

1 **Q. If the Board were to find as a fact that the proposed sale of joint use support**  
2 **structures would result in a negative impact to customers, would the proposed sale**  
3 **be consistent with current Canadian public utility practice?**  
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5 A. Based on the evidence in this proceeding, and for the reasons stated in the response to  
6 Request for Information CA-NP-1, it is difficult for Newfoundland Power to envisage a  
7 basis upon which the Board could make such a finding of fact.  
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9 In any event, the shared use of Support Structures (“Joint Use”) is a long-standing and  
10 current Canadian public utility practice that creates efficiencies through avoided costs of  
11 duplicate infrastructure. This provides material benefit to the customers of the electrical  
12 and telecommunication service providers sharing the Support Structures.  
13

14 Nine of 13 respondents to a recent survey of electric utilities in 9 Canadian provinces  
15 conducted by Newfoundland Power (the “Survey”) indicated they had Joint Use  
16 arrangements based upon electric utilities and telecommunications companies owning  
17 Joint Use Support Structures. Twelve respondents to the Survey indicated they share the  
18 costs of Joint Use Support Structures on the basis of approximately 60% for the electric  
19 utility and 40% for the telecommunications company.<sup>1</sup>  
20

21 Based on the results of the Survey, the sale of Joint Use Support Structures proposed in  
22 the Application is consistent with current Canadian public utility practice regarding Joint  
23 Use.  
24

25 However, the terms for Joint Use of Support Structures negotiated as part of the Purchase  
26 Agreement (the “2011 JUA”) differ in one material respect from current Canadian public  
27 utility practice. The Survey indicates that all utility respondents included construction  
28 standards in their joint use agreements, but none included maintenance and service  
29 quality standards.  
30

31 The 2011 JUA incorporates Newfoundland Power’s current operational practices for  
32 Support Structure inspections and maintenance and for emergency response times. These  
33 contractual provisions ensure that the new Joint Use regime is consistent with  
34 maintenance of current Newfoundland Power customer service levels. In this respect, the  
35 2011 JUA contains measures for the protection of electricity customer service levels that  
36 *exceed* those typically found in current Canadian public utility practice regarding Joint  
37 Use.

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<sup>1</sup> The results of the survey are provided in Exhibit 2 of the Application.