

MARITIME
ELECTRIC
A FORTIS COMPANY

July 31, 2019



Island Regulatory & Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1

Dear Commissioners:

Please find enclosed six copies of Maritime Electric's 2019 Supplemental Budget Request Application for Line Rebuilds.

This Application represents a customer initiated capital request and the Company would like to proceed immediately upon receiving Commission approval.

If you require further information, please do not hesitate to contact me at 902-629-3641.

Yours truly,

MARITIME ELECTRIC

A handwritten signature in black ink that reads "Gloria Crockett". The signature is written in a cursive, flowing style.

Gloria Crockett, CPA, CA
Manager, Regulatory & Financial Planning

GCC26
Enclosure

C A N A D A

PROVINCE OF PRINCE EDWARD ISLAND

**BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION**

IN THE MATTER of Sections 8(1) and 17(1) of the Electric Power Act (R.S.P.E.I. 1988, Cap. E-4) and **IN THE MATTER** of the Application of Maritime Electric Company, Limited for an order of the Commission approving the 2019 Supplemental Capital Budget Request Application for Line Rebuilds and for certain approvals incidental to such an order.

**APPLICATION AND EVIDENCE
OF
MARITIME ELECTRIC COMPANY, LIMITED**

July 31, 2019

TABLE OF CONTENTS

| | | |
|-----------|--|----|
| 1.0 | APPLICATION | 1 |
| 2.0 | AFFIDAVIT | 3 |
| Exhibit A | | |
| 3.0 | INTRODUCTION | 5 |
| 3.1 | Corporate Profile | 5 |
| 3.2 | Overview of Evidence | 7 |
| 4.0 | SUPPLEMENTAL BUDGET REQUEST | 8 |
| 4.1 | Background | 8 |
| 4.2 | Line Rebuilds – Make-Ready Work | 10 |
| 4.3 | Proposed Make-Ready Projects | 12 |
| 4.4 | Proposed Capital Budget Revision | 16 |
| 5.0 | PROPOSED ORDER | 17 |

APPENDICES

| | |
|------------|---|
| Appendix A | Bell Canada and Maritime Electric Joint Use Agreement |
| Appendix B | Images of Spring Valley Road Make-Ready |
| Appendix C | Images of Hamilton Road Make-Ready |
| Appendix D | Images of Baltic Road Make-Ready |

1.0 APPLICATION

C A N A D A

PROVINCE OF PRINCE EDWARD ISLAND

**BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION**

IN THE MATTER of Sections 8(1) and 17(1) of the Electric Power Act (R.S.P.E.I. 1988, Cap. E-4) and **IN THE MATTER** of the Application of Maritime Electric Company, Limited for an order of the Commission approving the 2019 Supplemental Capital Budget Request Application for Line Rebuilds and for certain approvals incidental to such an order.

Introduction

1. Maritime Electric Company, Limited ("Maritime Electric" or the "Company") is a Corporation incorporated under the laws of Canada with its head or registered office at Charlottetown and carries on a business as a public utility subject to the Electric Power Act ("EPA" or the "Act") engaged in the production, purchase, transmission, distribution and sale of electricity within Prince Edward Island.

Application

2. Maritime Electric hereby applies for an order of the Island Regulatory and Appeals Commission ("IRAC" or the "Commission") approving a Supplemental Budget Request ("SBR") for the year 2019 as outlined in the attached evidence.
3. The proposals contained in this Application represent a just and reasonable balance of the interests of Maritime Electric and those of its customers and its joint use partner Bell

Canada. If approved, the Company will undertake the necessary capital additions and improvements at a cost that is, in all circumstances, reasonable.

Procedure

4. Filed hereto is the Affidavit of John D. Gaudet, Jason C. Roberts, Angus S. Orford and Enrique A. Riveroll which contains the evidence on which Maritime Electric relies in this Application.

Dated at Charlottetown, Province of Prince Edward Island, this 31st day of July, 2019.

D. Spencer Campbell, Q. C.

STEWART MCKELVEY
65 Grafton Street, PO Box 2140
Charlottetown PE C1A 8B9
Telephone: (902) 629-4549
Facsimile: (902) 892-2485
Solicitors for Maritime Electric Company, Limited

2.0 AFFIDAVIT

C A N A D A

PROVINCE OF PRINCE EDWARD ISLAND

**BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION**

IN THE MATTER of Sections 8(1) and 17(1) of the Electric Power Act (R.S.P.E.I. 1988, Cap. E-4) and **IN THE MATTER** of the Application of Maritime Electric Company, Limited for an order of the Commission approving the 2019 Supplemental Capital Budget Request Application for Line Rebuilds and for certain approvals incidental to such an order.

AFFIDAVIT

We, John David Gaudet of Charlottetown, Jason Christopher Roberts of Suffolk, Angus Sumner Orford of Charlottetown and Enrique Alfonso Riveroll of New Dominion, in Queens County, Province of Prince Edward Island, MAKE OATH AND SAY AS FOLLOWS:

1. We are the President and Chief Executive Officer, Vice-President, Finance and Chief Financial Officer, Vice-President, Corporate Planning and Energy Supply and Vice-President, Customer Service of Maritime Electric respectively and, as such, have personal knowledge of the matters deposed to herein, except where noted, in which case we rely upon the information of others and in which case we verily believe such information to be true.

Maritime Electric

2. Maritime Electric is a public utility subject to the provisions of the Electric Power Act engaged in the production, purchase, transmission, distribution and sale of electricity within Prince Edward Island.
3. We prepared or supervised the preparation of the evidence and to the best of our knowledge and belief the evidence is true in substance and in fact. A copy of the evidence is attached to this, our Affidavit, and is collectively known as Exhibit "A", contained in Sections 3 and 4 and Appendices A through C inclusive.
4. Section 5 contains a proposed Order of the Commission based on the Company's Application.

SWORN TO SEVERALLY at
Charlottetown, Province of Prince Edward Island,
the 31st day of July, 2019.

Before me:

John D. Gaudet

Jason C. Roberts

Angus S. Orford

Enrique A. Riveroll

A Commissioner for taking Affidavits
in the Supreme Court of Prince Edward Island.

EXHIBIT A

3.0 INTRODUCTION

3.1 Corporate Profile

Maritime Electric Company, Limited owns and operates a fully integrated system providing for the purchase, generation, transmission, distribution and sale of electricity throughout Prince Edward Island. The Company's head office is located in Charlottetown with generating facilities in Charlottetown and Borden-Carleton.

Maritime Electric is the primary provider of electricity in Prince Edward Island ("PEI") delivering over 90 per cent of the energy supplied in the province. To meet customers' energy demand and supply requirements, the Company has contractual entitlement to capacity and energy from New Brunswick Power's ("NB Power") Point Lepreau Nuclear Generating Station ("Point Lepreau") and an agreement for the purchase of capacity and system energy from NB Power delivered via four submarine cables leased from the Province of Prince Edward Island. The Company also purchases 92.5 megawatts ("MW") of wind generated energy under contract with the PEI Energy Corporation and maintains 140 MW of on-Island oil fired generating capacity.

Maritime Electric strives to provide safe and reliable electricity service at an affordable cost to its customers through capital investments to rebuild or replace aging assets, and annual operating expenditures such as tree trimming or other line and substation maintenance activities. The Company recognizes that customers expect high levels of service at reasonable prices. Achieving a reasonable balance between reliability and economically priced service requires prudent planning of expenditures to ensure an effective use of available resources.

Joint use of electric utility poles with communication providers is one way that Maritime Electric maintains the balance between a high level of service and reasonably priced electricity for its customers. A joint use pole is one that accommodates both power and communication lines and accessories. A pole is considered joint use if it is managed under a joint use agreement (such as has been in place between Maritime Electric and Bell Canada since 2003) or if it hosts communication equipment on the basis of support

structure license agreement (e.g., Eastlink pays for its use of the communication space on Maritime Electric poles through a support structure license agreement and the payment of annual attachment fees). With joint use, costs for the construction, operation, maintenance, repair and replacement of joint use poles are shared between Maritime Electric and Bell Canada whereas with a support structure license agreement, Maritime Electric is responsible for all such costs as they are included in and recovered through attachment fees.

Additional background information concerning joint use and the Joint Use Agreement between Maritime Electric and Bell Canada is provided in Section 4.1 of this Supplemental Budget Request (“SBR”).

3.2 Overview of Evidence

Under Section 17(1) of the Electric Power Act, Maritime Electric is required to submit to the Island Regulatory and Appeals Commission (“Commission” or “IRAC”), for its approval, an annual Capital Budget of proposed improvements or additions to the property of the public utility. On August 8, 2018, Maritime Electric filed its 2019 Capital Budget Application and subsequent approval was received by the Commission in Order UE18-09 on November 26, 2018.

On April 10, 2018 the Company filed the Capital Expenditure Justification Criteria (“CEJC”). Under Section 5.0 of the CEJC, a Supplemental Budget Request Application is to be filed with the Commission when the Company determines that a capital expenditure which was not anticipated at the time of the Capital Budget Application is necessary in the budget year and would result in an increase in capital expenditures above what was approved by IRAC.

This is the evidence in support of the Company’s proposed Supplemental Budget Request Application for Line Rebuilds. The Application is necessary to complete three joint use make-ready projects for Bell Canada that were not known or anticipated at the time of the filing the original 2019 Capital Budget Application. These three projects are of a size that the associated costs will exceed the provisional amount in Line Rebuilds that would normally be adequate for joint use requests.

4.0 SUPPLEMENTAL BUDGET REQUEST

4.1 Background

Electric power and communication utilities typically need to place equipment in the same geographic area to deliver their respective services to consumers. For each utility to erect and use their own poles is often impractical or impossible in many locations. For this reason, the joint use of utility poles is a reasonable solution to a mutual problem.

Maritime Electric customers benefit from joint use of electric utility poles as the associated capital and operating costs are shared with communication providers through joint ownership or attachment agreements. More specifically, joint use cost sharing and attachment fees apply to and help to support the following:

- Administration and management of joint use assets;
- Survey and engineering design of joint use facilities at a consistent standard;
- Joint use pole supply, installation, support, removal and disposal;
- Vegetation management of joint use lines to improve service reliability;
- Worksite protection during joint use conversion projects (traffic control costs);
- Property access and related legal fees associated with establishing new joint use lines; and
- Damage claims and site remediation costs.

Prior to 2003, an informal joint use agreement between Maritime Electric and Bell Canada was in place that was centered upon a Joint Ownership Ratio of 60 per cent for Maritime Electric and 40 per cent for Bell Canada. This informal agreement worked well until variances from the Joint Ownership Ratio became more frequent with periodic true-ups required with protracted discussions regarding appropriate remediation.

In 2003 both utilities agreed that a formal agreement was necessary and since that time Maritime Electric has been party to a Joint Use Agreement ("Agreement") with Bell Canada. This Agreement, which was updated and renewed earlier this year, sets out the terms and conditions for shared use of each utility's respective poles and buried equipment where there are operating and economic benefits to both parties and their customers. In particular, the Agreement sets out the Joint Ownership Ratio, the ratio of the percentage

of total joint use poles owned by Maritime Electric to the percentage of total joint use poles owned by Bell Canada. The Joint Ownership Ratio is 60 per cent for Maritime Electric and 40 per cent for Bell Canada. A copy of the Agreement is provided as Appendix A to this response.

Under joint use, the pole owner is responsible for risk management, maintenance, vegetation management, replacement, and the general integrity and construction standard of the structure. Also, the pole owner is responsible to manage all attaching companies' assets. As noted in Section 3.1 of this SBR, Eastlink is an example of an attachment licensee and as such, it pays attachment fees to the owner of the pole for access. An attachment licensee does not own any joint use poles but contributes a portion of the pole related costs through the attachment fees.

The joint use activities proposed in this application are commonly referred to as "make-ready" projects. There are many potential variations of make-ready projects but the most common example would be when Bell Canada makes a request to convert a Maritime Electric owned pole or poles to joint use standards (in accordance with the Joint Use Agreement, "Schedule A" Administration Practices, Section 16 – Construction Practices). This is the case for the make-ready projects proposed in this SBR, whereby what was previously a Maritime Electric owned power line is being converted to joint use so that Bell Canada can attach communication fibre. The poles and related (pole) installation/removal costs are shared in accordance with the Joint Use Agreement, "Schedule A" Administration Practices, Section 5 – Principles of Joint Use Sharing.

In addition to the work required to convert a pole or poles to joint use, make-ready projects often also require infrastructure upgrades (e.g., new conductor, neutral wire, insulators, etc.). This is the case when the conversion work cannot be carried out safely due to aged and deteriorated electrical system components. Such upgrades are specific to the Maritime Electric system and therefore deemed a benefit to Maritime Electric customers only. For this reason they are not shared as joint use costs. (See Section 4.2 of this SBR for further information on how make-ready project costs are allocated.)

4.2 Line Rebuilds – Make-Ready Work

For the proposed joint use make-ready projects identified and discussed in Section 4.3 of this SBR, Maritime Electric owned poles are being converted to joint use which results in two cost categories for the Company. One is the cost to upgrade poles to joint use standards (“Joint Use Cost”) and the other is the cost to upgrade components that are specific to construction safety and the safe and reliable supply of power to Maritime Electric customers (“Maritime Electric Plant Specific Cost”).

4.2.1 Joint Use Cost

The Joint Use Cost is shared between Maritime Electric and Bell Canada based on the Joint Ownership Ratio of 60 per cent Maritime Electric and 40 per cent Bell Canada and in accordance with the Joint Use Agreement, “Schedule A” Administration Practices, Section 5 – Principles of Joint Use Sharing.

Material and labour costs for make-ready projects are primarily related to pole costs including installation and removal. Other joint use make-ready costs that typically go along with the pole work includes the installation/removal of guys, anchors and associated hardware, tree trimming, survey and engineering, traffic control and transportation.

When an existing non-joint use pole is converted to joint use its ownership status may be changed to coincide with and/or maintain the Joint Use Ratio. The structural value of the pole is then determined based on an estimate of its age and that is used to determine what Bell Canada must pay to Maritime Electric (or vice versa). For example, when an existing Maritime Electric owned pole is converted to joint use, Bell Canada will pay Maritime Electric for 40 per cent of the structural value of that pole according to Structural Value of Poles Table in the Agreement.

Under the Agreement, when an existing non-joint use pole is to be taken out of service and replaced due to insufficient height, deterioration or some other reason, the make-ready initiator pays the owner for the remaining value (i.e. the sacrificial life) of that pole. This is to compensate the owner for any remaining value of the pole that is being removed from service due to the needs of the make-ready initiator.

Pole structural value and sacrificial life payments as described above are specified in the Joint Use Agreement, “Schedule A” Administration Practices, Section 14 – Price Schedules, Exhibit A”. These values are based on cost and are reviewed by a Joint Use Committee comprised of two representatives from each utility once a year for adjustment as required, in accordance with Subsection 14.02 of the aforementioned “Schedule A” Administrative Practices document.

The distribution lines and associated poles being proposed as make-ready projects are currently owned by Maritime Electric. As such, Bell Canada will make structural value and sacrificial life payments to Maritime Electric in addition to 40 per cent of the Joint Use Cost (the sum of Bell Canada’s Joint Use Cost payment and structural value/sacrificial life payment is the Bell Total Contribution).

