

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

AN ORDER OF THE BOARD

NO. P.U. 35(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”) for a line extension to serve Domestic
12 Customers residing in a Cottage Area known as
13 Princeton Big Pond located on the Bonavista Peninsula
14 (the “Customers”) pursuant to Subsection 41(5) of the *Act*.

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17 **WHEREAS** Newfoundland Power is a corporation duly organized and existing under the
18 laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of
19 the *Act*, and is also subject to the provisions of the EPCA, 1994; and

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21 **WHEREAS** on August 24, 2009 the Board received an application from Newfoundland
22 Power for approval of a CIAC for the Customers; and

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24 **WHEREAS** the Customers are Domestic Customers with residences located in a Cottage
25 Area known as Princeton Big Pond located on the Bonavista Peninsula and the Customers
26 consist of sixty-five (65) potential residents of the Cottage Area; and

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28 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested that
29 Newfoundland Power provide single-phase electrical service and provision of the requested
30 service requires that Newfoundland Power construct approximately 12,377 metres of single-
31 phase line (the “Extension”); and

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

37
38 **WHEREAS** the Policy provides that the minimum Participation Percentage necessary to
39 avail of the Non-Refundable CIAC Option is 50%, and to date, 32 of the 65 Customers have
40 accepted service for a Participation Percentage of 49.2%; and

1 **WHEREAS** a Participation Percentage of 50.7% would be attained if one additional
2 Customer agreed to accept service; and

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4 **WHEREAS** Newfoundland Power believes that upon completion of construction of the
5 Extension and the provision of electricity services to the area, at least one additional
6 Customer will pay the approved CIAC in accordance with the CIAC Policy; and

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8 **WHEREAS** a CIAC of the Extension has been calculated in accordance with Clause 6(a) of
9 the Policy, assuming a Participation Percentage of 50%, and the CIAC thus calculated is Five
10 thousand six hundred fifty-one dollars and ninety-four cents (\$5,651.94), excluding HST; and

11
12 **WHEREAS** the sum of the CIAC calculated pursuant to Clause 6(a) and the Basic
13 Investment calculated pursuant to Clause 3 is \$339,026.00 and Clause 10(i) of the Policy
14 states that Newfoundland Power shall apply to the Board for approval of all CIACs where the
15 sum of the CIAC calculated pursuant to Clause 5(a) or Clause 6(a) and the Basic and
16 Additional Investment calculated pursuant to Clauses 3 and 4 is greater than \$50,000; and

17
18 **WHEREAS** Newfoundland Power submits that it is appropriate in the above-described
19 circumstances that the Board approve a deviation from the strict requirements of the Policy so
20 as to permit Newfoundland Power to commence construction of the Extension with a
21 Participation Percentage of less than 50%; and

22
23 **WHEREAS** Clause 10(ii) of the Policy states that Newfoundland Power shall apply to the
24 Board for approval of any deviation from the Policy in the calculation of CIACs for Line
25 Extensions to Domestic Customers; and

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27 **WHEREAS** approval of the proposed CIAC is reasonable and prudent to ensure that
28 Newfoundland Power's investment in the Extension is compensatory over the useful life of
29 the Extension and not the detriment of Newfoundland Power's other customers.

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31 **IT IS THEREFORE ORDERED THAT:**

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33 1. The Board approves the Non-Refundable CIAC of Five thousand six hundred fifty-one
34 dollars and ninety-four cents (\$5,651.94), excluding HST, as calculated under the Policy
35 to apply to Domestic Customers located in the Cottage Area known as Princeton Big
36 Pond, pursuant to ss. 41(5) of the *Act*.
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38 2. The Board approves the deviation from the Policy proposed by Newfoundland Power,
39 and Newfoundland Power's commencing construction of the Extension with a
40 Participation Percentage of 49.2% as proposed in the Application.
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42 3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Dated at St. John's, Newfoundland and Labrador, this 4th day of September 2009.

Andy Wells
Chair & Chief Executive Officer

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary