

1 **Q. What effect, if any, will the purchase of Aliant poles have on the total dollar value of**
2 **distribution costs deemed customer related for the purposes of determining the**
3 **BCC?**
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5 A. The main benefit to customers with respect to the purchase of Aliant poles is in the
6 additional pole rental revenue that Newfoundland Power receives from Aliant and from
7 cable television operators. This in turn reduces the Company's electrical revenue
8 requirements and thus will result in lower rates charged to customers.
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10 The purchase of Aliant poles will also tend to marginally reduce the distribution costs
11 deemed customer related. The reduction is estimated to be in the order of \$100,000 or
12 approximately 0.2% of the total customer related costs of \$51,986,000 for 2001.
13 (Customer related costs for 2001 are shown in Exhibit LCH-2, page 9 of 40.)