

1 **Q. DISTRIBUTION**

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3 **Relocate/Replace Distribution Lines for Third Parties (Pooled) - \$541,000**

4 **PUB 20.0 NP**

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6 **Relocate/Replace Distribution Lines for Third Parties (Pooled), \$541,000, p. 35 of 65**
7 **Does this classification include all capital projects undertaken as a result of CIACs?**
8 **If not, please explain the variance between the original budget for 2006 of \$685,000**
9 **and the current forecast for 2006 of \$1,640,000.**

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11 **A.** Other capital budget projects, such as the Distribution Extensions project, include capital
12 items that involve the payment of CIACs.

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14 All projects carried out under the Relocate/Replace Distribution Lines for Third Parties
15 are initiated as a result of customer requests. A CIAC is always a consideration for such
16 projects. The CIAC amount is determined in accordance with Section 9(c) of the
17 *Schedule of Rates, Rules & Regulations* as approved by the Board which states:

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19 “Where special facilities are required or requested by the Customer or any
20 facility is relocated at the request of the Customer, the Customer shall pay
21 the Company in advance the estimated additional cost of providing the
22 special facilities and the estimated cost of the relocation less any
23 betterment.”

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25 The increase in the Relocate/Replace Distribution Lines for Third Parties in 2006 is
26 required to upgrade distribution lines to accommodate a third party request to place a fibre
27 optic cable on poles owned by Newfoundland Power (\$855,000) and a request by the City
28 of St. John’s to relocate distribution lines between Savannah Park Drive and Portugal Cove
29 Road (\$100,000).

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31 The variance explanation can be found in Newfoundland Power’s 2007 Capital Budget
32 Application, Volume I, 2006 Capital Expenditure Status Report, Appendix A, Page 1 of 1,
33 Note 3.