

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 fairness to Newfoundland Power, Bell Aliant and the customers of**  
4 **each?**

5  
6 A. Based on the evidence in this proceeding, and for the reasons stated in the response to  
7 Request for Information CA-NP-1, it is difficult to envisage a basis upon which the  
8 Board could find as a fact that the proposed sale would result in a negative impact to  
9 customers.

10  
11 However, the evidence in this proceeding clearly demonstrates the fairness of the  
12 proposed sale to Newfoundland Power, Bell Aliant and the customers of each.

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14 Joint Use of Support Structures by providers of electrical and telecommunications service  
15 provides material economic benefit to consumers of these services through avoided costs  
16 of duplicate infrastructure.<sup>1</sup>

17  
18 Fair and equitable distribution of the economic benefits of Joint Use of Support  
19 Structures by electric utilities and telecommunications companies occurs when each user  
20 (i) shares equally in the common costs of the Support Structures and (ii) fully bears those  
21 costs related to its specific requirements. This ensures that each of the users bears a  
22 reasonable portion of the overall costs of Joint Use, and substantially minimizes any risk  
23 of cross-subsidization between users.

24  
25 The 2011 JUA achieves 60% / 40% cost sharing through proportionate ownership of  
26 Joint Use Support Structures by Newfoundland Power and Bell Aliant. This substantially  
27 reflects longstanding operational practice regarding Joint Use of Support Structures in  
28 Newfoundland Power's service territory.

29  
30 Sharing of costs of Joint Use Support Structures on the basis of 60% for Newfoundland  
31 Power and 40% for Bell Aliant is reasonable based on the relative usage of space on a  
32 typical Joint Use Support Structure.<sup>2</sup>

33  
34 The negotiated terms of the proposed sale of the Joint Use Support Structures and the  
35 2011 JUA provide for the full and equitable sharing of the economic benefits of Joint Use  
36 between Newfoundland Power and Bell Aliant on the basis of longstanding practice.  
37 This is consistent with fairness to Newfoundland Power, Bell Aliant and the customers of  
38 each.

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<sup>1</sup> See Prefiled Evidence, Page 3, line 15 to Page 4, line 7.

<sup>2</sup> See Prefiled Evidence, Page 5, line 14 to Page 6, line 5.