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**P.U. 45(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 and Labrador Hydro (the “Applicant”) for approval of a Contribution in Aid of Construction (“CIAC”) for a single-phase line extension to serve the Southwest Brook Microwave Communications Tower located approximately 17 km southwest of St. Julien’s Intersection on Route 432, 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** Aliant Telecom Incorporated (the “Customer”) requested the Applicant to supply single-phase electrical service to Southwest Brook Microwave Communications Tower located on Route 432, approximately 17 km southwest of St. Julien’s Intersection; and

1           **WHEREAS** the Customer has requested that the Applicant provide single-phase electrical  
2 service which, in order to so provide, requires the extension of approximately seventeen thousand  
3 (17,000) metres of single-phase distribution line to serve an expected demand between 10 kW and  
4 350 kVA; and

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6           **WHEREAS** Clause 5(b) of the CIAC Policy: Distribution Line Extensions and Upgrades to  
7 General Service Customers, approved by Order No. P.U. 7 (1997-98) dated September 30, 1997 (the  
8 “Policy”), requires the Applicant to calculate CIACs for General Service Customers with a demand  
9 between 10 kW and 350 kVA by the applicable Cost per Metre; and

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11           **WHEREAS** the Applicant has applied for approval of a CIAC that deviates from the Policy  
12 in that it is using the detailed method for CIAC calculation using the “estimated construction costs”  
13 as set out in Clause 5(c) instead of the method set out in Clause 5(b) that uses the approved “Cost  
14 per Metre” values; and

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16           **WHEREAS** Clause 11(b) of the Policy states that the Applicant shall apply to the Board for  
17 approval of any deviations from the Policy in the calculation of CIACs for Line Extensions; and

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19           **WHEREAS** the Applicant has calculated a total CIAC for the Line Extension in accordance  
20 with Clause 5(c) of the Policy, which calculation assumes the Line Extension will supply service to  
21 one (1) general service customer and the total CIAC thus calculated is nine hundred and eight  
22 thousand four hundred thirty-eight dollars (\$908,438.00), including HST; and

23

1           **WHEREAS** the total estimated construction cost of the Line Extension is \$908,438.00 and  
2 Clause 11(a) of the Policy states that all Line Extensions or Upgrades involving CIACs where the  
3 construction costs are estimated to be greater than \$25,000 must be submitted to the Board for  
4 approval; and

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6           **WHEREAS** the proposed expenditures on the Line Extension are necessary for the  
7 Applicant to provide service and facilities to the Customer which are reasonably safe and adequate  
8 and just and reasonable as required pursuant to section 37 of the *Act*; and

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

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14           **IT IS THEREFORE ORDERED THAT:**

15           Pursuant to section 41(5) of the *Act*, the Board approves the contribution in aid of  
16 construction in the amount of nine hundred and eight thousand, four hundred and thirty-eight dollars  
17 (\$908,438.00), including HST, for the supply of single-phase electrical service to one (1) general  
18 service customer, Aliant Telecom Incorporated's Southwest Brook Microwave Communications  
19 Tower, located on Route 432 approximately 17 km southwest of St. Julien's Intersection, as  
20 calculated under the Policy.

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**Dated** at St. John's, Newfoundland and Labrador, this 9<sup>th</sup> day of December 2004.

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Robert Noseworthy,  
Chair and Chief Executive Officer.

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Darlene Whalen, P.Eng.,  
Vice-Chair.

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G. Cheryl Blundon,

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Board Secretary.