

1 **Q. What is the current status of the discussions with Bell Aliant regarding the future**
2 **operational and financial aspects of this transaction beyond 2011, referenced at page**
3 **41 of Newfoundland Power's 2010 Annual Report? Please detail the nature of these**
4 **discussions.**

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6 **A. A. Background**

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8 Throughout the extended negotiations through the last half of 2010, Newfoundland
9 Power and Bell Aliant negotiated and agreed upon a new joint use regime to replace the
10 Joint Use Facilities Partnership Agreement ("JUFPA") in effect from 2001 to 2010. The
11 new Joint Use Agreement ("2011 JUA") is effective as of January 1, 2011. As part of the
12 negotiations, the parties discussed and agreed upon the construction and maintenance
13 responsibilities of each party for 2011 and 2012. Arrangements beyond 2013 are
14 currently being discussed. Sections B and C below summarize what has been discussed
15 and agreed upon by the parties, subject to the completion of the proposed pole sale.
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17 **B. Support Structure Installations and Removals**

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19 For 2011 and 2012 Newfoundland Power will be responsible to install and remove all
20 Joint Use Support Structures as required by both parties pursuant to the 2011 JUA. This
21 work will be completed under the existing contracts between Newfoundland Power and
22 its pole contractors.
23

24 This construction work will be performed in accordance with the Construction Standards
25 as outlined in the 2011 JUA.
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27 Arrangements for Joint Use Support Structure installations and removals for 2013 and
28 beyond are currently being discussed. One possible arrangement that is under discussion
29 is a joint pole contract. Under such an arrangement the pole contractor would do work
30 for both Newfoundland Power and Bell Aliant. Such an arrangement existed in the
31 1990s.
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33 **C. Maintenance Work**

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35 For 2011, Newfoundland Power has agreed to perform all planned maintenance work¹
36 and maintenance work of an emergency nature² associated with all Joint Use Support
37 Structures as part of the transition to the new Joint Use regime.

¹ Planned maintenance work will include the inspections of Support Structures, prompt correction of defects identified during inspections, vegetation management and response to customer requests on an ongoing basis.

² Maintenance work of an emergency nature will include standby service and trouble call response including such things as repairing broken guy wires, securing damaged Poles etc. Standby service will consist of island wide 24 hour/ 7 day customer contact availability and field response as per Section 20 of the Administrative Practices in the 2011 JUA.

1 In 2012, each party will be responsible to perform all aspects of operating and
2 maintaining their Joint Use Support Structures. Maintenance work will be completed in
3 accordance with the Maintenance Standards as outlined in the 2011 JUA.³
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5 Settlement of the details of the performance of maintenance in 2012 and beyond could
6 involve co-operative arrangements between the parties which might reduce
7 Newfoundland Power's costs and thereby increase the benefits to Newfoundland Power
8 and its customers of the new Joint Use regime. Any such potential benefits are not
9 reflected in the analysis currently before the Board.⁴

³ Bell Aliant will, by June 30, 2011, indicate its detailed plans to Newfoundland Power for completing maintenance for 2012 and beyond in accordance with the 2011 JUA.

⁴ Please refer to the Response to Request for Information PUB-NP-35.