

Requests for Information

Q. In reference to the evidence of Earl Ludlow, page 65, line 4, please specify the revenue generated for providing services to Fortis in reference to the Aliant pole purchase by Fortis, the charges to Fortis and the revenue to be generated from those charges since the time of the purchase, year over year, to current and forecast years.

A. Newfoundland Power provides engineering and technical services to Fortis Inc. ("Fortis") with respect to the non-joint use poles now owned by Fortis, including the administration of contracts for pole installation and vegetation management.

Table 1 below shows the charges from Newfoundland Power to Fortis related to the Aliant poles purchased by Fortis for <> 2001 and <> 2002.

| Table 1 Inter-Corporate Charges to Fortis Inc. Non-Joint Use Pole Services (\$000s) | | |
|--------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Category | 2001 | 2002 |
| Staff Charges | 80 | 121 |
| Pole Installation and Removal | 1,828 | 910 |
| Total | 1,908 | 1,031 |

Staff charges include employee labour and vehicle costs. Pole installation and removal charges include a monthly administration fee, miscellaneous expenses and contractor charges. In compliance with Order No. P.U. 7 (1996 - 97), Newfoundland Power charges Fortis for the services of its engineers and technicians at market rates. The administration fee, as well as the difference between the market rates for services provided by Newfoundland Power to Fortis and the cost to Newfoundland Power of providing these services, is recorded as Other Revenue.

Table 2, on page 2, shows the Other Revenue received by Newfoundland Power, or forecast to be received, related to the non-joint use poles now owned by Fortis for the years 2001 to forecast 2004.

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| Table 2 Other Revenue Non-Joint Use Pole Services to Fortis Inc. 2001-2004F (\$000s) | |
|-------------------------------------------------------------------------------------------------------------|----------------------|
| Year | Other Revenue |
| 2001 | 35 |
| 2002 | 63 |
| 2003F | 75 |
| 2004F | 75 |

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