

1 **P. U. 22 (2005)**

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4 **IN THE MATTER OF** the *Public*
5 *Utilities Act*, R.S.N.L. 1990, c. P-47,
6 as amended (the "*Act*")

7
8 **AND**

9
10 **IN THE MATTER OF** an Application by
11 Newfoundland & Labrador Hydro ("Hydro")
12 for approval of a Contribution in Aid of
13 Construction ("CIAC") for a single-phase
14 line extension to serve an Aliant Telecom Inc.
15 Communications Tower located at Postville,
16 Labrador, pursuant to Section 41(5) of the *Act*.

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20 **WHEREAS** Hydro is a corporation duly organized and existing under the laws of the Province
21 of Newfoundland and Labrador, is a public utility as defined by the *Act*, and is subject to the
22 provisions of the *Electrical Power Control Act, 1994*; and

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24 **WHEREAS** Aliant Telecom Incorporated (the "Customer") has requested Hydro to supply
25 single-phase electrical service to a Communications Tower located near the Transport Canada
26 Airstrip at Postville, Labrador; and

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28 **WHEREAS** the Customer has requested that Hydro provide single-phase electrical service
29 which, in order to so provide, requires the extension of approximately 1,015 metres of single-
30 phase distribution line to serve an expected demand of 10 kW; and

1 **WHEREAS** Clause 5(a)(ii) of the CIAC Policy: Distribution Line Extensions and Upgrades to
2 General Service Customers, approved by Order No. P.U. 19(2005) dated June 22, 2005 (the
3 “Policy”), requires Hydro to calculate CIACs for General Service Customers by the applicable
4 Cost per Metre; and

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

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

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14 **WHEREAS** Hydro has calculated a total CIAC for the Line Extension in accordance with
15 Clause 5(e) of the CIAC Policy, which calculation assumes the Line Extension will supply
16 service to one general service customer and the total CIAC thus calculated is \$106,453.00,
17 including HST; and

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19 **WHEREAS** the total estimated construction cost of the Line Extension is \$106,453.00 and
20 Clause 10(i) of the Policy states that all Line Extensions or Upgrades involving CIACs where the
21 costs of the Line Extension or Upgrade calculated pursuant to Clause 5(a) are estimated to be
22 greater than \$50,000 shall be submitted to the Board for approval; and

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

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28 **WHEREAS** the proposed CIAC is necessary to ensure that Hydro’s investment in the Line
29 Extension is compensatory over the useful life of the Line Extension and will not be to the
30 detriment of Hydro’s other customers.

1 **IT IS THEREFORE ORDERED THAT:**

2 1. Pursuant to Section 41(5) of the *Act*, the Board approves:

3 (i) the contribution in aid of construction in the amount of \$106,453.00, including
4 HST; for the supply of single-phase electrical service to one general service
5 customer, Aliant Telecom Incorporated's Communications Tower, located near
6 the Transport Canada Airstrip at Postville, Labrador, as calculated under the
7 Policy.

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10 **DATED** at St. John's, Newfoundland and Labrador, this 9th day of September 2005.

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Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chair.

32 G. Cheryl Blundon,
33 Board Secretary.