4.2.2 Maritime Electric Plant Specific Cost

The make-ready projects proposed in this SBR will also require power line upgrades due to the condition of electrical system components that would present a safety hazard during the joint use conversion. These upgrades are of benefit only to Maritime Electric customers and as such they are not factored into the Bell Canada’s Joint Use Cost payment. Such components include conductor, insulators, cross arms, transformers, lights, hardware and the related installation costs. These costs are identified separately from the Joint Use Cost as Maritime Electric Plant Specific Costs in this SBR. Bell Canada also has plant specific make-ready costs (e.g. the supply and installation of fibre optic cable) that have not been provided to Maritime Electric and therefore not accounted for in the budget breakdowns provided in Section 4.3 of this SBR.

4.3 Proposed Make-Ready Projects

Bell Canada has requested three make-ready projects to convert existing non-joint use distribution lines owned by Maritime Electric to joint use lines. These make-ready projects were not known to Maritime Electric at the time the Capital Budget Application was prepared and therefore not included in the Line Rebuilds section of the 2019 Capital Budget Application.

The 2019 Capital budget for Line Rebuild projects approved by IRAC is as follows:

| | | |
|-------------|--|---------------------------|
| Section 5.5 | Line Rebuilds | <u>\$4,245,000</u> |
| a. | Single Phase and Three Phase Rebuilds | \$2,115,000 |
| b. | Distribution Line Refurbishment | \$680,000 |
| c. | Accelerated Distribution Component Replacement | \$1,450,000 |

The proposed make-ready projects are required by Bell Canada to expand its rural network and meet customer demand and contractual service obligations. While these projects are required for Bell Canada to expand its service area, they will also improve system safety and reliability for the benefit of Maritime Electric and its customers. These benefits include the replacement of aged components, improvements to system reliability and voltage, reduced electrical losses and safety enhancements by upgrading facilities to current standards.

For the reasons provided, Maritime Electric is seeking approval of a 2019 Supplemental Budget Request of \$560,500 for the following make-ready projects:

| | | |
|-----------|--------------------------------------|------------------------------------|
| a. | Spring Valley Road Make-Ready | \$212,500 |
| | Location: | Spring Valley |
| | Line Type: | Distribution – Single Phase |
| | Distance: | 3.5 kilometres |

Project Description:

Bell Canada has requested to convert approximately 3.5 kilometres of single phase line on the Spring Valley Road (Route 102) to joint use standards. The proposed make-ready will start at approximately 1658 Route 102 and end at approximately

Maritime Electric

979 Route 102 in Spring Valley. Maritime Electric will replace deteriorated poles, old conductor, neutral wire and insulators as part of this project. The line (KN80415) is operated at 7,200 volts and is fed from the Kensington Substation.

Components:

The line will be constructed to meet current standards. The project, as proposed, will see a total of forty-three (43) poles replaced. Twenty-one (21) of the poles requiring replacement are aged Penta-treated poles and twenty-two (22) are too short to be used in a joint use application. Fifteen (15) existing poles will be satisfactory after adding additional support. There are twenty-two (22) repair sleeves in this section of line signifying numerous repairs. Images of the Spring Valley Road make-ready project are provided in Appendix B.

Construction:

To work in the right-of-way a permit from the Department of Transportation, Infrastructure and Energy will be required for the project. It is intended that the new construction will occur on the opposite side of the road as the poles on the existing line cannot be safely leaned while still energized.

The budget breakdown for the Spring Valley Road project is as follows:

| Spring Valley Road Make-Ready | | | | | | | | |
|-------------------------------|--------------------|------------------------------|--------------------------------|---|---|--|-------------------------------------|--|
| Cost Component | Joint Use Cost (A) | MECL Plant Specific Cost (B) | Total Project Cost (C = A + B) | MECL Share Joint Use Cost (D = A X 60%) | Bell Share Joint Use Cost (E = A X 40%) | Bell Contribution for Pole Structural Value and Sacrificial Life (F) | Bell Total Contribution (G = E + F) | Supplementary Budget Request (H = B + D - F) |
| Material | \$ 30,000 | \$ 18,000 | \$ 48,000 | \$ 18,000 | \$ 12,000 | \$ 27,000 | \$ 39,000 | \$ 9,000 |
| Labour | \$ 78,500 | \$ 156,500 | \$ 235,000 | \$ 7,000 | \$ 31,500 | n/a | \$ 31,500 | \$ 203,500 |
| TOTAL | \$ 108,500 | \$ 174,500 | \$ 283,000 | \$ 65,000 | \$ 43,500 | \$ 27,000 | \$ 70,500 | \$ 212,500 |

b. Hamilton Road Make-Ready \$143,500
Location: Indian River
Line Type: Distribution – Single Phase
Distance: 2.3 kilometres
Project Description:

Bell Canada has requested to convert approximately 2.3 kilometres of the Hamilton Road (Route 104) to joint use standards. The make-ready will start at the MacLellan Road and follow Route 104 to Route 20. Maritime Electric will replace deteriorated poles, old conductor, neutral wire and insulators as part of this project. The line (KN80011) is operated at 7,200 volts and is fed from the Kensington Substation.

Components:

The line will be constructed to meet current standards. The project, as proposed, will see twenty-three (23) poles replaced in total. Eight (8) of the poles that are being replaced are eastern cedar and fifteen (15) are aged Penta-treated poles. There are eleven (11) repair sleeves in this section of line. Images of the Hamilton Road make-ready project are provided in Appendix C.

Construction:

To work in the right-of way a permit from the Department of Transportation, Infrastructure and Energy will be required for the project. It is intended that the new construction will occur on the same side of the road by leaning poles and carrying out the work with the existing line still energized.

The budget breakdown for the Hamilton Road project is as follows:

| Hamilton Road Make-Ready | | | | | | | | |
|--------------------------|--------------------|------------------------------|--------------------------------|---|---|--|-------------------------------------|--|
| Cost Component | Joint Use Cost (A) | MECL Plant Specific Cost (B) | Total Project Cost (C = A + B) | MECL Share Joint Use Cost (D = A X 60%) | Bell Share Joint Use Cost (E = A X 40%) | Bell Contribution for Pole Structural Value and Sacrificial Life (F) | Bell Total Contribution (G = E + F) | Supplementary Budget Request (H = B + D – F) |
| Material | \$ 19,000 | \$ 11,500 | \$ 30,600 | \$ 11,000 | \$ 8,000 | \$ 14,000 | \$ 22,000 | \$ 8,500 |
| Labour | \$ 31,000 | \$ 116,000 | \$ 147,000 | \$ 19,000 | \$ 12,000 | n/a | \$ 12,000 | \$ 135,000 |
| TOTAL | \$ 50,000 | \$ 127,500 | \$ 177,500 | \$ 30,000 | \$ 20,000 | \$ 14,000 | \$ 34,000 | \$ 143,500 |

- c. Baltic Road Make-Ready \$204,500**
Location: Indian River
Line Type: Distribution – Three Phase
Distance: 1.8 kilometres

Project Description:

Bell Canada has requested to convert approximately 1.8 kilometres of the Baltic Road (Route 20) to joint use standards. The make-ready will start at the Hamilton Road and follow Route 20 to just prior to the Cheese Factory Road. Maritime Electric will replace deteriorated poles, old conductor, neutral wire and insulators as part of this project. The line (KN80011) is operated at 7,200 volts and is fed from the Kensington Substation.

Components:

The line will be constructed to meet current standards. The project, as proposed, will see twenty-seven (27) poles replaced in total. Two (2) of the poles that are being replaced are eastern cedar and four (4) are aged Penta-treated poles. Twenty-one (21) of the remaining poles are not a suitable height for joint use. Images of the Baltic Road make-ready project are provided in Appendix D.

Construction:

To work in the right-of way a permit from the Department of Transportation, Infrastructure and Energy will be required for the project. It is intended that the new construction will occur on the same side of the road by leaning poles and carrying out the work with the existing line still energized.

The budget breakdown for the Baltic Road project is as follows:

| Baltic Road Make-Ready | | | | | | | | |
|------------------------|--------------------|------------------------------|--------------------------------|---|---|--|-------------------------------------|--|
| Cost Component | Joint Use Cost (A) | MECL Plant Specific Cost (B) | Total Project Cost (C = A + B) | MECL Share Joint Use Cost (D = A X 60%) | Bell Share Joint Use Cost (E = A X 40%) | Bell Contribution for Pole Structural Value and Sacrificial Life (F) | Bell Total Contribution (G = E + F) | Supplementary Budget Request (H = B + D – F) |
| Material | \$ 25,000 | \$ 40,000 | \$ 65,000 | \$ 15,000 | \$ 10,000 | \$ 10,500 | \$ 20,500 | \$ 44,500 |
| Labour | \$ 22,500 | \$ 146,500 | \$ 169,500 | \$ 13,500 | \$ 9,000 | n/a | \$ 9,000 | \$ 160,000 |
| TOTAL | \$ 47,500 | \$ 186,500 | \$ 234,000 | \$ 28,500 | \$ 19,000 | \$ 10,500 | \$ 29,500 | \$ 204,500 |

4.4 Proposed Capital Budget Revision

The table below shows the proposed revision to the Line Rebuilds section (i.e. Section 5.5) of the 2019 Capital Budget Application submitted to IRAC on August 8, 2018 and approved by the Commission in Order UE 18-09:

| Revised Capital Budget for Line Rebuilds (Section 5.5) including SBR | | | |
|---|------------------------------|----------------------------|-----------------------------------|
| Description | Approved UE 18-09 | SBR Application | Revised Capital Budget |
| a. Single Phase and Three Phase Rebuilds | \$ 2,115,000 | \$ 560,500 | \$ 2,675,500 |
| b. Distribution Line Refurbishment | 680,000 | - | 680,000 |
| c. Accelerated Distribution Component Replacement | 1,450,000 | - | 1,450,000 |
| TOTAL | \$ 4,245,000 | \$ 560,500 | \$ 4,805,500 |

5.0 PROPOSED ORDER

C A N A D A

PROVINCE OF PRINCE EDWARD ISLAND

**BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION**

IN THE MATTER of Sections 8(1) and 17(1) of the Electric Power Act (R.S.P.E.I. 1988, Cap. E-4) and **IN THE MATTER** of the Application of Maritime Electric Company, Limited for an order of the Commission approving the 2019 Supplemental Capital Budget Request Application for Line Rebuilds and for certain approvals incidental to such an order.

UPON receiving an Application by Maritime Electric Company, Limited (the “Company”) for approval of the Company’s Supplemental Budget Request for the year 2019;

AND UPON considering the Application and Evidence filed in support thereof;

Maritime Electric

NOW THEREFORE, for the reasons given in the annexed Reasons for Order and pursuant to the Electric Power Act;

IT IS ORDERED THAT

The 2019 Supplemental Capital Budget Request for Line Rebuilds of the Company, filed herein on July 31st, 2019 and summarized below is approved:

| 2019 Supplementary Capital Budget Request Summary and Revised Capital Budget for Line Rebuilds | |
|---|---------------------|
| Spring Valley Road | \$ 212,500 |
| Hamilton Road | \$ 143,500 |
| Baltic Road | <u>\$ 204,500</u> |
| Total | \$ 560,500 |
| Rebuilds Approved UE18-09 | \$ 4,245,000 |
| Revised Capital Budget Line Rebuilds | <u>\$ 4,805,500</u> |

DATED at Charlottetown, Prince Edward Island, this ____ day of _____, 2019.

BY THE COMMISSIONER:

Chair

Commissioner

Commissioner

Commissioner

APPENDIX A

Joint Use Agreement

BELL CANADA
AND
MARITIME ELECTRIC COMPANY, LIMITED

JOINT USE AGREEMENT

EFFECTIVE January 1, 2019

| Article | Title Page | |
|----------------|--|----|
| | Preamble | 1 |
| I | Definition of Terms..... | 1 |
| II | Territory and Scope of Agreement..... | 4 |
| III | Joint Use Committee | 5 |
| IV | Dealing with Property | 6 |
| V | Specifications | 7 |
| VI | Division of Costs | 7 |
| VII | Ownership..... | 8 |
| VIII | Parties' Rights with Respect to Others | 8 |
| IX | Liabilities and Damages | 10 |
| X | Defaults | 12 |
| XI | Impossibility of Performance..... | 12 |
| XII | Assignment of Rights | 13 |
| XIII | Notices..... | 14 |
| XIV | Invoices and Payments..... | 15 |
| XV | Waiver of Terms or Conditions..... | 15 |
| XVI | Payment of Taxes..... | 16 |
| XVII | Dispute Resolution | 16 |
| XVIII | Term of Agreement..... | 17 |
| XIX | Regulatory Impact..... | 17 |
| XX | Miscellaneous Provisions | 18 |
| Schedule "A" | Administrative Practices..... | 21 |

THIS JOINT USE AGREEMENT made at Charlottetown, in the Province of Prince Edward Island, as of the 1st day of January 1, 2019.

BETWEEN: **BELL CANADA**, a body formed under the laws of Canada, and having an office in the City of Charlottetown, in the Province of Prince Edward Island.

("Bell"),

AND: **MARITIME ELECTRIC COMPANY, LIMITED**, a body duly incorporated under the laws of Canada, and having an office at the City of Charlottetown, in the Province of Prince Edward Island.

("MECL"),

WHEREAS MECL and Bell use Poles in the Province of Prince Edward Island;

AND WHEREAS MECL and Bell desire to continue the Joint Use of their respective Joint Use Poles and Buried Construction and to expand Joint Use when and where Joint Use provides operating advantages and economic benefits to the Parties and their respective customers, provided that Joint Use can meet each Party's service requirements and considerations of safety and economy;

AND WHEREAS the Parties wish to set out the terms and conditions of the Joint Use arrangement in this Agreement and to provide for the detailed administration of this Joint Use Agreement and the Administrative Practices attached as Schedule "A";

NOW, THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the premises and of the mutual covenants contained in this Joint Use Agreement, the Parties covenant and agree, each with each other, as follows:

ARTICLE I DEFINITION OF TERMS

1.01 The following definitions shall apply in this Agreement, including the Administrative Practices attached as Schedule "A", unless the context clearly requires otherwise:

Administrative Practices means the administrative practices of the Parties as set out in Schedule "A" to this Agreement;

Agreement means this Joint Use Agreement;

Anchor means all the physical components, excluding Guys, used for anchoring a Pole;

Application means a written request for a Permit made in accordance with the Administrative Practices;

Attachment means any cable, wire, material, apparatus or fixture used by either Party and attached to a Pole and, for greater certainty, includes Guys;

Buried Construction means the trench and/or any underground duct work, in which wires, materials or apparatus of a Party are located;

Business Day means any day, other than Saturday or Sunday on which major Canadian chartered banks are open for business in the City of Charlottetown, in the Province of Prince Edward Island;

Change in Ownership means the sale or trade of poles between the Parties to bring the Joint Ownership Ratio into compliance with Article VII;

Commission means the Island Regulatory and Appeals Commission ("IRAC") established pursuant to Island Regulatory and Appeals Commission Act, R.S.P.E.I. 1998, Cap I-11, as amended, or any successor to the IRAC exercising similar jurisdiction;

Communication Space means that area of a Pole, no less than 610 mm in length, as more particularly delineated in the Administrative Practices;

Control Authority means MECL's Energy Control Centre;

Control Cable means a cable used solely by MECL to transmit system control and data signals;

CSA means the Canadian Standards Association;

CRTC means the Canadian Radio-Television and Telecommunications Commission established pursuant to the Telecommunications Act, S.C. 1993, c. 38, as amended, or any successor to the CRTC exercising similar jurisdiction;

Effective Date means January 1, 2019;

Governing Body means anybody having legislative or regulatory powers affecting the Parties and includes the Commission, the CRTC, and any federal, provincial, municipal or other authority having jurisdiction over highways or other public places, acting under legislative authority to carry out duties in maintaining and improving public highways or other public places;

Grounding System means the ground rod or ground coil, wire and all physical components required to connect the neutral conductor to earth;

Guy means a wire used to attach a Pole to an Anchor, or to attach a pole to a stub pole for the purpose of providing physical support to the Pole;

Hold-Off is a limited type of protection which prohibits the reclosing of apparatus covered in the event of an interruption without the expressed consent of the Party requesting the Hold-Off.

