

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

AN ORDER OF THE BOARD

NO. P.U. 22(2010)

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

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7
8 **AND**
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10 **IN THE MATTER OF** an application by
11 Newfoundland Power Inc. (“Newfoundland Power”)
12 for approval of a contribution in aid of construction
13 (“CIAC”) for a line extension to serve Cottage
14 Area Customers (the “Customers”)
15 pursuant to Subsection 41(5) of the *Act*.

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

21
22 **WHEREAS** on June 28, 2010 the Board received an application from Newfoundland Power
23 for approval of a CIAC for a line extension to the Customers; and

24
25 **WHEREAS** the Customers are Domestic Customers with residences in a Cottage Area
26 known as Witless Bay Line (Phase 3) located near the community of Witless Bay and the
27 Customers consist of forty-nine (49) potential residents of the Cottage Area; and

28
29 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested that
30 Newfoundland Power provide their residences with single-phase electrical service and
31 provision of the requested service requires that Newfoundland Power construct
32 approximately 7,277 metre single-phase line (the “Extension”); and

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

1 **WHEREAS** the Policy provides that the minimum Participation Percentage necessary
2 to avail of the Non-Refundable CIAC Option is 50%, and to date, 24 of the 49 Customers
3 have accepted service for a Participation Rate of 49%; and

4
5 **WHEREAS** it is unlikely that the minimum Participation Percentage of 50% will be attained
6 prior to the construction of the Extension; and

7
8 **WHEREAS** a Participation Percentage of 51% would be attained if one additional Customer
9 agreed to accept service; and

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

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15 **WHEREAS** a CIAC of the Extension has been calculated in accordance with Clause 6(a) of
16 the Policy, assuming a Participation Percentage of 50%, and the CIAC thus calculated is Four
17 thousand two hundred nine dollars and seventy-one cents (\$4,209.71), excluding HST; and

18
19 **WHEREAS** the sum of the CIAC calculated pursuant to Clause 6(a) of the Policy and the
20 Basic Investment calculated pursuant to Clause 3 is \$199,895.75, and Clause 10(i) of the
21 Policy states that Newfoundland Power shall apply to the Board for approval of all CIACs
22 where the sum of the CIAC calculated pursuant to Clause 5(a) or Clause 6(a) and the Basic
23 and Additional Investment calculated pursuant to Clauses 3 and 4 is greater than \$50,000;
24 and

25
26 **WHEREAS** Newfoundland Power submits that it is appropriate in the above-described
27 circumstances that the Board approve a deviation from the strict requirements of the Policy so
28 as to permit Newfoundland Power to commence construction of the Extension with a
29 Participation Percentage of less than 50%; and

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31 **WHEREAS** Clause 10(ii) of the Policy states that Newfoundland Power shall apply to the
32 Board for approval of any deviations from the Policy in the calculation of CIACs for Line
33 Extensions to Domestic Customers; and

34
35 **WHEREAS** the proposed CIAC is necessary to ensure that Newfoundland Power's
36 investment in the Extension is compensatory over the useful life of the Extension and will not
37 be detriment of Newfoundland Power's other customers.

1 **IT IS THEREFORE ORDERED THAT:**

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3 1. The Board approves the Non-Refundable CIAC of Four thousand two hundred nine
4 dollars and seventy-one cents (\$4,209.71), excluding HST, as calculated under the Policy
5 to apply to Domestic Customers located in the Cottage Area known as Witless Bay Line
6 (Phase 3).

7

8 2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Dated at St. John's, Newfoundland and Labrador, this 6th day of July, 2010.

Darlene Whalen, P.Eng.
Vice-Chair

James Oxford
Commissioner

G. Cheryl Blundon
Board Secretary