

1 **Q. Is there a basis for the Board's approval of this proposed sale of joint use support**
2 **structures other than the existence of the effective option to re-purchase which was**
3 **agreed upon in the terms of the 2001 purchase of the joint use support structures?**
4

5 **A. Yes.**
6

7 In addition to the existence of a provision in the Joint Use Facilities Partnership
8 Agreement ("JUFPA") giving Bell Aliant the right to purchase 40% of the Joint Use
9 Support Structures upon termination of the JUFPA, it is appropriate that the Board
10 approve the Application because the evidence indicates it is consistent with:
11

- 12 1. Section 53 of the *Public Utilities Act* and Section 3(b) of the *Electrical Power*
13 *Control Act, 1994*: the new Joint Use regime has been agreed between Bell Aliant
14 and Newfoundland Power and is consistent with least cost management of Joint Use
15 facilities;¹
16
- 17 2. Current Canadian public utility practice: the 60%/40% cost sharing in the new Joint
18 Use regime is by far the most common cost sharing ratio employed in Joint Use
19 across the country;²
20
- 21 3. The maintenance of current levels of service to Newfoundland Power's customers:
22 The new Joint Use regime comprehensively adopts Newfoundland Power's
23 construction, inspection and maintenance standards;³ and
24
- 25 4. Fairness to Newfoundland Power, Bell Aliant and the customers of each:
26 Newfoundland Power and Bell Aliant each bear a reasonable proportion of the cost
27 and enjoy a reasonable proportion of the benefits of Joint Use of Support Structures.⁴

¹ See Prefiled Evidence, Exhibit 8; Response to Request for Information PUB-NP-75.

² Prefiled Evidence, Exhibit 2.

³ This use of detailed standards is unique in Canada (see Prefiled Evidence, Page 10, lines 14 to 17).

⁴ Fair and reasonable distribution of Joint Use cost and benefits among all users of Support Structures is a fundamental precept of Joint Use (see Prefiled Evidence, Page 5, footnote 13).