Joint Ownership Ratio means the agreed to ratio of Joint Use Poles that will be owned by each Party, as further defined in Article VII;

Joint Use means the use by both Parties of a Pole or Buried Construction;

Joint Use Committee means the committee defined in Article III of this Agreement;

Joint Use File means the jointly operated and maintained record of Pole ownership used by the Parties as provided in Section 12 of the Administrative Practices;

Joint Use Pole means a Pole that has both MECL and Bell Attachments or a pole that has been agreed by both Parties to be constructed to Joint Use standards and has been cost shared per this Agreement but only one of the Parties is attached;

Line Clearing means the provision of adequate clearance from tree interference for all cables or wire supported by Poles and includes items such as, but not limited to, under brushing, tree removals, cabling or guying of trees, pruning or trimming, treatment of cuts and disposal of debris;

Net Book Value means the original capital cost of a Pole less the accumulated depreciation expense in relation to that Pole, as recorded on the books of the Owner;

Non Joint Use Pole means a Pole that has only the attachments of MECL or Bell or a pole that has not been agreed by both Parties to be constructed to Joint Use standards and has not been cost shared per this Agreement;

Others means persons, firms or corporations who are not a Party to this Agreement and shall include cable television companies;

Owner means the Party who owns the Pole;

Party means a party to this Agreement;

Permit means the instrument in writing by which the Owner authorizes use of a Pole;

Planned Pole Line Upgrades means a structurally sound existing Joint Use pole line that needs to be upgraded to accommodate the requirements of a Party, where the upgrade is not required due to deterioration or routine maintenance.

Pole means a utility pole owned by a Party and used to support wires and/or telecommunications equipment; including its Anchors, Grounding Systems, pole cribs and related hardware;

Pole Line means two or more Poles installed in a sequence to service a particular area;

Power Space means that area of a Pole as more particularly delineated in the Administrative Practices;

Property Rights means easements, rights of way, licenses, fee simple interests, consents of Governing Bodies and other rights giving ingress to and egress from the Poles, obtained in accordance with Section 11 of the Administrative Practices;

Rearrange/Rearrangement means the removal of Attachments from one position on a Pole and the placing of the same Attachments in another position on the same Pole;

Replace/Replacement means the substitution of a new or different Pole for an existing Pole;

Sacrificed Value means the cost recovered for Poles prematurely displaced as set forth in Section 14 of the Administrative Practices;

Structural Value means the sale price of Poles and Anchors sold in place as set forth in Section 14 of the Administrative Practices;

Substandard Joint Use Pole means a Joint Use Pole which does not conform to the specifications of Section 16 of the Administrative Practices;

Tenant means the Party making, applying for or having the permission to make Joint Use of a Pole belonging to the other Party;

Transfer means the removal of Attachments from one Pole and the placing of the same Attachments on another Pole; and

Transmission Line means a power supply circuit operating at a voltage in excess of 25 KV, phase-to-phase.

ARTICLE II

TERRITORY AND SCOPE OF AGREEMENT

2.01 The Parties shall, in accordance with and subject to this Agreement:

- a. co-operate and consult with each other in the planning, design, installation and maintenance of Poles and the acquisition of Property Rights for Joint Use with a view to providing maximum economic and service advantages to the customers of both Parties;

- b. undertake such inspections or re-inspections as each deems necessary to ensure compliance by Others to the designed use of Poles; and
 - c. permit the Joint Use of Poles which are not on the date of execution of this Agreement jointly used by the Parties.
- 2.02
 - a. Each Party agrees to the principle of Joint Use whenever it is desirable in the judgment of both Parties.
 - b. Each Party shall determine the requirements of its own service and the character, design and construction of its own Attachments on Poles and of its own cables, wires and materials in Joint Use Buried Construction, subject to the provisions and specifications of the Administration Practices.
 - c. Each Party reserves the right to exclude from Joint Use any of its Poles which in the Party's judgment:
 - i. are necessary for its sole use; or
 - ii. carry, or are intended to carry, facilities of such character that would make Joint Use of such Poles undesirable.
- 2.03 The Administrative Practices are included as part of this Agreement and shall be read in conjunction with each of the Articles, provided that in the event of conflict between any Article and the Administrative Practices, the Article shall prevail. Any additions or amendments to the Administrative Practices shall be subject to the approval of the Parties as outlined in the Administrative Practices and shall have effect from the date specified in the written approval of the Parties.
- 2.04 This Agreement is effective within the territory of the Province of Prince Edward Island in which both Parties operate and distribute their respective services as of the Effective Date and shall cover all Poles now existing or later constructed or acquired in this territory or any other territory that may be brought under this Agreement by mutual consent.
- 2.05 All other agreements between the Parties for the Joint Use of Poles and Buried Construction within the territories covered by this Agreement are abrogated and annulled.

ARTICLE III

JOINT USE COMMITTEE

- 3.01 The Parties shall establish and maintain a minimum four member liaison committee to be known as the Joint Use Committee, and each Party shall appoint at least two persons to the Joint Use Committee.

3.02 The Joint Use Committee shall:

- a. meet at least twice per year and produce minutes from these meetings citing decisions and agreed upon action items;
- b. promote and co-ordinate the planning, design, installation and maintenance of Joint Use Poles;
- c. administer the terms and conditions of this Agreement;
- d. consider all matters respecting the use of Joint Use Poles and negotiate transactions respecting the institution, continuance or discontinuance of the Joint Use of particular Poles;
- e. negotiate all questions and problems which come under dispute regarding Joint Use;
- f. initiate such studies, audits, surveys, sampling and other activities as may be necessary to formulate, revise and amend the Administrative Practices;
- g. initiate annual reviews and modifications as required by the Administrative Practices for the construction, management, preservation and use of Joint Use Poles, and payments to be made in respect of the same;
- h. promote and co-ordinate the planning, design, acquisitions and maintenance of Property Rights;
- i. co-operate in the planning, design and management of the appropriate uses of the Communication Space and Power Space; and
- j. each Party will be responsible for selecting their members and of notifying the other Party of additions, removals or change of members.

ARTICLE IV
DEALING WITH PROPERTY

- 4.01 Nothing in this Agreement shall limit or affect the rights of the Owner to deal with or dispose of its Non Joint Use Poles.
- 4.02 Subject to Clause 4.03, the Owner may, after giving at least twelve (12) months prior written notice and extending a first right of refusal to the Tenant, discontinue, terminate or otherwise dispose of any of its Joint Use Poles. Providing such notice is given, such discontinuance, termination or other disposition of Joint Use Poles by the Owner shall not give rise to any liability to the Tenant.
- 4.03 a. Notwithstanding any other agreement between either of the Parties and any Others, in the event of discontinuance, termination or disposal of Joint Use Poles under

Clause 4.02, the Tenant shall have the first right to purchase such Joint Use Poles from the Owner at:

- i. where individual or small groups of Joint Use Poles are being discontinued, terminated or disposed of, the Structural Value as provided in SECTION 14-PRICE SCHEDULES; or
 - ii. where all or substantially all of the Joint Use Poles are being discontinued, terminated or sold, the Net Book Value.
- b. The Tenant shall indicate its acceptance of the right of first refusal by notice in writing to the Owner within ninety (90) days of receiving the written notice from the Owner, and the sale in relation to the Joint Use Poles shall occur as soon as is reasonably possible and, in no event, any later than twelve (12) months from the date that written notice was given by the Owner, unless otherwise agreed by the Parties.

ARTICLE V

SPECIFICATIONS

- 5.01 All construction in connection with Poles shall, at all times, meet the specifications provided in SECTION 16 - CONSTRUCTION PRACTICES which are to be based on CSA standards as a minimum. Notwithstanding the foregoing, the Parties may mutually agree to make trial installations using new techniques and materials provided such installations meet CSA standards.
- 5.02 Subject to Clause 5.01 above, the character, design and construction of Attachments is solely the responsibility of the Party who owns such Attachments.

ARTICLE VI

DIVISION OF COSTS

- 6.01 Division of cost shall be as per Section 5 of the Administration Practices.
- 6.02 Any payment made by the Tenant under any of the provisions of this Agreement shall not entitle the Tenant to the ownership of any part of the Joint Use Poles for which it has contributed in whole or in part, other than as expressly provided in this Agreement.

**ARTICLE VII
OWNERSHIP**

- 7.01 The Parties agree that as of the Effective Date, the target Joint Ownership Ratio is sixty percent (60%) for MECL and forty percent (40%) for Bell and as of October 1, 2019 the target will be substantially achieved. For the balance of the Agreement, the target Joint Ownership Ratio shall be maintained by the Parties as is reasonably possible throughout each year of this Agreement unless amended in accordance with Sub-Clause 20.03(b).
- 7.02 Ownership shall be tracked between the parties as per Section 12 of the Administrative Practices.
- 7.03 Change in Ownership – The Parties shall be diligent in maintaining the target Joint Ownership Ratio throughout each year of this Agreement and in the event that a Change In Ownership of Joint Use Poles is required, the Parties agree that it is their mutual intention that Joint Use Poles placed in that particular year shall be used. Concerns related to maintaining the Joint Use Ownership Ratio shall be referred to the Joint Use Committee.
- 7.04 The Parties shall determine the number of Joint Use Poles owned by each Party on a quarterly basis. This determination shall be made through referral to the Joint Use File, or by means of such other method as the Parties, from time to time, may agree.
- 7.05 Upon determining the number of Joint Use Poles of each Party in accordance with Clause 7.04, both Parties shall review the data generated and, in the event that either Party is required to make a Change In Ownership of any Joint Use Poles in order to maintain the target Joint Ownership Ratio, the database shall be updated to reflect the 60%/40% ownership level described in Section 7.01, once the Change In Ownership has occurred.
- 7.06 Either Party may, from time to time, transfer the ownership of Poles to the other Party where the Parties agree that it is desirable.
- 7.07 Any Change In Ownership of Joint Use Poles under this Agreement shall be in writing and free and clear of any liens and encumbrances.

**ARTICLE VIII
PARTIES' RIGHTS WITH RESPECT TO OTHERS**

- 8.01 Unless otherwise provided in this Agreement, any rights or privileges granted to Others by the Owner prior to the Effective Date in respect of the use of its Poles shall not be affected by this Agreement.
- 8.02 Notwithstanding anything to the contrary contained in this Agreement, either Party may at any time and from time to time grant to Others any rights or privileges with respect to any Non Joint Use Poles.

- 8.03 Any Non Joint Use Pole, in respect of which rights or privileges have been granted to Others, may be approved for Joint Use if in the opinion or judgment of the Owner, Joint Use of the Pole shall not unduly interfere with the rights or privileges granted to such Others. Subject to this Agreement, the Owner may continue any such rights or privileges of Others notwithstanding the fact that the Pole may be brought into Joint Use.
- 8.04 The Owner may, at any time and from time to time, grant to Others rights and privileges with respect to any of the Owner's Poles, provided however, that in the case of a Joint Use Pole:
- a. the Owner shall not, without the prior written consent of the Tenant, directly or indirectly grant any rights or privileges to any Others with respect to any part of the space in which the Tenant has the right to attach its Attachments as provided in SECTION 16 - CONSTRUCTION PRACTICES. If the Owner wishes to grant any rights or privileges to Others with respect to any part of such space on a Pole, the Owner shall request approval from the Tenant in writing and shall provide to the Tenant all relevant information and data concerning the rights or privileges which it wishes to grant. The Tenant shall consent to such a request where such consent is not inconsistent with the Tenant's current and anticipated future service requirements as permitted by its particular Governing Body. Upon the Tenant giving its consent in writing, the Owner may then grant such rights or privileges in a form which recognizes the rights and concerns of the Tenant. If the Tenant does not give its consent, the Tenant shall give the Owner written reasons for its refusal as soon as reasonably possible and, in no event, any later than ninety (90) days of the request for approval. Any disputes in relation to this provision shall be dealt with pursuant to Article XVII- Dispute Resolution;
 - b. the Owner shall not grant new rights or privileges to Others for the use of space on its Joint Use Poles outside the space in which the Tenant has the right to attach its Attachments as provided in SECTION 16 - CONSTRUCTION PRACTICES unless such new rights or privileges do not unduly interfere with the rights or privileges of the Tenant as provided in this Agreement;
 - c. the Owner shall not, without the prior written consent of the Tenant, grant any rights or privileges to Others that would lie contrary to the Tenant's right of first refusal to purchase the Joint Use Poles in accordance with Article IV; and
 - d. payments made by Others to the Owner for the use of Joint Use Poles shall be shared in accordance with Section 13 of the Administrative Practices.
- 8.05 Notwithstanding anything to the contrary in this Agreement with the exception of Clause 8.06, Bell shall have priority access to the Communication Space and MECL shall have priority access to the Power Space on Joint Use Poles in order to meet their respective service requirements.

- 8.06 Notwithstanding anything to the contrary in this Agreement, attachments made by Others as a result of an order by the Commission or the CRTC shall be governed by the terms and conditions of such order.

ARTICLE IX LIABILITIES AND DAMAGES

- 9.01 As this Agreement is intended for the mutual benefit and protection of the Parties, non-conformity with it shall not create any presumption of fault on the part of either Party in favor of any Others.
- 9.02 a. Whenever any liability is incurred by either or both of the Parties for injuries to, or death of any persons, including employees of either Party, or for damage to any property, including the property of either Party, or for any other damages or injuries, arising out of the construction, installation, presence, or use of Joint Use Poles or Attachments under this Agreement, the liability for such damages, as between the Parties, shall be as follows:
- i. each Party shall be wholly liable for all injury to, or death of any persons, including employees of either Party, or for damage to any property, including the property of either Party, caused solely by its negligence;
 - ii. each Party shall be liable for all injury to, or death of any persons, including employees of either Party, or for damage to any property, including the property of either Party, caused by the negligence of both Parties in the same proportion that its negligence contributed to the injury, death or damage.
- b. For greater certainty, where injury, death or damage arises as a result of a failure by one Party to meet its obligations pursuant to CSA standards or this Agreement, that failure shall not absolve the other Party from liability where the other Party's negligence has also been a contributing factor to that injury, death or damage.
- c. In the event that the Parties are unable to agree upon the proportion of liability, the issue of apportionment of liability between the Parties shall be decided through dispute resolution as provided in Article XVII - Dispute Resolution unless the issue has been otherwise determined by a proceeding initiated by any Others in a court having jurisdiction over the matter. The cost of such arbitration shall be borne by the unsuccessful Party, or if neither Party is successful or success is divided, the costs shall be borne equally or as the arbitrator or arbitrators may direct.
- 9.03 a. In respect of a damage claim that is made against or affects both Parties, the Parties shall use their best efforts to settle the claim upon reasonable terms agreed to by both Parties. In the event that the proportion of liability of each Party has been agreed upon, or decided in the dispute resolution process, and the claimant desires to settle upon terms acceptable to one of the Parties but not to the other Party, the following shall apply:

- i. the Party to which the settlement is acceptable may give written notice to the other Party of its willingness to accept the settlement amount;
 - ii. if the other Party does not agree to accept the settlement amount within fifteen (15) days after such notice, the Party which gave the notice (the "Notice Party") may choose to withdraw from the dispute and the other Party (the "Disputing Party") shall defend the claim. The Notice Party may choose to defend its own position in the dispute;
 - iii. where the Notice Party has withdrawn from the dispute in accordance with clause (ii) and the amount of the liability of the Parties, as later agreed upon or determined by an independent court or tribunal, is less than the proposed settlement amount, the Notice Party shall pay to the Disputing Party its proportion of the proposed settlement amount and its proportion of the costs and expenses of the Disputing Party; and
 - iv. where the amount of the liability of the Parties, as later agreed upon or determined by an independent court or tribunal, is equal to or greater than the proposed settlement amount, the Disputing Party shall bear all its own costs and expenses and will reimburse the costs, if any, incurred by the Notice Party after the date of the Notice. The sole responsibility of the Notice Party in that event shall be to pay the amount corresponding to its proportion of the proposed settlement amount.
 - b. In the adjustment between the Parties of any claim for damages, the liability assumed by the Parties and the calculation of the amount of any settlement under this Article IX, shall include, in addition to the amounts paid to the claimant, all costs, charges, and expenses incurred by the Parties or either of them in connection with the claim which shall include reasonable solicitor's fees on a solicitor and client basis and other costs and expenses incidental to any suit, action, investigation, claim or proceeding. Such adjustment shall be carried out promptly.
- 9.04 a. Subject to Clause 9.02, the Owner shall save, defend, hold harmless and fully indemnify the Tenant from and against any and all losses, costs including, without limitation, reasonable solicitor's fees on a solicitor and client basis and other incidental disbursements, costs and expenses which the Tenant may sustain, suffer, or be put to, by reason of, or on account of injury to or death of any person or persons, or damage to or destruction of any of the property of the Tenant or of any other person, arising out of or in respect of use by or presence of Others on any of the Owner's Joint Use Poles, as provided in Article VIII - Parties' Rights with Respect to Others. However, the Tenant shall be responsible for its own negligence and for the negligence of its agents or employees in the same proportion that the negligence was a contributing factor.

