

P.U. 37(2004)

IN THE MATTER OF the
PUBLIC UTILITIES ACT,
R.S.N. 1990, c. P-47, as amended
("the *Act*")

AND

IN THE MATTER OF the application by
Newfoundland Power Inc. ("the Applicant")
for approval of a contribution in aid of
construction ("CIAC") for a line extension
to serve Inco Limited ("the Customer")
pursuant to section 41(5) of the *Act*.

WHEREAS the Applicant is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act, and is subject to the provisions of the *Electrical Power Control Act, 1994*; and

WHEREAS the Customer will operate a total of five services related to a demonstration nickel processing facility located at Argentina; and

WHEREAS the Customer has requested that the Applicant provide its facility at Argentina with three-phase electrical service which, in order to so provide, requires the upgrade of 481 metres of existing 3-phase line to a higher conductor size and construction of a further 590 metres of three-phase line and 20 metres of single-phase line (the "Extension"); and

WHEREAS the maximum demand estimated for three of the four 3-phase services located at the Customer's facility is less than 75 kW and in accordance with Regulation 5(b) of the Applicant's Rates, Rules and Regulations approved by the Board from time to time, a CIAC is

required to cover the cost of transformers, equipment and any line extension or upgrade required to provide three-phase service and the CIAC thus calculated is reduced by the value of any single-phase plant supported by the projected revenue from the Customer; and

WHEREAS a CIAC of the Extension has been calculated in accordance with Clauses 5(a), 5(b) and 5(c) of the CIAC Policy: Distribution Line Extensions and Upgrades to General Service Customers, approved by Order No. P.U. 7 (1997-98) dated September 30, 1997 (the "Policy"), which calculation assumes the Extension will supply service to a demonstration processing plant (with an estimated peak demand of 4,000 kVA), a gatehouse (less than 10 kW demand) a pumping station (estimated demand of 53 kW), a sewage treatment plant (estimated demand of 50 kW) and pumps for settling ponds (estimated demand of 46 kW) and the CIAC thus calculated is Sixty-three thousand eight hundred thirty-two dollars and ninety-eight cents (\$63,832.98), including HST; and

WHEREAS the estimated construction cost of the Extension is \$168,000 and Clause 11(a) of the Policy states that all Line Extensions or Upgrades involving CIACs in which the construction costs are estimated to be greater than \$25,000 must be submitted to the Board for approval; and

WHEREAS the proposed CIAC is necessary to ensure that the Applicant's investment in the Extension is compensatory over the useful life of the Extension and will not be to the detriment of the Applicant's other customers.

IT IS THEREFORE ORDERED THAT:

Pursuant to section 41(5) of the Act, the Board approves the contribution in aid of construction of Sixty-three thousand eight hundred thirty-two dollars and ninety-eight cents (\$63,832.98), including HST, as calculated under the Policy to provide three-phase service to a nickel processing facility for Inco Limited.

DATED at St. John's, Newfoundland and Labrador, this 22nd day of October, 2004.

Robert Noseworthy,
Chair and Chief Executive Officer.

G. Fred Saunders,
Commissioner.

G. Cheryl Blundon,
Board Secretary.