

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

AN ORDER OF THE BOARD

NO. P.U. 3(2010)

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 single-phase extension to serve
12 Central Newfoundland Waste Management
13 Authority (the “Customer”) pursuant to
14 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 January 11, 2010 the Board received an application from Newfoundland
22 Power for approval of a CIAC for a single-phase electrical service to the Customer; and

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24 **WHEREAS** on January 20, 2010 the Board received an amended application from
25 Newfoundland Power correcting errors discovered in the CIAC calculation; and

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27 **WHEREAS** the Customer operates a waste management facility near the Town of Indian
28 Bay; and

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30 **WHEREAS** the Customer has requested that Newfoundland Power provide its facility near
31 Indian Bay with single-phase electrical service, and Newfoundland Power proposes to
32 provide the requested service by upgrading 1,600 metres of communications line to joint-use
33 standard and constructing an additional 655 metres of single-phase line (the “Extension”);
34 and

35
36 **WHEREAS** there is an available lower cost option for providing service to the Customer
37 which, for environmental and aesthetic reasons, Newfoundland Power states is inappropriate;
38 and

1 **WHEREAS** it is appropriate to base the construction cost used in the calculation of
2 the CIAC on the available lower cost option rather than on the estimated cost of the
3 Extension; and
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5 **WHEREAS** the CIAC of the Extension, based on the lower cost option, has been calculated
6 in accordance with Clause 5(a) of the CIAC Policy: Distribution Line Extensions and
7 Upgrades To General Service Customers, approved by Order No. P. U. 27(2005), (the
8 “Policy”), which calculation assumes the Extension will supply service to a waste
9 management facility with an estimated peak demand of 35 kW and the CIAC thus calculated
10 is fifty-five thousand seven hundred dollars (\$55,700.00), excluding HST; and
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12 **WHEREAS** the estimated construction cost of the Extension is \$87,043.00 and Clause 10(i)
13 of the Policy states that Newfoundland Power shall apply to the Board for approval of all line
14 extensions or upgrades involving CIACs where the costs of the line extension or upgrade
15 calculated pursuant to Clause 5(a) are estimated to be greater than \$50,000; and
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17 **WHEREAS** approval of the proposed CIAC is reasonable and prudent to ensure that
18 Newfoundland Power’s investment in the Extension is compensatory over the useful life of
19 the Extension and not to the detriment of Newfoundland Power’s other customers.
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21 **IT IS THEREFORE ORDERED THAT:**
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- 23 1. The contribution in aid of construction of \$55,700.00, excluding HST, as proposed by
24 Newfoundland Power to provide single-phase service to a waste management facility for
25 the Central Newfoundland Waste Management Authority is approved.
26
- 27 2. Newfoundland Power shall pay all expenses of the Board arising from this Application.

Dated at St. John’s, Newfoundland and Labrador, this 27th day of January 2010.

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

Cheryl Blundon
Board Secretary