- b. Except as provided in Sub-Clause 9.03(a), in case of damage to Joint Use Poles or Attachments of either Party by Others, each Party is responsible for recovering its own damages. When a Joint Use Pole is replaced by the Tenant in an emergency, the Tenant shall bill the Owner and the Owner shall reimburse the Tenant, for work done on behalf of the Owner. The Owner, in turn, may bill the person causing the damage for the actual costs.
- 9.05 Except as provided in this Article IX, each Party shall bear its own losses and costs in causes where a claim or demand does not arise from the actions of the other Party, its agents or employees.
- 9.06 Each of the Parties shall provide and maintain during the entire term of this Agreement commercial general liability insurance in the minimum aggregate amount of \$2,000,000, with an insurer and in a form satisfactory to the other Party, naming the other Party as an additional insured and providing 30 days' notice in writing of any cancellation during policy terms. Each Party shall provide the other Party with satisfactory proof of such insurance.

ARTICLE X DEFAULTS

- 10.01 Unless Clause 10.02 applies, where either Party defaults in any of its obligations under this Agreement, the Party not in default may give the Party in default written notice of such default. If such default continues thirty (30) days after the notice and the default has not been referred to dispute resolution in accordance with this Agreement, the Party not in default may, in addition to any other remedy it may have, forthwith terminate this Agreement as far as it concerns the future granting of Joint Use pursuant to this Agreement. Nothing in this Clause 10.01 shall affect any rights or obligations which either Party may have under the Electric Power Act, R.S.P.E.I. 1988, c. E-4, as amended, or the Telecommunications Act, S.C. 1993, c.38, as amended.
- 10.02 Where either Party defaults in the performance of any work which it is obligated to do under this Agreement, the Party not in default shall advise the Party in default forthwith by written notice of such default and should such default continue for fifteen (15) days after the notice, and the default has not been referred to dispute resolution in accordance with this Agreement, the Party not in default may elect to do such work, and the Party in default shall pay the other Party one-hundred percent (100%) of the actual cost of the work.

ARTICLE XI IMPOSSIBILITY OF PERFORMANCE

- 11.01 Where the performance by either of the Parties of any of their respective obligations in this Agreement shall to any extent be prevented, restricted, delayed, or interfered with by reason of any of the following:

- a. war, revolution, civil commotion, riots, acts of public enemies, acts of terrorism, blockade or embargo, any strike, lockout or other labour difficulty or work stoppage, explosion, epidemic, fire, flood, freeze, severe weather conditions, ice blockage, acts of God or order of any Governing Body having jurisdiction; or
- b. the prohibition, restraint, restriction or prevention from installing, constructing or Replacing Poles or for making available any portion of any such Poles by any statute law, by-law, ordinance, regulations, judgment, Property Right, or by the property rights of Others, or the removal, or threat of removal of any easement, right-of-way, servitude or other privilege;

then such Party shall, on written notice to the other, be excused from the performance of such obligations but only to the extent of the period of such prevention, restriction, delay or interference. The provisions contained in this Article shall not apply to the obligations of such Party to pay the amounts required to be paid to the other Party in the manner and at the time provided in this Agreement.

ARTICLE XII ASSIGNMENT OF RIGHTS

- 12.01 Except as otherwise provided in this Agreement, neither Party shall assign this Agreement, or any of its rights or interests pursuant to this Agreement, or dispose of any of the Joint Use Poles or Attachments, without the written consent of the other Party, which consent shall not be unreasonably withheld. However, nothing in this Agreement shall prevent or limit the right of either Party to mortgage any or all of its property, rights, privileges and franchises, and in the case of the foreclosure or other exercise of any remedy provided by the terms of such mortgage, subject to the first right of refusal to purchase the Joint Use Poles in accordance with Article IV, its rights and obligations pursuant to this Agreement shall pass to and be acquired and assumed by the purchaser on foreclosure or other exercise of any remedy.
- 12.02 Change of control of a Party, or assignment by a Party of its rights and obligations pursuant to this Agreement to an entity which is controlled, directly or indirectly by the Party or the parent corporation, or to a corporation that controls the Party, directly or indirectly, shall be permitted, for the purposes of Clause 12.01, without the consent of the other Party. However, written notice of such change of control must be provided to the other Party as soon as possible after the notifying Party becomes aware of such change in control.
- 12.03 Where either Party assigns its rights under this Agreement in whole or in part as permitted in Clause 12.01 and Clause 12.02, that Party shall remain bound by the obligations in this Agreement jointly and severally with the assignee, unless otherwise agreed in writing by the Parties.

**ARTICLE XIII
NOTICES**

- 13.01 a. Except as provided in the Administration Practices, any notice required to be given under this Agreement shall be in writing and shall be sufficiently given if sent by facsimile transmission or delivered by hand and addressed as follows:
- A. if to Bell:
- Bell Canada
64 Alison Blvd
Fredericton, NB
Facsimile: 506-472-1182
e-mail: jeff.bujold@bell.ca
Attention: Regional Manager, Access Engineer
- B. if to MECL:
- Maritime Electric Company, Limited
West Royalty Service Centre
3 Fourth Street
Charlottetown PE
Facsimile: 902-629-3630
e-mail: victormr@maritimeelectric.com
Attention: Manager – T&D Operations
- ii. A notice sent by facsimile transmission or email is deemed to have been given on the next Business Day following transmission.
- iii. A notice delivered by hand is deemed to have been given on the date of actual delivery.
- b. Notwithstanding Sub-Clause 13.01(a), where the notice is a notice of termination or default, it shall not be effective unless also given from the president of one Party to the president of the other Party.
- 13.02 Either Party may change its address for notice or the person designated to receive such notice by giving notice in writing of the change to the other Party.

ARTICLE XIV
INVOICES AND PAYMENTS

- 14.01 Upon completion of work performed by either Party, the expense of which is to be borne wholly or in part by the other Party, the Party performing the work shall, after its completion, issue to the other Party an invoice showing the work completed and an itemized list of labor, materials and other expenses. In the event that a project is not completed within thirty (30) days, progress billing indicating work completed may be rendered monthly.
- 14.02 Accounts shall be deemed overdue if not paid within sixty (60) days after the receipt of the invoice. Unless the matter has been referred to dispute resolution in accordance with this Agreement, in which case the matter of interest will be determined at that level, the Parties shall pay interest charges on overdue accounts at a monthly rate of one twelfth (1/12) of the annual rate determined as the lowest current prime commercial lending rate during that month at the Bank of Montreal plus one percent (1%). Such interest charges shall be compounded at the monthly rate for each month or part month the account remains overdue.
- 14.03 Failure to make any payment required under this Agreement within sixty (60) days after the receipt of an invoice shall, at the election of the other Party, constitute a default under this Agreement.
- 14.04 Where, under this Agreement, it is considered advisable by agreement of both Parties, in the interest of economy, to use unit charges as representing the cost of certain operations in lieu of actual costs, nothing in the foregoing terms of this Article XIV shall preclude the practice of so doing.
- 14.05 All invoices issued pursuant to this Agreement shall specify the amount of harmonized sales taxes payable.
- 14.06 For the purposes of this Agreement, invoices shall be deemed to be received as follows:
- a. if sent by facsimile transmission or email, on the next Business Day following the transmission;
 - b. if sent by mail, two Business Days following postage; or
 - c. if delivered by hand, on the date of actual delivery.

ARTICLE XV
WAIVER OF TERMS OR CONDITIONS

- 15.01 The failure of either Party to enforce any of the terms or conditions of this Agreement shall not constitute a general or specific waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

ARTICLE XVI
PAYMENT OF TAXES

- 16.01 Each Party shall be responsible for the payment of all taxes, rates and assessments lawfully levied on property owned by it or treated as owned by it under Article VIII - Parties' Rights with Respect to Others upon Joint Use Poles or contained in Joint Use Buried Construction, and the taxes and the assessments which are levied on these Joint Use Poles or Joint Use Buried Construction shall be paid by the Owner, but any tax, fee or charge levied on the Owner's Joint Use Poles or Joint Use Buried Construction solely because of their use by the Tenant shall be paid by the Tenant within sixty (60) days of receipt of an invoice by the Tenant detailing the increase to the tax, fee or charge.
- 16.02 Sales Taxes. Amounts payable under this Agreement do not include any sales taxes. The Tenant shall be responsible for and shall pay as and when due in accordance with applicable laws any and all sales taxes (including but not limited to provincial sales tax, goods and services tax, and harmonized sales tax) and telecommunications levies from foreign jurisdictions levied in respect thereof. To the extent any sales taxes are paid by the Tenant to the Owner, the Owner shall remit or cause to be remitted to the applicable taxing authority such sales taxes on a timely basis in accordance with applicable laws.

Bell Canada warrants its GST/HST number is 100458652RT0001

Maritime Electric warrants its GST/HST number is 12111 9879

Both Parties confirm that sales taxes will be recorded pursuant to governing legislative requirements.

ARTICLE XVII
DISPUTE RESOLUTION

- 17.01 a. Where any dispute or difference arises as to any matter or thing relating to or in respect of this Agreement, such dispute or difference shall be first referred to the Joint Use Committee for resolution. If the matter is not resolved by the Joint Use Committee within two (2) months of the referral, it may be referred by either Party to arbitration in accordance with the provisions of the Arbitration Act, R.S.P.E.I. 1988, c. A-16, as amended, and shall be submitted to a sole arbitrator agreed upon between the Parties. The decision of the sole arbitrator shall be final and binding upon the Parties.
- b. Where the Parties are unable to agree upon a sole arbitrator, such dispute or difference shall be referred to three (3) arbitrators. Each Party shall appoint one (1) arbitrator and the remaining arbitrator, who shall be chairman, shall be selected by the arbitrators appointed by each Party. The decision of any two (2) arbitrators shall be final and binding upon the Parties.

- c. Except where otherwise provided, the costs of any such arbitration, including reasonable compensation for the arbitrator or arbitrators, shall be borne and paid equally by the Parties, or as the arbitrator or the arbitrators, as the case maybe, may otherwise direct.
- d. Except as modified herein, the arbitration shall be conducted in accordance with the provisions of the Arbitration Act R.S.P.E.I. 1998, Cap A-16, as amended.

ARTICLE XVIII TERM OF AGREEMENT

- 18.01 Regardless of the date of execution, this Agreement shall continue in force for the period from January 1, 2019 to December 31, 2023 and shall not be terminable during such period except as stated elsewhere in this Agreement.
- 18.02 After December 31, 2023, this Agreement shall continue in full force and effect indefinitely unless and until terminated by notice in writing as provided in this Article XVIII.
- 18.03 Unless specified otherwise, this Agreement may be terminated by at least twelve (12) months' notice in writing, given at any time following the Effective Date by either Party to the other.
- 18.04 Notwithstanding any termination of this Agreement, existing Joint Use shall continue to be covered by the terms of this Agreement until:
 - a. such Joint Use has been discontinued by the Tenant;
 - b. a new Joint Use agreement is executed by the Parties; or
 - c. a relevant order is made by a Governing Body; whichever occurs first.

ARTICLE XIX REGULATORY IMPACT

- 19.01 The Parties recognize that Bell is subject to regulation by the CRTC. Bell shall provide notice to MECL of any regulatory proceeding scheduled by the CRTC which involves consideration of any term of this Agreement. Where the CRTC makes an order affecting any term of this Agreement, then, subject to Clause 19.03, this Agreement shall be deemed to be modified to comply with such order.
- 19.02 a. The Parties recognize that MECL is subject to regulation by the Commission. MECL shall provide notice to Bell of any regulatory proceeding scheduled by the Commission which involves consideration of any term of this Agreement. Where the Commission makes an order affecting any term of this Agreement, then, subject to Clause 19.03, this Agreement

shall be deemed to be modified to comply with such order.

b. The Parties recognize that the Commission approves MECL's capital budget on an annual basis. If MECL's approved capital budget does not include sufficient provision for any work requested pursuant to this Agreement and/or the Administrative Practices, then the Parties acknowledge that MECL will have to make a supplementary budget request to the Commission, that MECL's ability to complete the requested work may be delayed, and that MECL will not be authorized to proceed with the requested work until it receives the Commission's approval.

19.03 Where an order of the Commission or the CRTC results in a modification of any term of this Agreement as described in Clauses 19.01 or 19.02 and the modification affects either:

a. Article VI, Article VII or Article VIII of this Agreement; or

b. Section 13 of the Administrative Practices;

then the Party directly subject to the order of the Governing Body shall provide written notice of the order to the other Party in accordance with sub-clause 13.01(a) within thirty (30) days of the filing of the written order. The Party which is not directly subject to the Governing Body which has made the order shall have the right, but not the obligation, to terminate this Agreement forthwith by written notice of termination to the other Party in accordance with Clause 19.04.

19.04 The right of termination provided in Clause 19.03 may only be exercised by giving notice in writing within six (6) months of the date the notice is deemed to be received under sub-clause 13.01(a). Failure by the applicable Party to provide notice of termination within six (6) months shall result in the loss of the right to terminate.

ARTICLE XX MISCELLANEOUS PROVISIONS

20.01 This Agreement shall enure to the benefit of and shall be binding upon the successors and the permitted assigns of the Parties respectively.

20.02 a. In this Agreement and in the Administrative Practices, the words "Article" and "Clause" shall refer to specific portions of the Agreement itself, and the word "Section" shall refer to specific portions of the Administrative Practices.

b. The headings used in this Agreement and in the Administrative Practices are for information purposes only and shall not be construed as part of this Agreement.

20.03 a. This Agreement, including the Administrative Practices, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, negotiations, understandings and discussions,

whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, expressed or implied, collateral, statutory or otherwise, relating to the subject matter of this Agreement except as provided in this Agreement and the Administrative Practices.

- b. Unless otherwise provided, any additions or amendments to this Agreement or the Administrative Practices shall be subject to the prior written approval of the Parties in accordance with Section 10.01 of the Administration Practices and shall have effect from the date specified in the written approval.
- 20.04 This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by the laws of Prince Edward Island and the applicable laws of Canada, and each Party irrevocably submits to the jurisdiction of the courts of Prince Edward Island.
- 20.05 Time shall be of the essence in this Agreement.
- 20.06 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the remainder of the Agreement.

[The remainder of this page left intentionally blank.]

Bell Canada and Maritime Electric Company, Limited
Joint Use Agreement

IN WITNESS WHEREOF the Parties have caused these presents to be executed in duplicate by their respective officers duly authorized in that behalf.

Witness Amy Glynn

Bell Canada

Name Kenneth Edson

Direct, Network

Witness

Maritime Electric Company, Limited

Name John Gaudet

President & CEC

Name ENRIQUE RIVEROLA

Vice President, Customer Service
Title

SCHEDULE "A"
ADMINISTRATION PRACTICES

| SECTION | SUBJECT | PAGE |
|----------------|---|-------------|
| 1. | GENERAL | |
| 1.01 | Introduction | 24 |
| 1.02 | Transmission Line Poles | 24 |
| 1.03 | Circuit Limitations | 24 |
| 1.04 | Prior Notification of Work on Joint Poles | 24 |
| 1.05 | Information Respecting Electrical Faults | 25 |
| 1.06 | Procedure for Temporary Insulator | 25 |
| 1.07 | Substandard Joint Use Poles | 26 |
| 2. | JOINT USE COMMITTEE | |
| 2.01 | General | 26 |
| 2.02 | Frequency of Meetings | 27 |
| 2.03 | Decisions | 27 |
| 2.04 | Joint Use Pole Audit | 27 |
| 3. | PLANNING AND CO-ORDINATION | |
| 3.01 | Identification and Planning of Poles | 27 |
| 4. | JOINT USE WORK REQUEST FORM | |
| 4.01 | General | 27 |
| 4.02 | Initial Contact | 28 |
| 4.03 | Exception to Procedure | 28 |
| 4.04 | Processing of Joint Use Request Form | 28 |
| 4.05 | Guidelines for Completion of Joint Use Request Form | 29 |
| 5. | PRINCIPLES OF JOINT USE COST SHARING | |
| 5.01 | New Construction | 29 |
| 5.02 | Converting Non-Joint Use to Joint Use | 30 |
| 5.03 | Cost Settlement | 31 |
| 5.04 | Joint Use Pole Ownership Reconciliation | 31 |
| 5.05 | Revenue from Others | 31 |
| 5.06 | Emergency Maintenance Pole Replacement | 31 |
| 6. | TRANSFER COSTS | |
| 6.01 | Calculation of Transfer Costs | 32 |
| 6.02 | Transfer of Attachments due to Routine Maintenance | 32 |
| 6.03 | Transfer of Attachments due to Requirements of Others | 32 |
| 6.04 | Transfer of Attachments due to Planned Pole Line Upgrades | 32 |

| | | |
|------------|---|----|
| 7. | MECL CONTROL CABLES IN THE COMMUNICATION SPACE | |
| 7.01 | Application of this Section | 32 |
| 7.02 | Control Cables on Non-Joint Use Poles | 33 |
| 7.03 | Control Cables on Existing Poles | 33 |
| 7.04 | Establishing Joint Use of New Poles | 33 |
| 8. | MAINTENANCE OF POLES AND ATTACHMENTS | |
| 8.01 | Maintenance of Joint Use Poles | 33 |
| 8.02 | Maintenance of Attachments | 33 |
| 8.03 | Maintenance of Property Rights | 33 |
| 9. | TERMINATION OF JOINT USE | |
| 9.01 | Termination of Joint Use by Owner | 34 |
| 9.02 | Termination of Joint Use by the Tenant | 34 |
| 10. | HIERARCHY OF SIGNING AUTHORITY | |
| 10.01 | Transaction Approvals | 35 |
| 10.02 | Change of Authorities | 35 |
| 11. | PROPERTY RIGHTS | |
| 11.01 | Distribution Line Property Rights | 35 |
| 11.02 | Tenant Property Rights | 35 |
| 11.03 | Joint Property Rights | 35 |
| 11.04 | No Warranty for Use of Owner's Property Rights | 36 |
| 11.05 | Clearing of Property Rights | 36 |
| 11.06 | Property Rights Acquisition | 36 |
| 12. | JOINT USE POLE RECORDS | |
| 12.01 | Joint Use File | 37 |
| 12.02 | Data to be Exchanged Annually | 37 |
| 13. | RENTALS FROM OTHERS | |
| 13.01 | Sharing of Rental Payments | 38 |
| 13.02 | Calculation of Rental Payments | 38 |
| 13.03 | Payment | 39 |
| 13.04 | Payment Adjustments | 39 |
| 14. | PRICE SCHEDULES | |
| 14.01 | Sacrificed and Structural Value Price Schedules | 39 |
| 14.02 | Price Schedule Update | 39 |

| | | |
|-------------|--|----|
| 15. | JOINT USE BURIED CONSTRUCTION | |
| 15.01 | Policy, Planning, and Co-ordination | 39 |
| 15.02 | Contracting | 40 |
| 15.03 | Specifications | 40 |
| 15.04 | Cost Sharing | 40 |
| 15.05 | Maintenance | 40 |
| 16. | CONSTRUCTION PRACTICES | |
| 16.01 | General- CSA Standards | 40 |
| 16.02 | Vertical Design Clearances and Separations | 41 |
| 16.03 | Joint Use Anchors and Guys | 41 |
| 16.04 | Joint Use Poles | 41 |
| 16.04.1 | Pole Line Design | 41 |
| 16.05 | Easement Widths and Pole Lines | 41 |
| 16.06 | Line Clearing and Tree Trimming | 41 |
| 16.07 | Joint Use Buried Construction | 42 |
| Exhibit "A" | Bell/MECL Sacrificed and Structural Values of Poles - (2019) | 43 |

SECTION 1 - GENERAL

1.01 Introduction

These Administrative Practices form part of the Joint Use Agreement and contain policies, price schedules, forms, procedures and specifications essential to the detailed administration and operation of the Agreement. The success of the Agreement is dependent on a good relationship between the Parties at all levels. This can only be achieved if each Party carries out the intent of the Agreement, co-ordinates its work to meet the time schedules outlined and gives work on Joint Use Poles a high priority.

1.02 Transmission Line Poles

Transmission Line Poles normally will not be considered for Joint Use purposes; however MECL may in its sole discretion permit Transmission Line Poles to be used for Joint Use purposes. In the event that permission is granted, MECL shall provide the necessary conditions and pricing to Bell and Bell shall determine whether it wishes the upgrade or rebuild to proceed. In all circumstances MECL shall own all Transmission Line Poles used for Joint Use.

1.03 Circuit Limitations

These Administrative Practices are in accordance with the requirements for Joint Use involving supply circuits operating at a voltage of 25 KV or less phase-to-phase. Joint Use involving Transmission Line Poles shall not normally be permitted, although such Joint Use currently exists on some Transmission Line Poles. Additional Joint Use involving Transmission Line Poles shall be considered on a case-by-case basis and all appropriate design and safety concerns shall be addressed in making a determination of Joint Use.

1.04 Prior Notification of Work on Joint Use Poles

For safety of personnel and security of services, a Party which proposes to perform work (as outlined below) on Joint Use Poles shall notify the other Party before commencing such work. When personnel of Bell are erecting Poles or Line Clearing along existing Pole Lines carrying MECL circuits energized at voltages above 750 volts to ground, MECL personnel shall be notified daily before and after any work is performed. Notwithstanding the provisions of ARTICLES XIII - NOTICES of the Agreement, such notification need not be written notice. Furthermore, before work begins on erecting Poles, along an existing Pole Line, carrying MECL circuits energized at voltages above 750 volts to ground, a site visit by both Parties should be performed to determine if the minimum approach distances can be maintained. Only qualified workers or utility arborists approved by MECL are allowed to work within the Minimum Approach Distances outlined in Table 1.01. The table also outlines the Minimum Approach Distance for unqualified workers. Extra protection in the form of a Hold-Off may be obtained from the Control Authority if the worker requesting the Hold-Off has been trained in the Maritime Electric Standard Protection Code. The costs for having a protection guarantee established and released shall be as agreed between the Parties and borne by Bell.

Table 1.01 - Minimum Approach Distances for Personnel

| Operating Voltage (Phase to Phase) | Qualified Workers | Utility Arborist | Unqualified Workers (OH&S Regs) |
|---|--------------------------|-------------------------|--|
| 0-300 V | No direct contact | No direct contact | 900 mm or 36 in |
| 301 V to 750 V | No direct contact | No direct contact | 900 mm or 36 in |
| 751 V to 15 kV | 760 mm or 30 in. | 1200 mm or 48 in. | 3600 mm or 12 ft. |
| 25 kV | 900 mm or 36 in. | 1200 mm or 48 in. | 3600 mm or 12 ft. |
| 34.5 kV to 69 kV | 1000 mm or 40 in. | 1500 mm or 60 in. | 3600 mm or 12 ft. |
| 138 kV | 1200 mm or 48 in. | 1800 mm or 72 in. | 5200 mm or 17 ft. |

1.05 Information Respecting Electrical Faults

- a. Where Bell encounters difficulties which may be attributable to an electrical fault, it may request in writing a listing of electrical faults recorded by MECL, and MECL shall make every reasonable effort to provide a written listing to Bell within thirty (30) days of the request.
- b. Where an electrical fault occurs for any reason during the placement of Poles by Bell into energized circuits owned by MECL, Bell's authorized representative shall immediately cease work and notify MECL's local control authority. If the feeder trips for any reason whatsoever, it shall not be re-energized until assurance is received from Bell's authorized representative that all workmen are clear and the Pole Line may be re-energized. Where a trip is due to an electrical fault caused by Bell, MECL may request a written report of the incident. This report shall be submitted not more than five (5) Business Days following the request.

1.06 Procedure for Temporary Insulator

The following outlines the Parties' responsibilities for a temporary insulator used to prevent an energized conductor from contacting a Pole.

Bell shall:

- a. give notice to the MECL district area office three (3) Business Days in advance of any Pole installation in energized lines;
- b. reimburse MECL for its temporary insulator and inspection costs as agreed between the Parties;
- c. retrieve Bell cover-up and Pole guards from MECL premises; and

- d. Replace, at its own expense, burnt Poles which occurred before MECL inspections.

MECL shall:

- a. inspect the Poles to determine if banding is required. This inspection shall take place no later than the next Business Day after the Poles are installed;
- b. band Poles;
- c. transport Bell's cover-up and Pole guards to MECL's premises; and
- d. replace, at its own expense, burnt Poles which occurred after MECL inspections.

1.07 Substandard Joint Use Poles

Substandard Joint Use Poles shall be replaced if the sub-standard Joint Use Pole creates an immediate safety hazard for either one or both Parties.

SECTION 2 - JOINT USE COMMITTEE

2.01 General

The Parties shall establish and maintain a liaison committee to be known as the Joint Use Committee consisting of four (4) members, of which each of the Parties shall appoint two (2) members, and the Joint Use Committee shall:

- a. promote and co-ordinate the planning, design, installation and maintenance of Joint Use Poles;
- b. administer the terms and conditions of this Agreement;
- c. promote and co-ordinate the planning, design, acquisition and maintenance of Property Rights;
- d. co-operate in the planning, design and management of the appropriate use of the Communication Space and Power Space;
- e. consider all matters respecting Joint Use and negotiate transactions respecting the institution, continuance or discontinuance of the Joint Use of particular Poles;
- f. negotiate all questions and problems which come under dispute regarding Joint Use;
- g. initiate such studies, audits, surveys, samples and other activities as may be necessary to formulate, revise and amend the Administrative Practices; and
- h. initiate annual reviews and modifications, as required of the Administrative Practices

for the construction, management, preservation and use of Poles and payments to be made in respect of the same.

2.02 Frequency of Meetings

Meetings of the Joint Use Committee shall be convened twice annually; however, any member may at any time request such a meeting on short notice and without formality.

2.03 Decisions

No decision or recommendation shall be made unless there is unanimous agreement by all members of the Joint Use Committee.

2.04 Joint Use Pole Audit

From time to time as determined by the Joint Use Committee, the Parties shall jointly conduct a Joint Use Pole audit to ensure a mutually acceptable degree of accuracy of Joint Use records. Each Party shall participate equally in the audit, bear its own costs and complete the audit within an agreed time frame. The extent of the Joint Use Pole audit will be determined annually by the Joint Use Committee. The extent of the audit may be increased if the results show a significant variance from the Joint Use File.

SECTION 3 - PLANNING AND CO-ORDINATION

3.01 Identification and Planning of Poles

Each Party is responsible for planning its own Pole Replacement; however, the Parties shall identify and co-ordinate planning for proposed Pole Replacements, including any Line Clearing anticipated. The planning of major Pole Replacements shall be done before the next budget year at the scheduled Joint Use Committee meetings. Both Parties recognize that it will not be possible to identify and document all Joint Use Poles to be constructed. However, as such Joint Use Poles are identified by a Party, it shall immediately notify the other Party in writing and the parties shall co-ordinate planning for Joint Use.

SECTION 4 - JOINT USE WORK REQUEST FORM

4.01 General

Work shall be coordinated between the Parties to reach agreement concerning ownership, details of construction and proposed completion dates. Due regard shall be given to the service needs of the customers of the Parties.

The purpose of the Joint Use Work Request Form is to document Pole and Attachment transactions between the Parties to update the Joint Use File. Copies of the Joint Use Work Request Form shall be retained to verify Pole and Attachment transactions should disputes occur related to counts or ownership in the Joint Use File or Pole placement activities. The Joint Use Request Form can be updated if it is mutually agreed by both Parties.

The Party requesting the work will provide the Joint Use Work Request Form to the other Party. The other Party will respond to the requesting Party acknowledging their position on whether to build to Joint Use. The Party requesting the work will then proceed with their

design and build based on the position of the other Party. The Poles will be loaded into the Joint Use File as non-Joint Use if the other Party does not agree to build to Joint Use. The Poles will be loaded in the Joint Use File as Joint Use if the other Party agrees to build to Joint Use.

4.02 Initial Contact

Except as provided in Section 4.03, the Party requesting any of the following shall provide a Joint Use Work Request Form to the other Party where it:

- a. wishes to place initial Attachments on the Owner's Non-Joint Use Pole;
- b. wishes to place additional Attachments, or upgrade existing Attachments, on a Substandard Joint Use Pole or the Attachments do not conform to or exceed the specifications of SECTION 16 - CONSTRUCTION PRACTICES of the Administrative Practices;
- c. replaces or relocates a Joint Use Pole and it is necessary for the other Party to Replace, Transfer or Rearrange its Attachments;
- d. requires the installation of an additional Joint Use Pole;
- e. decides to remove its Attachments from a Joint Use Pole, making that Pole Non-Joint Use; or
- f. in case of emergency following oral notification, requires the other Party to do work.

Field construction practices sometimes result in unplanned Attachments. Each Party shall notify the other Party using the Joint Use Work Request Form once it becomes aware of such Attachments.

4.03 Exception to Procedure

The procedures in this Section 4 shall not be required for additional Attachments or upgraded Attachments on a Joint Use Pole that would not significantly increase the loading on the Joint Use Pole such as service drops, secondary runs, street lights, transformer changes, etc. provided adequate space is available as provided in SECTION 16 - CONSTRUCTION PRACTICES.

4.04 Processing of Poles Work Request Form

Joint Use Work Request Forms sent between Parties shall be processed as stipulated in Table 4.01. The approved Joint Use Work Request Form shall then constitute a Permit giving that Party the right to use the space for Attachments of the character specified in the Joint Use Work Request Form.

Table 4.01 - Return of Applications

| Scope of Project | Time for Return of Application |
|----------------------------------|---|
| 1 to 10 Pole Attachments | 10 Business Days from receiving request forms |
| 11 to 40 Pole Attachments | 20 Business Days from receiving request forms |
| Greater than 40 Pole Attachments | 30 Business Days from receiving request forms |

4.05 Guidelines for Completion of Joint Use Work Requests

- a. Notwithstanding Section 4.01, Table 4.02 shall be used as a guideline for completion of work requested by either Party. The time frame stipulated is from the approval of Joint Use Work Request Form per Section 4.04. If Make Ready Work, as defined below, is required, add two (2) Business Days to the time frames stipulated in the Table 4.02.

Table 4.02 - Pole Installations

| Scope of Project | Time for Completion |
|-------------------------|--|
| Service Poles (1 - 3) | 5 Business Days from approval of the Joint Use Work Request as per Section 4.04 |
| 1 to 10 Poles | 15 Business Days from approval of the Joint Use Work Request as per Section 4.04 |
| 11 to 40 Poles | 20 Business Days from approval of the Joint Use Work Request as per Section 4.04 |
| Over 40 Poles | To Be Scheduled |

- b. In these Administrative Practices, "Make Ready Work" means all the work required by either Party to prepare existing Poles for the installation of new Attachments of either Party or the attachments of Others.

SECTION 5 – PRINCIPLES OF JOINT USE COST SHARING

5.01 New Construction (New Line or Line Extension)

The following table outlines the Joint Use cost and ownership concept for new construction including new Pole Lines or Pole Line extensions:

Table 5.01 - Cost and Ownership of New Construction

| Scenario | Initiator | Other Agrees | Install JU Poles | Build to JU Standards | MECL Cost | Bell Cost | MECL Ownership | Bell Ownership |
|----------|-----------|--------------|------------------|-----------------------|-----------|-----------|----------------|----------------|
| 1 | Either | YES | YES | YES | 60% | 40% | 60% | 40% |
| 2 | MECL | NO | NO | NO | 100% | 0% | 100% | 0% |
| 3 | Bell | NO | NO | NO | 0% | 100% | 0% | 100% |

5.02 Converting Non – Joint Use to Joint Use

The following table outlines the Joint Use cost and ownership concept for the conversion of Non – Joint Use Poles and Pole Lines to Joint Use Poles and Pole Lines:

Table 5.02 - Cost and Ownership of Conversion to Joint Use

| Scenario | Owner | Initiator | Owner Agrees | Extra Poles Required | Replace Existing Poles | MECL Cost | Bell Cost | Payment to Owner by Initiator | MECL Ownership | Bell Ownership |
|----------|-------|-----------|--------------|----------------------|------------------------|-------------------------------|-------------------------------|---|----------------|----------------|
| 1 | MECL | Bell | YES | YES | YES | 60% of new and replaced Poles | 40% of new and replaced Poles | Sacrifice Value of existing Poles | 60% | 40% |
| 2 | MECL | Bell | YES | YES | NO | 60% of new Poles | 40% of new Poles | 40% of Structural Value of existing Poles | 60% | 40% |
| 3 | MECL | Bell | YES | NO | YES | 60% of replaced Poles | 40% of replaced Poles | Sacrificed Value of existing Poles | 60% | 40% |
| 4 | MECL | Bell | YES | NO | NO | Nothing | Nothing | 40% of Structural Value of existing Poles | 60% | 40% |
| 5 | Bell | MECL | YES | YES | YES | 60% of new and replaced Poles | 40% of new and replaced Poles | Sacrifice value of existing Poles | 60% | 40% |
| 6 | Bell | MECL | YES | YES | NO | 60% of new Poles | 40% of new Poles | 60% of Structural Value of existing Poles | 60% | 40% |
| 7 | Bell | MECL | YES | NO | YES | 60% of replaced Poles | 40% of replaced Poles | Sacrifice Value of existing Poles | 60% | 40% |
| 8 | Bell | MECL | YES | NO | NO | Nothing | Nothing | 60% of Structural Value of existing Poles | 60% | 40% |

5.03 Cost Settlement (for New Construction or Converting Non – Joint Use to Joint Use)

- a. Sacrificed Value and Structural Value is settled on a Pole by Pole basis per the tables.
- b. Included costs for the installation of new or replaced Poles will be actual costs and will include:
 - i. Cost of the Pole(s)
 - ii. Cost to set new Pole(s)
 - iii. Cost to remove old Pole(s)
 - iv. Cost to place Anchor(s) and Guy(s)
 - v. Cost to remove Anchor(s) and Guy(s)
 - vi. Cost to trim trees to the Joint Use Standard as per sections 16.05 and 16.06
 - vii. Cost to set-up, tear down, and protect the work area
 - viii. Property Rights costs
 - ix. Site remediation costs
 - x. Pole disposal costs
 - xi. Design considerations for foreseeable requirements within 5 years
- c. Excluded costs which each Party bears on their own include:
 - i. Cost to transfer lines to new or replaced poles.
 - ii. Cost to install transformers and apparatus cabinets
 - iii. Cost of incidental tree trimming required to place wire or cable
 - iv. Facility relocations, modifications, or temporary work required for individual needs.
 - v. Underground and civil work
 - vi. Navigable water permits and other long-term license
- d. The cost of new or replaced Joint Use or pending Joint Use Poles will be split 60/40 and ownership will be attributed on each job as agreed to by the Parties. Fractions of Poles will be accumulated and settled on a quarterly basis as agreed by the Parties.

5.04 Joint Use Pole Ownership Reconciliation

The 60/40 Joint Use Pole Ownership will be attributed on each job. All Joint Use Poles will have unique pole identification and an associated Owner entered into the Joint Use File. The Parties' representatives will meet quarterly to reconcile and adjust the total ownership of the Parties to ensure that Pole ownership stays at the agreed target Joint Ownership Ratio. Both Parties will agree to where the adjustments are required. The Joint Use File will be maintained as discussed in section 12.

5.05 Revenue from others

The Owner of the Joint Use Pole will receive all revenues associated with third party attachments, subject to Section 13 hereof.

5.06 Emergency and Maintenance Pole Replacement

To maintain or restore service during emergencies such as storms, motor vehicle accidents or events beyond the control of each Party, MECL may replace Poles owned by either Party

and temporarily secure Bell Attachments in a safe manner. In cases where Bell owns the Pole(s), it shall reimburse MECL for the actual costs of such Pole Replacement as described in Section 5.03.

When Pole(s) are being Replaced due to damage, routine maintenance, or they are Substandard Joint Use Poles, then each Party will bear its own Transfer, Rearrangement or Attachment costs and the Owner will place the new Pole(s) at its cost. When Pole(s) are being moved or Replaced due to a Governing Body, a property owner or a third party, each party will bear its own costs and seek compensation from the outside Party at their discretion.

SECTION 6 - TRANSFER COSTS

6.01 Calculation of Transfer Costs

Where one Party is required to pay the Transfer costs of the other Party, the amount payable shall be calculated as the actual costs of the Transfers.

6.02 Transfer of Attachments due to Routine Maintenance of existing Joint Use Poles

Where Transferring of Attachments is involved in the Replacement of Joint Use Poles for reasons of routine maintenance, such as replacing deteriorated or damaged Joint Use Poles, subject to the provisions contained in ARTICLE IX - LIABILITIES AND DAMAGES of the Agreement, each Party shall bear the cost of Transferring its own Attachments.

6.03 Transfer of Attachments due to Requirements of Others

Where Others such as a Governing Body or property owner acting within the scope of its authority renders necessary or desirable the Transfer, Rearrangement or removal of Attachments, each Party shall bear the cost of Transferring, Rearranging or removing its own Attachments. Each Party is responsible for recovering their own costs.

6.04 Transfer of Attachments due to Planned Pole Line Upgrades of Joint Use Poles

- a. Where planned pole line upgrades are deemed necessary by either Party and of mutual benefit, no matter who the initiator is each Party will bear their own Transfer costs.
- b. Where planned pole line upgrades are deemed necessary by one Party and is of sole benefit to same, the initiator of the planned upgrades will bear the Transfer costs of both Parties.

SECTION 7 - MECL CONTROL CABLES IN THE COMMUNICATION SPACE

7.01 Application of this Section

This Section 7 applies to the planning and establishment and changing of Joint Use in circumstances involving Control Cables which are attached in the Communication Space. The other provisions of the Agreement apply to circumstances involving Control Cables which are not expressly addressed in this Section 7. This Section 7 is not intended to limit MECL's right to attach Control Cables on Poles in the Power Space.

7.02 Control Cables on Non-Joint Use Poles

Where a Control Cable is attached to a Pole owned by MECL to which Bell proposes to make Attachments, Bell may relocate the Control Cable for the purposes of maximizing the Communication Space. The cost of Rearranging the Control Cable shall be borne by Bell.

7.03 Control Cables on Existing Poles

MECL may attach a Control Cable to an existing Pole where the Communication Space can accommodate the Control Cable. Bell shall determine the position of the proposed Control Cable within the Communication Space and any additional conditions that may be required. Where Rearrangement of Bell's Attachments are required to attach a Control Cable to a Pole, the cost of such Rearrangement shall be borne by MECL.

7.04 Establishing Joint Use of New Poles

Where MECL plans to attach a Control Cable on Poles installed on or after January 1, 2003, the Poles shall be designed and constructed to accommodate the attachment of the Control Cable within the Communication Space. Bell shall determine the position of the proposed Control Cable within the Communication Space and any additional conditions that may be required. MECL shall notify Bell of its plan to attach a Control Cable via the Joint Use Work Request Form.

SECTION 8 - MAINTENANCE OF POLES AND ATTACHMENTS

8.01 Maintenance of Joint Use Poles

The Owner shall maintain its Joint Use Poles in a safe and serviceable condition in accordance with SECTION 16 - CONSTRUCTION PRACTICES and shall replace deteriorated or damaged Joint Use Poles. Except as otherwise provided in these Administrative Practices, the cost of maintaining and Replacing Joint Use Poles shall be borne by the Owner. Each Party shall bear the cost of Transferring, Rearranging or removing its Attachments.

8.02 Maintenance of Attachments

Each Party shall at all times maintain at its expense all of its Attachments in accordance with SECTION 16 - CONSTRUCTION PRACTICES and shall keep them in safe condition and good repair.

8.03 Maintenance of Property Rights

Any Line Clearing necessary to maintain clearance requirements of both Parties shall be addressed within another agreement dealing specifically with vegetation management. The vegetation management agreement afore mentioned does not include any incidental line clearing costs that may be required by either Party to access Pole Lines for routine installation and maintenance of attachments.

SECTION 9 - TERMINATION OF JOINT USE

9.01 Termination of Joint Use by Owner

This section does not cover the termination of Joint Use of all or substantially all of the Owner's Poles.

- a. Where the Owner desires, at any time, to discontinue the Joint Use of a Pole, it shall give to the Tenant a Joint Use Work Request Form, which shall specify the location of the Joint Use Pole in question.
- b. The Owner shall give notice in writing to the Tenant at least three hundred and sixty-five (365) days prior to the date on which it intends to remove its Attachments, and the Tenant shall have the right, prior to the expiration of the notice, to purchase the Joint Use Pole at its Structural Value as provided in SECTION 14 -PRICE SCHEDULES.
- c. Where the Tenant desires to purchase the Joint Use Pole, it shall notify the Owner in writing to that effect within ninety (90) days of receiving the written notice from the Owner. A bill of sale to cover the transfer of ownership of the Joint Use Poles shall be prepared and executed.
- d. Where, at the expiration of the three hundred and sixty-five (365) day period, the Owner has removed its Attachments from the Joint Use Pole but the Tenant has not removed all of its Attachments or purchased the Joint Use Pole, the matter shall be forwarded to the Joint Use Committee for resolution.

9.02 Termination of Joint Use by the Tenant

Where the Tenant desires, at any time, to discontinue the Joint Use of a Pole, it shall give to the Owner a Joint Use Work Request Form which shall specify the location of the Joint Use Pole in question and the Tenant shall remove from the Joint Use Pole any and all of its Attachments. Upon being satisfied that all Attachments of the Tenant have been removed from the Joint Use Pole, the Owner shall indicate acceptance by signing the Joint Use Work Request Form and shall return a copy to the Tenant.

SECTION 10 - HIERARCHY OF SIGNING AUTHORITY

10.01 Transaction Approvals

Transactions listed below require the signing authorities as shown:

| Transaction | Maritime Electric | Bell |
|--|-----------------------|--------------------------------|
| Agreement Approval | President | Authorized Officer |
| Amendment of this Agreement including the Administrative Practices | Vice-President | Authorized Officer |
| Amendment of Construction Practices | Co-chair JU Committee | Co-chair JU Committee |
| Amendment of Schedules and Exhibits | Co-chair JU Committee | Co-chair JU Committee |
| Notice of Default | President | Officer who executed Agreement |
| Joint Use Work Request Form | Operations Support | Exchange Area Manager |
| Termination of Agreement | President | Officer who executed Agreement |

Transactions not specifically listed above may be approved by the signature of a single officer of MECL and a single officer of Bell.

10.02 Change of Authorities

By written notice under this Agreement, either Party may change their own signing authorities as provided in Section 10.01.

SECTION 11 - PROPERTY RIGHTS

11.01 Distribution Line Property Rights

All distribution line Property Rights are to be acquired as outlined in Sections 11.02 and 11.06, and the Owner of the proposed Pole or Pole Line is responsible for obtaining such Property Rights.

11.02 Tenant Property Rights

Where existing Poles are to be brought under Joint Use, the Tenant shall be responsible for obtaining such Property Rights as it may require at its own cost.

11.03 Joint Property Rights

Where new Joint Use Poles are proposed, the Owner shall obtain joint Property Rights. When the Parties mutually agree, the Tenant may obtain the joint Property Rights at the expense of the Owner. Neither Party warrants that any joint Property Right obtained by them is valid or sufficient for the other Party's purpose.

11.04 No Warranty for Use of Owner's Property Rights

The Owner gives no warranty of permission from property owners, municipalities or Others for the use of the Owner's Property Rights by the Tenant, and if objection is made and the Tenant is unable to adjust the matter satisfactorily within one hundred and eighty (180) days, the Owner may then, by notice in writing at any time, require the Tenant to remove its Attachments from the Poles involved, and the Tenant shall, within one hundred and eighty (180) days after receipt of the notice, remove its Attachments from the Poles at its own expense. Nothing in this Section shall be deemed to confer to the Tenant any authority to maintain its Attachments on the Owner's Poles for any portion of or the whole of the period of one hundred and eighty (180) days or otherwise to infringe upon any legal rights of the property owners, municipalities or Others.

11.05 Clearing of Property Rights

Where the Tenant adds, Replaces, Transfers or Rearranges Poles and/or Attachments to existing Poles, the Tenant shall be responsible for all necessary Line Clearing. At the request of the Tenant, the Owner may carry out the required Line Clearing and the Tenant shall bear the cost.

11.06 Property Rights Acquisition

The following procedures are to be followed when acquiring Property Rights that are required for installation of Poles:

- a. all Property Rights shall be acquired by the acquisition of joint easements and rights-of-way except where a joint license is acquired or the fee simple title to the relevant property is purchased by one or both of the Parties;
- b. the Joint Use Work Request Form shall indicate if an easement, written permission or verbal permission shall be acquired. Once the Joint Use Work Request Form is approved by the other Party, it is the Owner's responsibility to acquire the easement, written permission or verbal permission as indicated on the Joint Use Work Request Form. If future relocation of the Pole Line is required as a result of a property dispute, each Party shall pay its own costs unless the Owner failed to obtain the easement, written permission or verbal permission as indicated on the Joint Use Work Request Form;
- c. a Property Right shall not be required where the Poles are used only to service the particular property upon which they are installed. If there is a reasonable expectation that the Poles may be used to service adjacent properties, reasonable efforts to obtain Property Rights shall be made, with adequate provision to extend the Poles to such adjacent properties;
- d. all Property Rights' boundaries shall be adequately defined (i.e. referenced to landmarks, survey monuments, etc.) so as to provide for future boundary determination. While the location of Poles in relation to the Property Rights' boundaries should be indicated, Poles should not be used as boundary references;

- e. all Property Rights shall be obtained prior to the installation of Poles by either Party;
- f. where a Property Right is required but cannot be obtained by negotiation and no practical alternate route exists, the Property Right shall be acquired through the procedures outlined in the Electric Power Act, R.S.P.E.I. 1988, c. E-4, as amended, or the Telecommunications Act, S.C. 1993, c. 38, as amended. This procedure shall only be used as a last resort after consultation with the Joint Use Committee;
- g. notwithstanding Section 11.01 of these Administrative Practices, in new subdivisions and similar planned developments where MECL is placing the Poles, MECL shall obtain all Property Rights, and shall, prior to negotiation of the Property Rights, inform Bell of the planned subdivision or the development, and at the request of and in consultation with Bell, make commercially reasonable efforts to acquire other rights of ingress to and egress for equipment required by Bell for the development;
- h. where a Property Right is required over Crown land, application shall be made a reasonable time before the anticipated construction start date. In determining a reasonable time, the Parties shall have reference to the practices of the appropriate government authority;
- i. all reasonable efforts shall be made to ensure that the name of the grantor(s) appearing on the Property Right document reflects current ownership of the pertinent property; and
- j. duly executed Property Right documents shall be registered at the Registry of Deeds for Prince Edward Island and then filed at the records office of each Party.

SECTION 12 - JOINT USE POLE RECORDS

12.01 Joint Use File

The Owner of the Pole shall ensure the Joint Use File is updated. Both Parties agree to use the Joint Use File to record the following:

- a. the total number of Joint Use Poles; and
- b. the number of Joint Use Poles occupied by each Party as Owner and as Tenant.

Both Parties shall have access to the Joint Use File and all transactions between the Parties shall be based on the numbers contained in the Joint Use File. The system may be updated or replaced by written agreement of both Parties.

12.02 Data to be Exchanged Annually

At the end of each quarter, each Party shall have reviewed and agreed on the Joint Use Pole count. In the event of any discrepancy between the information provided by the Parties, the discrepancy shall be referred to the Joint Use Committee.

On a quarterly basis, both Parties shall review the counts and determine if either Party is required to purchase Joint Use Poles in order to maintain the target Joint Ownership Ratio specified in Clause 7.01 of ARTICLE VII – OWNERSHIP of the Agreement.

SECTION 13 - RENTALS FROM OTHERS

13.01 Sharing of Rental Payments

- a. The Parties agree that all rental payments received from Others for attachment to Joint Use Poles shall be shared in the ratio of 57.1% Bell, 42.9% MECL up to the common rates per Pole charged by the Parties. Revenues from Others generated by rate differentials higher than the common rates shall be shared on a 57.1%/42.9% basis in favour of the Party with the higher rate.
- b. The sharing of rental payments in Section 13.01 (a) above shall be achieved according to the following rules:
 - i. where the rate charged to Others for the attachment is the same whether the Joint Use Pole is owned by Bell or MECL:

| | | |
|----|------|-------|
| A. | Bell | 57.1% |
| B. | MECL | 42.9% |
 - ii. where the rate charged to Others for the attachment is greater if Bell owns the Joint Use Pole:

| | | |
|----|------|-------|
| A. | Bell | 57.1% |
| B. | MECL | 42.9% |
 - iii. where the rate charged to Others for the attachment is greater if MECL owns the Joint Use Pole:
 - A. Bell 57.1% of the applicable Bell rate plus 42.9% of the difference between the Bell rate and the MECL rate; and
 - B. MECL 42.9% of the applicable Bell rate plus 57.1% of the difference between the Bell rate and the MECL rate.

13.02 Calculation of Rental Payments

Rent charged to Others for attachments in the Communication Space of Poles shall be calculated semi-annually by the Parties and shared in the manner provided in Sub-13.01. The Parties shall maintain up to date records in relation to the attachments of Others, take whatever action is reasonable to collect outstanding payments (current and back billing) and take all reasonable steps to resolve disputes with Others.

13.03 Payment

All payments between the Parties under this Section 13 shall be handled in accordance with ARTICLE XIV - INVOICES AND PAYMENTS of the Agreement.

13.04 Payment Adjustments

If there is a requirement for an adjustment of rentals received from Others, the requirement shall be reviewed by the Joint Use Committee. Following approval by the Joint Use Committee, each Party shall adjust the payment accordingly. At the discretion of the Joint Use Committee, the adjustment may be back billed up to a five (5) year period but shall not be back billed to a date prior to the effective date of this Agreement.

SECTION 14 - PRICE SCHEDULES

14.01 Sacrificed and Structures Value Price Schedules

The Sacrificed Value and Structural Value schedules are included in these Administrative Practices to provide a pricing mechanism for Poles prematurely displaced or for the sale of Poles in place.

a. Sacrificed Value of Poles (EXHIBIT A)

This schedule covers the cost to be recovered by the Owner for Joint Use Poles prematurely displaced to meet the requirements of the Tenant. The Owner shall remove and retain ownership of the displaced Pole. The Owner shall not bill the Tenant for the Sacrificed Value of Poles Replaced to meet the requirements of the Owner.

b. Structural Value of Poles and Anchors (EXHIBIT A)

This schedule covers the sale price of Poles and Anchors sold in place. Pole identification shall be changed at the time of such sale.

14.02 Price Schedule Update

The schedule attached as EXHIBIT A shall be used for approval of Sacrificed Value and Structural Value of Poles as required. These values shall be reviewed by the Joint Use Committee once a year and adjustments shall be made as required.

SECTION 15 - JOINT USE BURIED CONSTRUCTION

15.01 Policy, Planning and Co-ordination

- a. In any area it is mutually desirable to undertake Joint Use Buried Construction, suitable cost sharing and other arrangements shall be agreed upon by representatives of both Parties. Both Parties shall co-ordinate early in the planning stage of Joint Use Buried Construction.
- b. The Parties shall decide upon acquisition of Property Rights, commissioning of surveys, contracting, designing, engineering, administering and including facilities of Others with respect to Joint Use Buried Construction.

- c. Each Party is responsible for making its own arrangements for any contributions in aid of construction to which it may be entitled.
- d. Joint plowing or the Joint Use of an underground duct and manhole system is not permitted.

15.02 Contracting

Where Joint Use Buried Construction is undertaken by employing the services of a contractor, the Party contracting the work shall provide adequate field supervision. The other Party shall provide a field representative for consultation. Materials which are not supplied under the terms of such a contract shall be supplied by the Party requiring same.

15.03 Specifications

Joint Use Buried Construction shall meet the requirements of both Parties as provided in SECTION 16 - CONSTRUCTION PRACTICES.

15.04 Cost Sharing

Each Party shall equally share in all costs related to the digging and backfilling of the Joint Use trench. This will also apply to the cost of providing special fill material, sand, ducts, service markers, etc. The Party undertaking the construction shall be paid fifty percent (50%) of the other Party's estimated share of the cost prior to construction and the balance of the other Party's share of the actual cost shall be paid upon completion of construction subject to applicable lien holdbacks pursuant to the Mechanics Lien Act (PEI). Except as otherwise provided in these Administrative Practices; the cost of placing and connecting each Party's facilities shall be borne by each Party separately. Each Party shall bear the total cost of any trench provided for its sole use.

15.05 Maintenance

Opening of Joint Use trenches for maintenance purposes shall be coordinated between the Parties whenever possible in order to eliminate unnecessary duplication of effort. The Parties shall equally share the cost of excavation and backfill where such work is required in the maintenance of the facilities of both Parties.

SECTION 16 - CONSTRUCTION PRACTICES

16.01 General - CSA Standards

The objective of this Section is to provide guidelines and requirements for the construction of Joint Use facilities. These practices shall meet, as a minimum, the requirements for Joint Use construction of overhead electrical supply and communications circuits as specified in CSA Standard CAN/CSA - C22.3 No. 1 and underground electrical supply and communications circuits as specified in CSA Standard C22.3 No. 7 or mutually agreed upon standard. Any future amendments to these CSA Standards shall not be immediately incorporated into this Section but shall be reviewed by the Joint Use Committee which shall decide the time and extent of incorporation of such amendments to this Section.

Unforeseen conditions or circumstances not covered in this Section shall be resolved in a

co-operative manner to the mutual benefit of the Parties involved.

Modifications and/or amendments to these practices shall be the responsibility of the Joint Use Committee as outlined in Section 2 - Joint Use Committee.

16.02 Vertical Design Clearances and Separations

Vertical clearances and separations for Joint Use Poles shall be in accordance with CSA Standard CAN/CSA- C22.3 No. 1.

Vertical design clearances above ground may be prescribed by federal, provincial or municipal legislation or regulation. In such a case, when new Poles are being installed each Party's clearances must comply with the greater of that prescribed by CSA Standard CAN/CSA - C22.3 No. 1 and the federal, provincial or municipal legislation or regulation applicable to that Party.

16.03 Joint Use Anchors and Guys

Joint Use Anchors, Guys and Guy leads shall be selected such that the minimum safety factor for the Anchor, Anchor rod, and Guys common to both Parties shall not be less than the minimum, as specified by CSA. Standard CAN/CSA- C22.3 No. 1.

16.04 Joint Use Poles

16.04.1 Pole Line Design

Pole Specification

The physical and treatment properties of Joint Use Poles shall be in accordance with CSA. Standard CAN/CSA- C22.3 No. 1.

The standard main line Joint Use Pole shall be a minimum of Class 3, 12.5 meters (40') A larger class pole shall be used when required by Standard CAN/CSA – C22.3 No. 1.

The standard service Pole shall be a minimum Class 4, 11 meters (35').

Wood Poles for Joint Use shall be treated with CCA. For environmental reasons other pole types may be used as an alternative.

The use of wood Poles of a species or treatment process other than those listed above must have prior approval of both Parties to this Agreement.

16.05 Easement Widths and Pole Lines

The Joint Use easement widths for overhead and underground construction shall be determined on a case by case basis. The Joint Use Pole Line shall be located in the centre of the easement.

16.06 Line Clearing and Tree Trimming

For new construction of Joint Use Pole Lines the right-of-way shall be cleared including all

overhanging branches.

Once established, the right-of-way will be maintained as required. The Maritime Electric Vegetation Management Plan includes details with respect to specifications, worker qualifications, and safety.

Both Parties shall work to ensure rights-of-way are cleared such that Line Clearing is not necessary. However in areas where trees are maintained for aesthetic reasons or permissions cannot be acquired, Line Clearing shall be completed as required.

16.07 Joint Use Buried Construction

The installation of underground power cables and communication cables shall be in accordance with CSA Standard C22.3 No. 7.

[The remainder of this page left intentionally blank.]

**ADMINISTRATIVE PRACTICES
SECTION 14
EXHIBIT A**

BELL/MECL SACRIFICED & STRUCTURAL VALUE OF POLES - (2019)

| Age | % Condition | Service Pole | | | Mainline Pole (4+) | | |
|-----|-------------|------------------|---------------------------|----------------------------|--------------------|---------------------------|----------------------------|
| | | Sacrificial Life | MECL -JU Structural Value | ALiant-JU Structural Value | Sacrificial Life | MECL -JU Structural Value | ALiant-JU Structural Value |
| 0 | 100.0% | \$ 925.00 | \$ 555.00 | \$ 370.00 | \$ 1,425.00 | \$ 855.00 | \$ 570.00 |
| 1 | 96.5% | \$ 892.63 | \$ 535.58 | \$ 357.05 | \$ 1,375.13 | \$ 825.08 | \$ 550.05 |
| 2 | 93.3% | \$ 863.03 | \$ 517.82 | \$ 345.21 | \$ 1,329.53 | \$ 797.72 | \$ 531.81 |
| 3 | 90.3% | \$ 835.28 | \$ 501.17 | \$ 334.11 | \$ 1,286.78 | \$ 772.07 | \$ 514.71 |
| 4 | 87.4% | \$ 808.45 | \$ 485.07 | \$ 323.38 | \$ 1,245.45 | \$ 747.27 | \$ 498.18 |
| 5 | 84.6% | \$ 782.55 | \$ 469.53 | \$ 313.02 | \$ 1,205.55 | \$ 723.33 | \$ 482.22 |
| 6 | 81.9% | \$ 757.58 | \$ 454.55 | \$ 303.03 | \$ 1,167.08 | \$ 700.25 | \$ 466.83 |
| 7 | 79.1% | \$ 731.68 | \$ 439.01 | \$ 292.67 | \$ 1,127.18 | \$ 676.31 | \$ 450.87 |
| 8 | 76.6% | \$ 708.55 | \$ 425.13 | \$ 283.42 | \$ 1,091.55 | \$ 654.93 | \$ 436.62 |
| 9 | 74.0% | \$ 684.50 | \$ 410.70 | \$ 273.80 | \$ 1,054.50 | \$ 632.70 | \$ 421.80 |
| 10 | 71.4% | \$ 660.45 | \$ 396.27 | \$ 264.18 | \$ 1,017.45 | \$ 610.47 | \$ 406.98 |
| 11 | 69.0% | \$ 638.25 | \$ 382.95 | \$ 255.30 | \$ 983.25 | \$ 589.95 | \$ 393.30 |
| 12 | 66.5% | \$ 615.13 | \$ 369.08 | \$ 246.05 | \$ 947.63 | \$ 568.58 | \$ 379.05 |
| 13 | 64.1% | \$ 592.93 | \$ 355.76 | \$ 237.17 | \$ 913.43 | \$ 548.06 | \$ 365.37 |
| 14 | 61.8% | \$ 571.65 | \$ 342.99 | \$ 228.66 | \$ 880.65 | \$ 528.39 | \$ 352.26 |
| 15 | 59.5% | \$ 550.38 | \$ 330.23 | \$ 220.15 | \$ 847.88 | \$ 508.73 | \$ 339.15 |
| 16 | 57.2% | \$ 529.10 | \$ 317.46 | \$ 211.64 | \$ 815.10 | \$ 489.06 | \$ 326.04 |
| 17 | 55.0% | \$ 508.75 | \$ 305.25 | \$ 203.50 | \$ 783.75 | \$ 470.25 | \$ 313.50 |
| 18 | 52.9% | \$ 489.33 | \$ 293.60 | \$ 195.73 | \$ 753.83 | \$ 452.30 | \$ 301.53 |
| 19 | 50.7% | \$ 468.98 | \$ 281.39 | \$ 187.59 | \$ 722.48 | \$ 433.49 | \$ 288.99 |
| 20 | 48.7% | \$ 450.48 | \$ 270.29 | \$ 180.19 | \$ 693.98 | \$ 416.39 | \$ 277.59 |
| 21 | 46.7% | \$ 431.98 | \$ 259.19 | \$ 172.79 | \$ 665.48 | \$ 399.29 | \$ 266.19 |
| 22 | 44.9% | \$ 415.33 | \$ 249.20 | \$ 166.13 | \$ 639.83 | \$ 383.90 | \$ 255.93 |
| 23 | 42.8% | \$ 395.90 | \$ 237.54 | \$ 158.36 | \$ 609.90 | \$ 365.94 | \$ 243.96 |
| 24 | 40.9% | \$ 378.33 | \$ 227.00 | \$ 151.33 | \$ 582.83 | \$ 349.70 | \$ 233.13 |
| 25 | 39.1% | \$ 361.68 | \$ 217.01 | \$ 144.67 | \$ 557.18 | \$ 334.31 | \$ 222.87 |
| 26 | 37.4% | \$ 345.95 | \$ 207.57 | \$ 138.38 | \$ 532.95 | \$ 319.77 | \$ 213.18 |
| 27 | 35.7% | \$ 330.23 | \$ 198.14 | \$ 132.09 | \$ 508.73 | \$ 305.24 | \$ 203.49 |
| 28 | 34.0% | \$ 314.50 | \$ 188.70 | \$ 125.80 | \$ 484.50 | \$ 290.70 | \$ 193.80 |
| 29 | 32.5% | \$ 300.63 | \$ 180.38 | \$ 120.25 | \$ 463.13 | \$ 277.88 | \$ 185.25 |
| 30 | 30.9% | \$ 285.83 | \$ 171.50 | \$ 114.33 | \$ 440.33 | \$ 264.20 | \$ 176.13 |

