NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

AN ORDER OF THE BOARD

NO. P.U. 20(2014)

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

IN THE MATTER OF an application by Newfoundland Power Inc. for approval of:

(1) a Contribution in Aid of Construction for a line extension to serve Domestic Customers in the cottage area known as Baie de L’Eau Road, near the town of Bay L’Argent pursuant to section 41 of the Act; and

(2) a deviation from the Contribution in Aid of Construction applicable to Domestic Customers in relation to the calculation of the participation percentage as provided for in clause 6 (A)(II) of the policy.

WHEREAS Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the Act, and is also subject to the provisions of the EPCA; and

WHEREAS on June 4, 2014 Newfoundland Power filed an application for approval of a Contribution in Aid of Construction (“CIAC”) for a single-phase line extension of approximately 18,325 metres (the “Extension”) to serve Domestic Customers in a cottage area known as Baie de L’Eau Road, near the town of Bay L’Argent; and

WHEREAS fifty potential customers of the area (the “Participating Customers”) have requested that Newfoundland Power provide electrical service; and

WHEREAS the Participating Customers have requested the Non-Refundable CIAC Option provided for in Clause 6 of the CIAC Policy: Distribution Line Extensions to Domestic Customers approved by Order No. P.U. 27 (2005), dated November 2, 2005, (the “Policy”); and
WHEREAS the Non-Refundable CIAC, calculated in accordance with Clause 6 of the Policy, is six thousand nine hundred thirty-one dollars and sixty-four cents ($6,931.64), excluding HST; and

WHEREAS the sum of the Non-Refundable CIAC calculated pursuant to Clause 6 and the Basic Investment calculated pursuant to Clause 3 exceeds $50,000, and therefore, in accordance with Clause 10(i) of the Policy Board approval is required; and

WHEREAS the Policy provides that the minimum participation percentage necessary to avail of the Non-Refundable CIAC Option is 50% and, to date, 50 out of the 96 customers, constituting a participation percentage of 52%, have provided Newfoundland Power with written confirmation that they will accept service and pay the approved CIAC but only 45 customers, or 47% of the total number of customers, have paid the minimum down-payment; and

WHEREAS a participation percentage of 50% would be achieved if three additional customers paid the minimum down payment, but Newfoundland Power has stated that it is unlikely it will receive further minimum down payments prior to construction of the Extension; and

WHEREAS pursuant to Clause 10 (ii) of the Policy Newfoundland Power is required to apply to the Board for any deviation from the Policy; and

WHEREAS Newfoundland Power, pursuant to Section 41 (5) of the Act, requests that the Board approve a Non-Refundable CIAC of Six thousand nine hundred thirty-one dollars and sixty-four cents ($6,931.64), excluding HST, for each customer of the Cottage Area; and

WHEREAS Newfoundland Power, pursuant to Clause 10 (ii) of the Policy, requests that the Board relax the requirement of the Policy that 50% of the Participating Customers must pay at least the minimum down payment on their CIAC prior to the commencement of construction of the Extension; and

WHEREAS the proposed CIAC is necessary to ensure that Newfoundland Power’s investment is compensatory over the useful life of the Extension and will not be to the detriment of Newfoundland Power’s other customers.

IT IS THEREFORE ORDERED THAT:

1. The Non-Refundable Contribution in Aid of Construction of six thousand nine hundred thirty-one dollars and sixty-four cents ($6,931.64), excluding HST, to apply to Domestic Customers located in the Cottage Area known as Baie De L’Eau Road is approved.

2. A deviation from the Policy requirement respecting down payments to allow Newfoundland Power to commence construction of the Extension is approved.

3. Newfoundland Power shall pay all expenses of the Board arising from this Application.
DATED at St. John’s, Newfoundland and Labrador, this 19th day of June, 2014.

Darlene Whalen, P.Eng.
Vice-Chair

James Oxford
Commissioner

Cheryl Blundon
Board Secretary