

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

AN ORDER OF THE BOARD

NO. P.U. 9(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 and Labrador Hydro
10 (“Hydro”) for approval of a
11 contribution in aid of construction (“CIAC”)
12 for a three-phase line extension to serve the
13 College of the North Atlantic campus
14 located at Labrador City, pursuant to
15 Subsection 41(5) of the *Act*.

16
17
18 **WHEREAS** Hydro is a corporation duly organized and existing under the laws of the
19 Province of Newfoundland and Labrador, is a public utility within the meaning of the *Act*,
20 and is also subject to the provisions of the *EPCA*, 1994; and

21
22 **WHEREAS** on February 3, 2010 the Board received an application from Hydro for approval
23 of a CIAC for a three-phase line extension to serve the College of the North Atlantic campus
24 located at Labrador City; and

25
26 **WHEREAS** on February 8, 2010 requests for additional information were sent to Hydro and
27 responses were received on March 25, 2010; and

28
29 **WHEREAS** the Provincial Department of Transportation and Works (the “Customer”) has
30 requested Hydro to supply three-phase electrical service to the College of the North Atlantic
31 campus located at Labrador City; and

32
33 **WHEREAS** the Customers have requested that Hydro provide three-phase electrical service
34 which, in order to so provide, requires the extension of approximately 2,000 metres of three-
35 phase distribution line to serve an expected demand of 1,056 kVA; and

36
37 **WHEREAS** Clause 5(a)(ii) of the CIAC Policy: Distribution Line Extensions and Upgrades
38 to General Service Customers, approved by Order No. P. U. 5(2009), dated January 28, 2009;
39 (the “Policy”), requires Hydro to calculate CIACs for General Service Customers by the
40 applicable Cost per Metre; and

1 **WHEREAS** Hydro has applied for approval of a CIAC that deviates from the Policy in that it
2 is using the detailed method for CIAC calculation using the “estimated construction costs” as
3 set out in Clause 5(e) instead of the method set out in Clause 5(a)(ii) that uses the approved
4 “Cost per Metre” values; and

5
6 **WHEREAS** Clause 10(ii) of the Policy states that Hydro will apply to the Board for approval
7 of any deviations from the Policy in the calculation of CIACs for Line Extensions; and

8
9 **WHEREAS** the total estimated construction cost of the Line Extension is \$410,743.20 and
10 Clause 10(i) of the Policy states that all Line Extensions or Upgrades involving CIACs where
11 the costs of the Line Extension or Upgrade calculated pursuant to Clause 5(a) are estimated to
12 be greater than \$50,000 shall be submitted to the Board for approval; and

13
14 **WHEREAS** Hydro has calculated a total CIAC for the Line Extension in accordance with
15 Clause 5(e) of the Policy which calculation assumes the Line Extension will supply service to
16 one general service customer and the total CIAC thus calculated is \$272,651.15, including
17 HST; and

18
19 **WHEREAS** the proposed expenditures on the Line Extension are necessary for Hydro to
20 provide service and facilities to the Customer which are reasonably safe and adequate and
21 just and reasonable as required pursuant to s. 37 of the *Act*; and

22
23 **WHEREAS** approval of the proposed CIAC is reasonable and prudent to ensure that Hydro’s
24 investment in the Line Extension is compensatory over the useful life of the Line Extension
25 and not to the detriment of Hydro’s other customers.

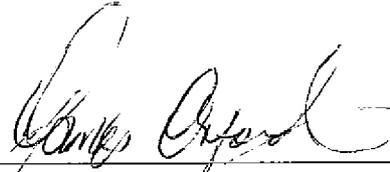
26
27 **IT IS THEREFORE ORDERED THAT:**

- 28
29 1. The Board approves the contribution in aid of construction of Two hundred seventy-two
30 thousand six hundred fifty-one dollars and fifteen cents (\$272,651.15), including HST, as
31 calculated under the Policy for the supply of three-phase electrical service to one general
32 service customer, the College of the North Atlantic campus located at Labrador City, as
33 requested by the provincial Department of Transportation and Works pursuant to s. 41(5)
34 of the *Act*.
35
36 2. Hydro shall pay all expenses of the Board arising from this Application.

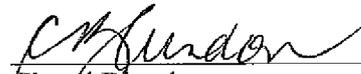
Dated at St. John's, Newfoundland and Labrador, this 9th day of April 2010.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary