, the Board of Commissioners of Public Utilities is asked and makes an order setting the Pole rental rate in accordance with the Public Utilities Act.

ARTICLE 15 - POLE COUNT

- 15.01 The number of Poles to be utilized for the calculation of the Pole rental rates payable hereunder shall be determined in accordance with Schedule 4 attached hereto.
- 15.02 For each calendar year of the Term, commencing 1997, the Power Company shall provide to the Licensee by not later than the August 31 of each such calendar year, a reconciliation of the number of Poles with cable television attachments as reported in the records of the Power Company as at June 30 of that calendar year as compared to June 30 of the preceding year (the "Reconciliation"). The Reconciliation shall include such detail and supporting documentation and information so as to enable the Licensee to verify the reconciling items therein. The Licensee shall be entitled to verify the Power Company's pole count and related data and information, and any such verification shall be at the Licensee's sole expense. The Licensee covenants to observe and maintain the confidentiality of all records and information of the Power Company and shall not remove any books or records or any form of copy thereof from the Power Company's place of business. In the event that the Licensee's verification process results in the identification of any discrepancy, the Power Company shall make all adjustments and corrections to its records and the accounts between the parties resulting therefrom.
- 15.03 For each calendar year during the Term, commencing with 1997, the Licensee shall provide to the Power Company by October 31 of each such calendar year, its subscriber count as at August 31 of such calendar year, as set out in the Licensee's annual return to the CRTC. In the event that the Licensee does not provide the subscriber count by the date in question, then subsequent requirements of the Power Company to provide information, bills or notices shall be extended by the number of days the subscriber count is late. The Power Company shall have the right to verify the Licensee's filings with the CRTC and any supporting documentation, to the extent that they relate to the Licensee's subscriber count, and any such verification shall be at the sole expense of the Power Company and shall be performed at the Licensee's place of business and during normal business working hours, on mutually agreeable dates. The Power Company covenants to observe and maintain the confidentiality of all records and information of the Licensee and shall not remove any books or records or any form of copy thereof from the Licensee's place of business. In the event that the Power Company's verification process results in the identification of any discrepancy, the Licensee shall make all adjustments and corrections to its records and the accounts between the parties resulting therefrom.

- 15.04 The ratio of Poles to subscribers determined as verified in accordance with Subsections 15.02 and 15.03 respectively (the "Revised Ratio") shall be calculated and reviewed annually in November of the calendar year for which the Pole and subscriber counts are taken as aforesaid and shall be compared to the Base Ratio in Schedule 4 to this Agreement. If the Revised Ratio differs by more than the Stipulated Percentage from the Base Ratio, then the Power Company and the Licensee agree to negotiate in good faith to establish a new Base Ratio to be used in a new Schedule 4 and such Base Ratio and new Schedule 4 shall form part of this Agreement and become effective for the balance of the calendar year commencing on the 1st day of the month following the month in which such agreement is reached.

ARTICLE 16 - BILLINGS AND PAYMENT

- 16.01 For the period from July 1, 1996 through December 31, 1997, the Power Company shall issue monthly invoices to the Licensee for the applicable Pole rental charges payable by the Licensee, as determined in accordance with the other provisions of this Agreement. Commencing with the year 1998, and for each calendar year thereafter, for the balance of the Term, the Power Company shall issue to the Licensee an annual invoice, to be received by the Licensee not less than 30 days before the first day of the calendar year for which the same applies.

The Pole rental rates payable by the Licensee, for each of the periods aforesaid, shall become effective on the date which is the later of:

- (a) the first day of the month for which the invoice relates in the case of monthly invoices or the first day of each month in the calendar year for which such invoices relate in the case of annual invoices; or
 - (b) the first day of the month which would have the effect of providing the Licensee with not less than 30 days advance notice, after receipt.
- 16.02 In the event that Licensee receives any invoice less than thirty days before the first day of the monthly or annual period to which such invoice is intended to relate, then the timeframe during which the Licensee is entitled to avail of any discount and the date or period after which the Licensee is obliged to pay any interest or carrying charges, under any other provisions of this Agreement, shall be and be deemed to be extended by the number of days less than thirty days that the Licensee received such invoice(s).
- 16.03 Subject to the other provisions of this Agreement, the Licensee shall make monthly payments to the Power Company equal to the monthly invoice amount or one-twelfth (1/12) of the annual invoice amount, as the case may be, as reflected in the invoices provided by the Power Company in accordance with Subsection 16.01 hereof.
- 16.04 The Power Company shall provide to the Licensee a monthly statement of account, detailing all invoiced amounts, interest and carrying costs, and payments made by the Licensee, for the month in question.
- 16.05 Where a particular monthly payment is received by the Company more than ten days after the due date thereof, as a result of a matter of being referred to mediation or arbitration, then the

availability of any discount or the requirement to pay any interest or carrying costs shall be determined by such mediation or arbitration.

ARTICLE 17 - FAILURE TO PAY

- 17.01 Payment of monthly invoices and monthly installments on annual invoices shall be due on the last day of each such month, unless such due date is extended in accordance with the other provisions of this Agreement. If the Licensee fails to pay such monthly amount on its due date, determined as aforesaid, then the Licensee shall pay interest on the overdue monthly amount(s), with interest to be equal to the then current Bank of Canada prime rate plus 5%, as adjusted from time to time, calculated and applied on a per day basis and compounded monthly. Interest charges, if any, on amounts which are disputed and resolved by mediation or arbitration, shall be determined by such mediation or arbitration.
- 17.02 Subject to the other provisions of this Agreement, the Power Company shall have the right to disconnect the electrical service it provides to the Facilities of the Licensee on the Poles, upon ten days prior written notification to the Licensee, if any amount of principal and interest, of any monthly invoice or the monthly instalment on any annual invoice is outstanding for a continuous period of six months or more. Provided always that all payments made by the Licensee, including partial payments, must first be credited to the oldest portion of any outstanding account or invoice. Provided further that the Power Company shall not be entitled to exercise its right to disconnect electrical service as aforesaid with respect to any outstanding balance where the Licensee has given notice of its intention to have such dispute resolved by mediation or arbitration in accordance with this Agreement.

ARTICLE 18 - MODIFICATION OF SCHEDULES

- 18.01 It is recognized that at any time or from time to time during the Term of this Agreement, the parties hereto may, by mutual consent, desire to alter, amend, modify or vary the provisions of any or all of the Schedules attached hereto, or to substitute entirely new Schedules therefor or annex new or supplementary Schedules, or both, and in such event a new Schedule or Schedules giving effect to such agreed change, once signed by the authorized signing authorities of the Power Company and of the Licensee shall be deemed, from the date specified therein, to become effective for the purposes and to the extent contemplated therein.
- 18.02 Notwithstanding the provisions Subsection 18.01, the Power Company may, in its discretion, alter, amend, modify, vary or substitute at any time Schedule 2 of this Agreement - Structural Values Table - utilizing and applying such principles or rates approved by the Board of Commissioners of Public Utilities, and following the signing thereof by the authorized signing authority of the Power Company, and not less than 15 days written notice having been given to the Licensee, it shall form part hereof, and shall, from the date specified therein, being not less than 15 days after written notice aforesaid, alter, amend, modify, vary or substitute such Schedule 2 in the manner set forth or be and become a new Schedule hereto, as the case may be.

ARTICLE 19 - POLES EXCLUDED FROM AGREEMENT

- 19.01 This Agreement, without limiting the rights of the Power Company contained in Article 4 of this Agreement, shall only apply to Poles carrying power circuits at or below 25 kv.

