

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

AN ORDER OF THE BOARD

NO. P.U. 25 (2009)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the
3 “EPCA”) and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the “Act”) as amended;

5
6 **AND**
7

8 **IN THE MATTER OF** an application by
9 Newfoundland Power Inc. (“Newfoundland Power”)
10 for approval of a contribution in aid of construction
11 (“CIAC”) pursuant to Section 41(5) of the *Act*.

12
13
14 **WHEREAS** Newfoundland Power is a corporation duly organized and existing under the
15 laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of
16 the *Act*, and is also subject to the provisions of the EPCA, 1994; and

17
18 **WHEREAS** on June 17, 2009 the Board received an application from Newfoundland Power
19 for approval of a CIAC for a line extension to serve domestic customers residing in a cottage
20 area (the “Customers”); and

21
22 **WHEREAS** the Customers are Domestic Customers with residences located in a Cottage
23 Area known as Terra Nova Lake located near the Community of Terra Nova and the
24 Customers consist of seventy-six (76) potential residents of the Cottage Area; and

25
26 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested that
27 Newfoundland Power provide their residences with single-phase electrical service and
28 provision of the requested service requires that Newfoundland Power construct
29 approximately 13,039 metres of single-phase line (the “Extension”); and

30
31 **WHEREAS** the Participating Customers have requested the Non-Refundable CIAC Option
32 provided for in Clause 6 of the CIAC Policy: Distribution Line Extension to Domestic
33 Customers approved by Order No. P.U. 27 (2005), dated November 2, 2005 (the “Policy”);
34 and

35
36 **WHEREAS** the Policy provides that the minimum Participation Percentage necessary to
37 avail of the Non-Refundable CIAC Option is 50%, and to date, 38 of the 76 Customers have
38 accepted service for a Participation Percentage of 50%; and

1 **WHEREAS** a CIAC has been calculated in accordance with Clause 6(a) of the Policy, and
2 the CIAC calculated is five thousand four hundred thirty-five dollars and eighty-five cents
3 (\$5,435.85), excluding HST; and
4

5 **WHEREAS** the sum of the CIAC calculated pursuant to Clause 6(a) and the Basic
6 Investment calculated pursuant to Clause 3 is \$378,000.00 and Clause 10(i) of the Policy
7 states that Newfoundland Power shall apply to the Board for approval of all CIACs where the
8 sum of the CIAC calculated pursuant to Clause 5(a) or Clause 6(a) and the Basic and
9 Additional Investment calculated pursuant to Clauses 3 and 4 is greater than \$50,000; and
10

11 **WHEREAS** the proposed CIAC is necessary to ensure that Newfoundland Power's
12 investment in the Extension is compensatory over the useful life of the Extension and will not
13 be to the detriment of Newfoundland Power's other customers.
14

15 **IT IS THEREFORE ORDERED THAT:**
16

- 17 1. The Board approves the Non-Refundable CIAC of five thousand four hundred thirty-five
18 dollars and eighty-five cents (\$5,435.85), excluding HST, as calculated under the Policy
19 to apply to Domestic Customers located in the Cottage Area known as Terra Nova Lake,
20 pursuant to s. 41(5) of the *Act*.
21
- 22 2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Dated at St. John's, Newfoundland and Labrador, this 24th day of June 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Cheryl Blundon
Board Secretary