

**P.U. 17 (2002-2003)**

**IN THE MATTER OF the  
PUBLIC UTILITIES ACT,**  
R.S.N. 1990, c. P-47, as amended  
("the Act")

**AND**

**IN THE MATTER OF** the application by  
Newfoundland Power Inc. ("the Applicant")  
for approval of a contribution in aid of  
construction (the "Application") for a line  
extension to serve primarily seasonal  
customers ("the Customers") pursuant to  
section 41(5) of the Act.

**WHEREAS** the Applicant 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 *Electrical Power Control Act, 1994*; and

**WHEREAS** the Customers are located at Freshwater Pond off the Winterland Highway on the Burin  
Peninsula and consist of twelve (12) Seasonal Customers; and

**WHEREAS** by letter dated May 26, 1993 the Board approved a contribution in aid of construction  
(CIAC) of \$5,875.00, excluding tax, for each of eight (8) potential customers in the Freshwater Pond  
Cottage Area; and

**WHEREAS** in accordance with Order No. P.U. 5 (1990), approving changes to the Applicant's Time Payment Plan for CIACs, the contribution amount of \$5,875.00 was inflated annually by five per cent from June 1, 1995 to June 1, 1999 and the current CIAC amount for customers requesting service in the Freshwater Pond Cottage Area is \$7,498.15, excluding tax; and

**WHEREAS** the Provincial Government department responsible for the administration of Crown lands has approved the development of four (4) additional cottage lots in the Freshwater Pond area, bringing the total number of approved lots in the area to twelve (12) and in order to provide electrical service to the additional cottage lots, it is necessary to construct a further line extension of 280 metres; and

**WHEREAS** in paragraph 20(a) of Order No. P.U. 4 (1997-98), as amended by Order No. P.U. 7 (1997-98), the Board ordered that the provision of electrical service in cottage areas that were already served by the Applicant would continue to be governed by the terms and conditions governing the calculations of CIACs that were in effect when the cottage area was first served; and

**WHEREAS** the Applicant has provided electrical service to eight of the twelve Customers and has collected total CIACs of \$50,475.25, excluding tax; and

**WHEREAS** continuing to charge Customers the current CIAC amount of \$7,498.15 will result in the Applicant being overcompensated for the cost of providing electrical service to the Freshwater Pond area; and

**WHEREAS** to ensure it is not overcompensated by the payment of CIACs in respect of the provision of electrical service in the Freshwater Pond Cottage Area, and in accordance with paragraph 20(a) of Order No. P.U. 4 (1997-98), the Applicant proposes to recalculate the original CIAC amount on the basis of providing electrical service to 12 cottage lots, using the CIAC policy in effect in 1993 and utilizing 1993 cost factors; and

**WHEREAS** the CIAC thus calculated is \$4,389.00, excluding tax, and in accordance with Order No. P.U. 5 (1990), the CIAC amount is inflated by five per cent annually for each of five years and the resulting CIAC to be charged to new Customers in the Freshwater Pond Cottage Area is Six thousand four hundred forty-two dollars and sixty-nine cents (\$6,442.69), including HST; and

**WHEREAS** the Applicant proposes to recalculate the CIAC for the eight (8) Customers that have already been provided with electrical service on the basis of the revised CIAC amount, and to provide those Customers with appropriate refunds; and

**WHEREAS** the line extension will not be jointly used by the Applicant and Aliant Telecom Inc.; and

**WHEREAS** the proposed CIAC is necessary to ensure that the Applicant's investment in the Extension will be compensatory over the useful life of the Extension and will not be to the detriment of the Applicant's other customers, while ensuring the Customers do not overcompensate the Applicant for the provision of electrical service; and

**WHEREAS** the proposed expenditures on the line extension are necessary for the Applicant to provide service and facilities to the Customers which are reasonably safe and adequate and just and reasonable as required pursuant to s. 37 of the Act.

**IT IS THEREFORE ORDERED THAT:**

Pursuant to Section 41(5) of the Act, the Board approves:

- 1) the contribution in aid of construction in the amount of Six thousand, four hundred forty-two dollars and sixty-nine cents (\$6,442.69), including HST, for each of the four (4) new Customers as described in the Application with seasonal residences located at Freshwater Pond Cottage Area; and
- 2) the refund amounts, as set out in Schedule A, for each of the eight (8) existing Customers with seasonal residences located at Freshwater Pond Cottage Area.

**DATED** at St. John's, Newfoundland and Labrador, this 1<sup>st</sup> day of August 2002.

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Robert Noseworthy,  
Chair & Chief Executive Officer.

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G. Fred Saunders,  
Commissioner.

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G. Cheryl Blundon,  
Board Secretary.

**Summary of Refund Calculations for 8 Existing Customers**

Customer Name	Connection <u>Date</u>	Original CIAC <u>Amount</u>	Taxes	Total Amount <u>Paid</u>	Revised <u>CIAC</u>	Taxes	Revised <u>Total</u>	<b>Refund</b>
Ed Mayo	July, 1993	\$5,875.00	\$ 411.25	\$6,286.25	\$4,389.58	\$307.27	\$4,696.85	\$1,589.40
Clyde Eddy	July, 1993	\$5,875.00	\$ 411.25	\$6,286.25	\$4,389.58	\$307.27	\$4,696.85	\$1,589.40
Viola Senior	July, 1993	\$5,875.00	\$ 411.25	\$6,286.25	\$4,389.58	\$307.27	\$4,696.85	\$1,589.40
Berrick King	July, 1993	\$5,875.00	\$ 411.25	\$6,286.25	\$4,389.58	\$307.27	\$4,696.85	\$1,589.40
Gordon Hollett	July, 1993	\$5,875.00	\$ 411.25	\$6,286.25	\$4,389.58	\$307.27	\$4,696.85	\$1,589.40
Bruce Rose	June, 1998	\$6,801.05	\$1,020.16	\$7,821.21	\$5,081.49	\$762.22	\$5,843.71	\$1,977.49
Ross Murphy	August, 1998	\$6,801.05	\$1,020.16	\$7,821.21	\$5,081.49	\$762.22	\$5,843.71	\$1,977.49
Heber Pike	May, 2001	\$7,498.15	\$1,124.72	\$8,622.87	\$5,602.34	\$840.35	\$6,442.69	\$2,180.18