ARTICLE 20 - DEFAULT

- 20.01 If the Licensee fails to comply with any of the terms or conditions of this Agreement or default in any of its obligations under this Agreement and shall fail within 30 days after written notice from the Power Company to correct such default or non-compliance, the Power Company may, at its option, without thereby prejudicing or affecting any other remedy or recourse which it may have by means of the non-compliance or default forthwith revoke its permission, granted pursuant to Article 4 hereof, to the Licensee to place any further Facilities on the Poles.
- 20.02 If the Licensee shall default in the performance of any work which it is obligated to do under this Agreement and such default shall continue for 30 days after notice thereof in writing from the Power Company, the Power Company may elect to do such work on a temporary basis and the Licensee shall pay the Power Company the reasonable cost thereof, including any reasonable interest or carrying costs relating thereto.
- 20.03 Failure on the part of the Licensee to make payments under Subsection 20.02 within 30 days after presentation of bills therefor shall, at the election of the Power Company, constitute a default hereunder and, notwithstanding the provisions of Subsection 20.01 in addition to any other remedy it may have, the Power Company may forthwith revoke its permission, granted under Article 4 hereof, to the Licensee to place any further Facilities on Poles.
- 20.04 The Power Company shall have the right to terminate this Agreement forthwith if the Facilities are maintained or used in any material violation of any law or in aid of any substantial and material unlawful act or undertaking and the Licensee shall immediately remove all its Facilities from the Poles.

ARTICLE 21 - COMMUNICATIONS

- 21.01 Except where specifically provided otherwise in this Agreement any notice, request, demand, approval, application or similar communication given pursuant to this Agreement, shall be in writing and signed by the authorized signing authority of the party giving such communication and shall be addressed to the authorized signing authority for the other party.
- 21.02 The authorized signing authorities for the Power Company and for the Licensee shall be as outlined in Schedule 5.
- 21.03 All notices, requests, demands, approvals or similar communications hereunder may be given by registered mail, telex, telecopier or by personal delivery addressed to the authorized signing authority for the respective parties at their addresses set out below.

Newfoundland Power
 P.O. Box 8910
 St. John's, NF
 A1B 3P6

Regional Cable TV Inc.
 17 Duffy Place
 P.O. Box 12155, Stn. "A"
 St. John's, NF
 A1B 4L1

Or to such other addresses as may be designated by any party to the other. Any communication delivered by registered mail shall be deemed to have been received on the 5th business day after the date of mailing thereof, unless returned undelivered or unclaimed, and any communication delivered by telex, telecopier or personal delivery shall be deemed to be received on the date of actual delivery.

ARTICLE 22 - DISPUTE RESOLUTION

22.01 Mediation

Any dispute which shall arise between the Power Company and the Licensee concerning the construction or application of this Agreement, or the rights, duties or obligations of any party to this Agreement, shall be subject to the following dispute resolution procedure:

- (a) Either party (the "Initiating Party") may invoke the dispute resolution procedure by sending a written notice to the other party (the "Respondent Party") describing the nature of the dispute and designating a senior officer of the Initiating Party with appropriate authority to be its representative in negotiations relating to the dispute. The Responding Party shall, within five business days of receipt of such notice, send a written notice to the Initiating Party, designating a senior officer of the Responding Party with appropriate authority to be its representative in negotiations relating to the dispute.
- (b) Within 10 business days of the receipt by the Initiating Party of the written notice of the Responding Party, the senior officers of each party shall enter into good faith negotiations with a view to resolving the dispute. If the dispute is not resolved within 30 days of the commencement of such negotiations, or such longer period as may be agreed upon, either party may, by written notice to the other party, require that the parties be assisted in their negotiations by a mediator. The mediator shall be acceptable to both parties and have knowledge and experience in the particular matter under dispute, or professional qualifications or experience in alternative dispute resolution, or both. The parties shall thereafter participate in mediation with the mediator through such process as the mediator, in consultation with the parties, may determine.
- (c) None of the parties shall be deemed to be in default of any matter being mediated until effective on and after the date that mediation fails.

22.02 Arbitration

Any dispute which is not resolved through mediation pursuant to Subsection 22.01 shall be referred to arbitration in accordance with the following procedures:

- (a) Upon the written demand of either of the parties, the dispute shall be referred to arbitration in accordance with the provisions of the *Arbitration Act* (Newfoundland) and

shall be submitted to the Board of Commissioners of Public Utilities as now hereafter constituted under the *Public Utilities Act*.

- (b) In the event that the Board of Commissioners of Public Utilities refuses or is unable to act as an arbitrator then, upon the written demand of either of the parties, the parties shall meet and attempt to appoint a single arbitrator. If they are unable to agree on a single arbitrator, upon written demand of either of them and within 10 days of such demand, the person making the demand shall name one arbitrator and the other party shall name another arbitrator and the two arbitrators so named shall promptly thereafter name a third. If either the person making the demand or the other party shall fail to name an arbitrator within 10 days from such demand, then the second arbitrator shall be appointed by any Justice of the Newfoundland Supreme Court, Trial Division. If the two arbitrators shall fail within 10 days from their appointment to agree upon and appoint a third arbitrator, then upon written application by any of the parties concerned, such third arbitration shall be appointed by any Justice of the Supreme Court of Newfoundland, Trial Division.
- (c) The arbitrator or arbitrators selected to act hereunder shall be qualified by education and training to pass upon the particular question in dispute.
- (d) The single arbitrator or arbitrators so chosen shall proceed immediately to hear and determine the matter or matters in dispute. The decision of the arbitrators, or a majority of them, shall be made within 45 days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. Notwithstanding the foregoing, if the single arbitrator fails to make a decision within 60 days after his or her appointment, or if the arbitrators or the majority of them fail to make a decision within 60 days after the appointment of the third arbitrator, then any of the parties concerned may elect to have a single arbitrator or arbitrators chosen in like manner as if none had previously been selected.
- (e) The decision of the single arbitrator or the decision of the arbitrators, or a majority of them, shall be in writing and signed by the single arbitrator or by the arbitrators, or a majority of them, and shall be final and binding upon all of the parties hereto as to any matter or matters so submitted to arbitration and the parties shall observe and implement the terms and conditions thereof.
- (f) The compensation and expenses of the single arbitrator or arbitrators (unless otherwise determined by the arbitrator(s)) shall be paid by both parties equally.

ARTICLE 23 - TERM OF AGREEMENT

- 23.01 Subject to Article 21 and Subsection 24.02 hereof, this Agreement shall continue in force until the expiry of the Original Term and cannot be terminated during the Original Term.
- 23.02 Unless terminated pursuant to Articles 20 or 24 hereof, this Agreement shall continue in force for the Subsequent Terms.
- 23.03 Time is of the essence in respect of the Termination Notice and if the Termination Notice is given by either party less than 30 days before the expiry of the Original Term or any Subsequent

Term, as the case may be, the Agreement shall continue in force for the following Subsequent Term, but not beyond, unless agreed to, in writing, by both parties.

ARTICLE 24 - EVENTS OF TERMINATION

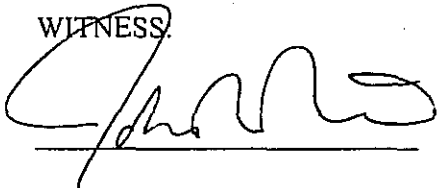
- 24.01 Either party may terminate this Agreement by way of Termination Notice.
- 24.02 Subject always to Article 22 hereof, either party shall have the right to terminate this Agreement and the rights granted hereunder without prejudice to the enforcement of any other legal right or remedy, immediately upon giving written notice of such termination to the other party if the defaulting party is in default hereunder and has not cured any such default within any grace or cure period provided for in this Agreement.

ARTICLE 25 - SUCCESSION

- 25.01 This Agreement shall be binding upon and for the benefit of the parties hereto and their respective successors and assigns

IN WITNESS WHEREOF the Parties have executed this Agreement.

WITNESS:



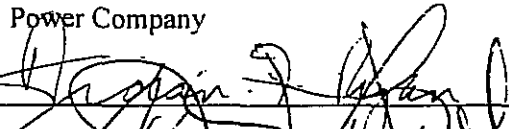

REGIONAL CABLE TV INC.
Licensee

by: 
by: 

WITNESS:



NEWFOUNDLAND LIGHT & POWER CO. LIMITED
Power Company

by: 
by: 

Approved!


SCHEDULE 1**STANDARDS OF CONSTRUCTION AND MAINTENANCE**

All future construction and attachments of Facilities to Poles covered by this Agreement, shall as a minimum, at all times meet the provisions of CSA Standard No. C22.3 No. 1M87 or the governing law where such law exceeds the minimum provisions of CSA STANDARD No. C22.3 No. 1M87.

When the Licensee attaches its strand or messenger to Poles owned by the Power Company the strand or messenger shall be placed within the Communications Space and the placement shall be in accordance with the following order of preference:

1. Above any existing communications cable, and on the same side of the Pole as any existing communications cable.
2. Below any existing communications cable, and on the same side of the Pole as an existing communications cable.
3. On an offset bracket on the same side of the Pole as any existing communications cable.
4. On the opposite side of the Pole from any existing communications cable.

This order of preference is not meant to preclude the Licensee overlashing its Facilities to other communications cable or strand already existing on the Pole, where applicable.

SCHEDULE 2

Structural Value of Poles 1996

Pole Age	Percent Condition	Pole Age	Percent Condition
0	100.000%	27	35.675%
1	96.471%	28	34.036%
2	93.296%	29	32.452%
3	90.286%	30	30.923%
4	87.428%	31	29.447%
5	84.618%	32	28.025%
6	81.873%	33	26.634%
7	79.188%	34	25.328%
8	76.559%	35	24.047%
9	73.979%	36	22.808%
10	71.449%	37	21.607%
11	68.966%	38	20.441%
12	66.528%	39	19.307%
13	64.129%	40	18.204%
14	61.789%	41	17.132%
15	59.487%	42	16.088%
16	57.230%	43	15.073%
17	55.020%	44	14.083%
18	52.858%	45	13.117%
19	50.472%	46	12.171%
20	48.676%	47	11.357%
21	46.660%	48	10.651%
22	44.866%	49	9.961%
23	42.783%	50	9.284%
24	40.924%	51	8.623%
25	39.119%	52	7.978%
26	37.369%		

The Percent condition shall be applied to the original cost of any such Pole.

The cost of any such Pole for purposes of Article 14.04 shall be the original cost of any such Pole depreciated by the Percent Condition.

SCHEDULE 3

POLE RENTAL RATES

RATE DESCRIPTION	RATE PER POLE PER MONTH	PERIOD TO WHICH RATE APPLICABLE	RATE APPLICABLE TO PAYMENT RECEIPT CATEGORY
<u>Original Term</u>			
1996	\$1.19	July 1, 1996 - Dec. 31, 1996	N/A
1997A	\$1.10	Jan. 1, 1997 - Dec. 31, 1997	(A)
1997B	1997 A + 2¢	Jan. 1, 1997 - Dec. 31, 1997	(B)
1998A	1997 A x (1 + Index)	Jan. 1, 1998 - Dec. 31, 1998	(A)
1998B	1998 A + 2¢	Jan. 1, 1998 - Dec. 31, 1998	(B)
1999A	1998 A x (1 + Index)	Jan. 1, 1999 - Dec. 31, 1999	(A)
1999B	1999A + 2¢	Jan. 1, 1999 - Dec. 31, 1999	(B)
<u>Subsequent Term</u>			
2000A	1999A x (1 + Index)	Jan. 1, 2000 - Dec. 31, 2000	(A)
2000B	2000A + 2¢	Jan. 1, 2000 - Dec. 31, 2000	(B)
2001A	2000A x (1 + Index)	Jan. 1, 2001 - Dec. 31, 2001	(A)
2001B	2001 A + 2¢	Jan. 1, 2001 - Dec. 31, 2001	(B)

The Pole rental to be charged to and payable by the Licensee (the "Invoice Amount") shall be calculated as follows:

Invoice Amount = Number of Poles x Rate, where:

"Number of Poles" means the number of Poles to be invoiced in accordance with Schedule 4 of this Agreement; and

"Rate" means the rental rate per Pole per month for payment receipt category A, as set out in this Schedule 3.

SCHEDULE 3 (continued)

POLE RENTAL RATES

NOTES:

1. The payment receipt category set out above, and determined as follows, shall be selected and applied based upon the date on which the particular monthly payment referred to in Article 17 is received by the Power Company, subject always to any provisions of the Agreement which would extend the due date. The appropriate payment receipt category shall be selected based upon the following:

Category	Description
A	Actual payment receipt date is on or before the 10th day following either the first day of the month in which the particular monthly payment is due or the extended date as determined in accordance with the other provisions of the Agreement.
B	Actual payment receipt date is after the 10th day following either the first day of the month in which the particular monthly payment is due or the extended date as determined in accordance with the other provisions of the Agreement.

2. Rates for Subsequent Terms commencing subsequent to January 1, 2001 shall be calculated in accordance with the methodology used for 1997 A through 2001B as set forth in the table above.
3. "Index" means the average CPI, expressed in decimal format rounded to four decimal places, for the most recent consecutive twelve month period for which CPI data is available, as at the date the particular Pole rental rate is established by the Power Company in accordance with the Agreement.

SCHEDULE 4

POLES, SUBSCRIBERS AND RATIO OF POLES TO SUBSCRIBERS

For July 1, 1996 through to December 31, 1997, the number of Poles to be invoiced to each Licensee each month shall be as follows:

LICENSEE	POLES	SUBSCRIBER COUNT	STIPULATED PERCENTAGE
Regional Cable TV Inc.	37,295	40,035	± 2%

For the calendar year commencing January 1, 1998, and for each calendar year thereafter, the number of Poles to be invoiced to the Licensee for each calendar year shall be calculated annually in November of the immediately preceding calendar year (the "Preceding Year") as follows:

$$\text{Poles Invoiced} = (\text{Base Ratio}) \times (\text{Subscriber Count}) \times (12)$$

Where: Poles Invoiced Refers to the number of Poles to be used for the calculation for the Pole rental rate in accordance with Schedule 3 hereof.

"Base Ratio" = A/B, where:

A = The Number of Poles invoiced to the Licensee in each month for the period from July 1996 to December 1997 in accordance with the Table set out above.

B = The Licensee's Subscriber Count as at August 31, 1996 as determined in accordance with Subsection 16.03.

"Subscriber Count" means to the Licensee's subscriber count as at August 31 of the preceding year as determined in accordance with Subsection 16.03.

SCHEDULE 5

AUTHORIZED SIGNING AUTHORITIES

Transactions listed below require the signing authorities as shows:

TRANSACTION	POWER COMPANY	LICENSEE
AGREEMENT APPROVAL	PRESIDENT	AUTHORIZED SIGNING OFFICER
AMENDMENT OF AGREEMENT	VICE-PRESIDENT	AUTHORIZED SIGNING OFFICER
AMENDMENT OF SCHEDULES	DIRECTOR, REG. SERVICES	AUTHORIZED SIGNING OR APPOINTEE
NOTICE OF DEFAULT	PRESIDENT	AUTHORIZED SIGNING OFFICER
TERMINATION OF AGREEMENT	PRESIDENT	AUTHORIZED SIGNING OFFICER

Transactions not specifically listed above may be approved by the signature of a single officer of the Power Company and a single officer of the Licensee.