Continued next page

Bell Canada and Maritime Electric Company, Limited
Joint Use Agreement

| | | | | | | | |
|----|-------|-----------|-----------|-----------|-----------|-----------|-----------|
| 31 | 29.4% | \$ 271.95 | \$ 163.17 | \$ 108.78 | \$ 418.95 | \$ 251.37 | \$ 167.58 |
| 32 | 28.0% | \$ 259.00 | \$ 155.40 | \$ 103.60 | \$ 399.00 | \$ 239.40 | \$ 159.60 |
| 33 | 26.7% | \$ 246.98 | \$ 148.19 | \$ 98.79 | \$ 380.48 | \$ 228.29 | \$ 152.19 |
| 34 | 25.3% | \$ 234.03 | \$ 140.42 | \$ 93.61 | \$ 360.53 | \$ 216.32 | \$ 144.21 |
| 35 | 24.0% | \$ 222.00 | \$ 133.20 | \$ 88.80 | \$ 342.00 | \$ 205.20 | \$ 136.80 |
| 36 | 22.8% | \$ 210.90 | \$ 126.54 | \$ 84.36 | \$ 324.90 | \$ 194.94 | \$ 129.96 |
| 37 | 21.6% | \$ 199.80 | \$ 119.88 | \$ 79.92 | \$ 307.80 | \$ 184.68 | \$ 123.12 |
| 38 | 20.4% | \$ 188.70 | \$ 113.22 | \$ 75.48 | \$ 290.70 | \$ 174.42 | \$ 116.28 |
| 39 | 19.3% | \$ 178.53 | \$ 107.12 | \$ 71.41 | \$ 275.03 | \$ 165.02 | \$ 110.01 |
| 40 | 18.2% | \$ 168.35 | \$ 101.01 | \$ 67.34 | \$ 259.35 | \$ 155.61 | \$ 103.74 |
| 41 | 17.1% | \$ 158.18 | \$ 94.91 | \$ 63.27 | \$ 243.68 | \$ 146.21 | \$ 97.47 |
| 42 | 16.1% | \$ 148.93 | \$ 89.36 | \$ 59.57 | \$ 229.43 | \$ 137.66 | \$ 91.77 |
| 43 | 15.1% | \$ 139.68 | \$ 83.81 | \$ 55.87 | \$ 215.18 | \$ 129.11 | \$ 86.07 |
| 44 | 14.1% | \$ 130.43 | \$ 78.26 | \$ 52.17 | \$ 200.93 | \$ 120.56 | \$ 80.37 |
| 45 | 13.1% | \$ 121.18 | \$ 72.71 | \$ 48.47 | \$ 186.68 | \$ 112.01 | \$ 74.67 |
| 46 | 12.2% | \$ 112.85 | \$ 67.71 | \$ 45.14 | \$ 173.85 | \$ 104.31 | \$ 69.54 |
| 47 | 11.4% | \$ 105.45 | \$ 63.27 | \$ 42.18 | \$ 162.45 | \$ 97.47 | \$ 64.98 |
| 48 | 10.7% | \$ 98.98 | \$ 59.39 | \$ 39.59 | \$ 152.48 | \$ 91.49 | \$ 60.99 |
| 49 | 10.0% | \$ 92.50 | \$ 55.50 | \$ 37.00 | \$ 142.50 | \$ 85.50 | \$ 57.00 |
| 50 | 9.3% | \$ 86.03 | \$ 51.62 | \$ 34.41 | \$ 132.53 | \$ 79.52 | \$ 53.01 |

SACRIFICIAL LIFE: The % of the actual current value will be used to determine the sacrificial value based on the age of the pole. Used for New Transfer (NT) and Removals

STRUCTURAL VALUE: The % of the actual current value will be used to determine the structural value based on the age of the pole. Aliant Pole becoming Joint Use; MECL Pays 60% of value. MECL Pole becoming Joint Use; Aliant pays 40% of value. Used for OK poles.

APPENDIX B

Images of Spring Valley Road Make-Ready

Spring Valley Road Make-Ready (Route 120)



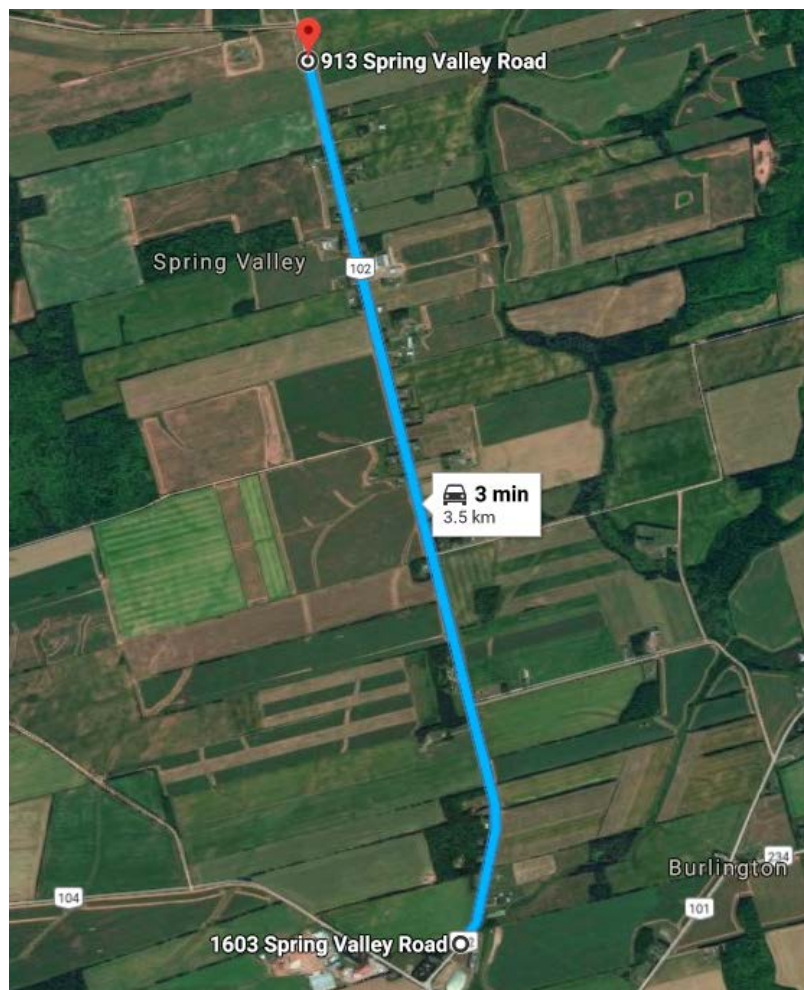
Repair sleeves in the wire.



Penta-treated pole, old style insulator and old spacing.



Cedar pole, old type insulator and sleeve in wire.

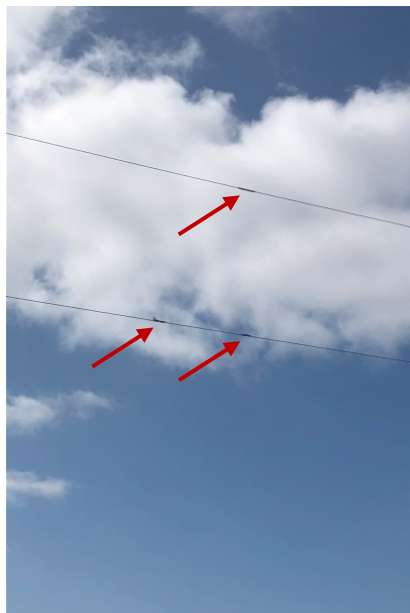


Spring Valley Rd., Spring Valley, PE, Make-Ready (Single-Phase).

APPENDIX C

Images of Hamilton Road Make-Ready

Hamilton Road Make-Ready (Route 104)



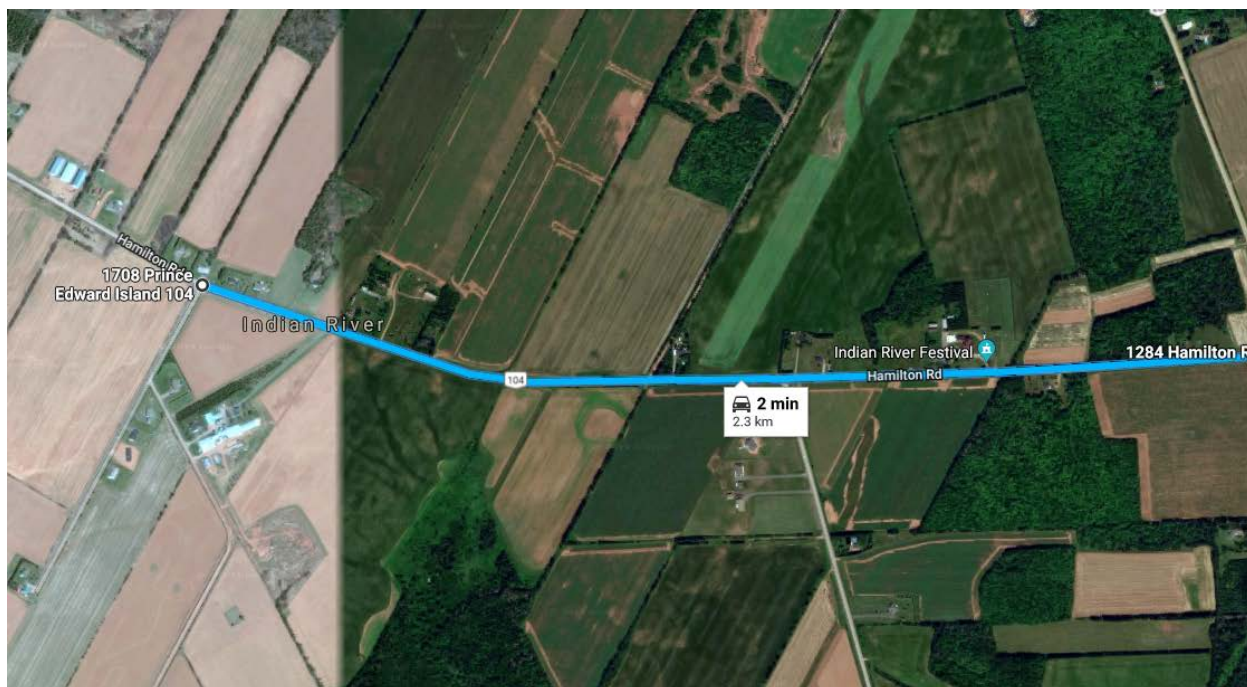
Example of sleeves in the wire.



Cedar pole with old dead-end insulators.



Cedar pole with old spacing and a small insulator.



Hamilton Rd., Indian River, PE, Make-Ready (Single Phase).

APPENDIX D

Images of Baltic Road Make-Ready

Baltic Road Make-Ready (Route 20)



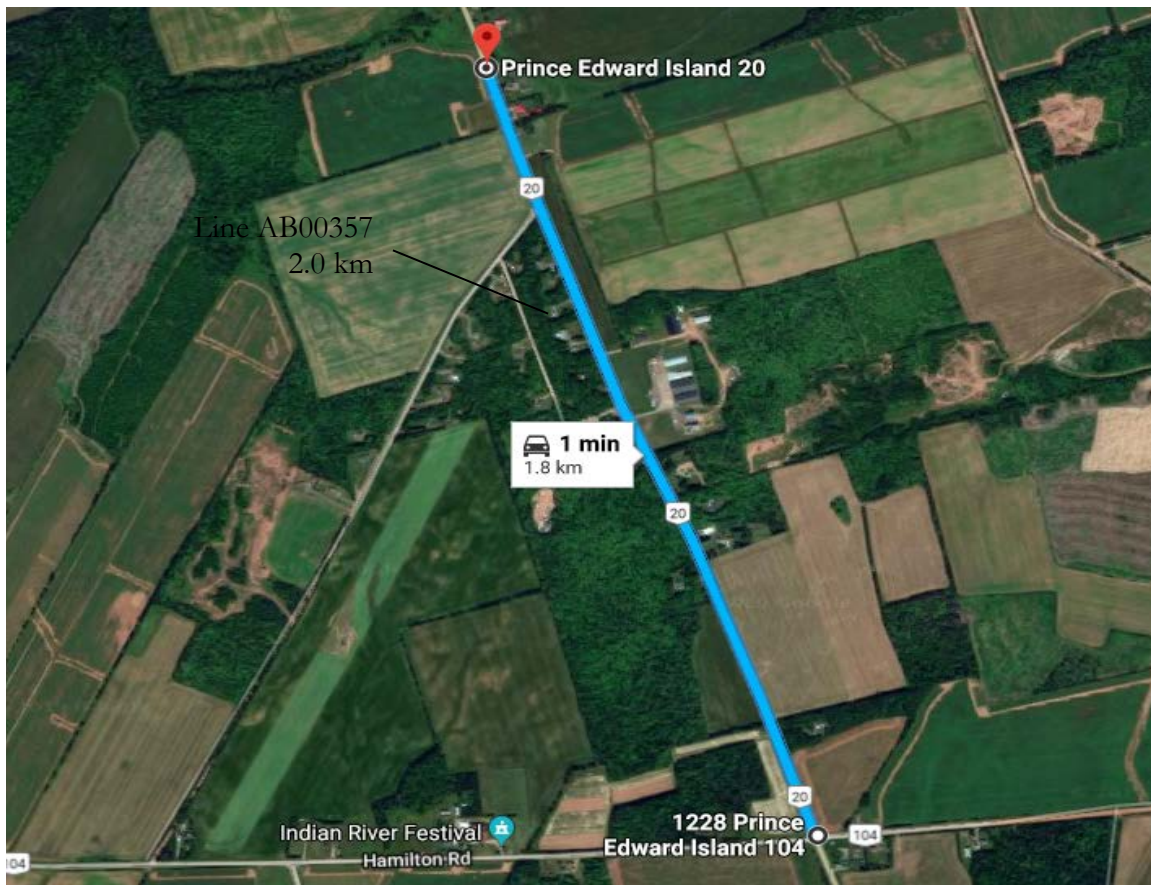
Cedar pole old dead insulators and old spacing.



Penta-treated pole with two different dead-end insulators.



Cedar pole with old spacing and old style insulator.



Baltic Rd., Indian River, PE, Make-Ready (Three Phase).