

**NEWFOUNDLAND AND LABRADOR  
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**AN ORDER OF THE BOARD  
NO. P. U. 33(2008)**

1 **IN THE MATTER OF** the *Electrical Power*  
2 *Control Act*, RSNL 1990, Chapter P-47  
3 (the “*EPCA*”) and the *Public Utilities Act*,  
4 RSNL 1990, Chapter P-47 (the “*Act*”) as  
5 amended, and their subordinate regulations;

6  
7 **AND**  
8

9 **IN THE MATTER OF** an application  
10 by Newfoundland and Labrador Hydro (“Hydro”)  
11 for approval of a Contribution in Aid of  
12 Construction (“CIAC”) for a single-phase line  
13 extension to serve the Walsh’s River Cottage  
14 Area, near Labrador City (the “Application”)  
15 pursuant to Section 41(5) of the *Act*.

16  
17  
18 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation Act*, is a  
19 public utility within the meaning of the *Act* and is also subject to the provisions of the *EPCA*; and

20  
21 **WHEREAS** Hydro has been requested by Consolidated Thompson Mining Limited on behalf of  
22 owners of 19 domestic customers (the “Customers”) located at Walsh’s River, near Labrador City, to  
23 supply single-phase electrical service; and

24  
25 **WHEREAS** Hydro has been requested to provide single-phase electrical service which, in order to  
26 so provide, requires the construction of a sub-station and extension of approximately 3,710 metres of  
27 single-phase distribution line; and

28  
29 **WHEREAS** the CIAC Policy: Distribution Line Extensions to Domestic Customers, approved by  
30 Order No. P. U. 1(2008) dated February 5, 2008 (the “Policy”), requires Hydro to calculate CIACs  
31 for Domestic Service Customers by the applicable Cost per Metre; and

32  
33 **WHEREAS** Hydro has applied for approval of a CIAC that deviates from the Policy in that it is  
34 using “estimated construction costs” as the method for CIAC calculation instead of the method set  
35 out in the Policy that uses the approved “Cost per Metre” values; and

1 **WHEREAS** Clause 10(ii) of the Policy states that Hydro shall apply to the Board for approval of  
2 any deviations from the Policy in the calculation of CIACs for Line Extensions to Domestic  
3 Customers; and

4  
5 **WHEREAS** Hydro has calculated a total CIAC for the Line Extension to supply service to the  
6 Customers to be \$475,704.62, including HST; and

7  
8 **WHEREAS** the total estimated construction cost of the Line Extension is \$475,704.62, and Clause  
9 10(i) of the Policy states that Hydro shall apply to the Board for approval of “all Line Extensions  
10 involving CIACs where the sum of the CIAC calculated pursuant to Clause 5(a) or Clause 6(a) and  
11 the Basic and Additional Investment calculated pursuant to Clauses 3 and 4 is greater than \$50,000”;  
12 and

13  
14 **WHEREAS** the estimated time frame for construction of the Line Extension is 12 months, and  
15 Consolidated Thompson Mining Limited, on behalf of the Customers, has requested to pay an  
16 amount necessary to cover expenses for 2008, and pay the remaining amount prior to  
17 commencement of work in 2009; and

18  
19 **WHEREAS** Hydro has calculated an amount necessary to cover expenses for 2008 to be  
20 \$93,000.00, and the remaining \$382,704.62 as an amount required prior to commencement of work  
21 in 2009; and

22  
23 **WHEREAS** Hydro has applied for approval of a CIAC that deviates from the Policy in that it is  
24 accepting the CIAC payment in two separate payments due to the time required to complete the  
25 project; and

26  
27 **WHEREAS** the proposed expenditures on the Line Extension are necessary for Hydro to provide  
28 service and facilities which are reasonably safe and adequate and just and reasonable as required  
29 pursuant to s. 37 of the *Act*; and

30  
31 **WHEREAS** the proposed CIAC is necessary to ensure that Hydro’s investment in the Line  
32 Extension is compensatory over the useful life of the Line Extension and will not be to the detriment  
33 of Hydro’s other customers.

1 **IT IS THEREFORE ORDERED THAT:**  
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- 4 1. The Contribution in Aid of Construction in the amount of \$475,704.62, including HST; to be  
5 paid in two separate amounts of \$93,000.00 in 2008 and \$382,704.62 in 2009, for the supply  
6 of single phase electrical service to 19 domestic customers, located at the Walsh's River  
7 Cottage Area near Labrador City, as calculated under the Policy, is approved.  
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9 2. Hydro shall pay the expenses of the Board incurred in connection with this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 18<sup>th</sup> day of December 2008.

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Andrew Wells  
Chair & Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chair

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Dwanda Newman, LL.B.  
Commissioner

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Cheryl Blundon  
Board Secretary