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P.U. 36 (2005)

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 (“CIAC”) for a line extension to
serve domestic customers residing in a
cottage area (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 Domestic Customers with residences located in a Cottage
Area on Cape Pond Road off the Southern Shore Highway and the Customers consist of ninety-six
(96) potential residents of the Cottage Area; and

1 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested
2 that the Applicant provide their residences with single-phase electrical service and provision of the
3 requested service requires that the Applicant construct approximately 7,875 metres of single-phase
4 line (the “Extension”); and

5

6 **WHEREAS** the Participating Customers have requested the Non-Refundable CIAC Option
7 provided for in Clause 6 of the CIAC Policy: Distribution Line Extensions to Domestic Customers
8 approved by Order No. P.U. 27 (2005), dated November 2, 2005 (the “Policy”); and

9

10 **WHEREAS** the Policy provides that the minimum Participation Percentage necessary to
11 avail of the Non-Refundable CIAC Option is 50%, and to date, 49 out of the 96 Customers have
12 accepted service for a Participation Percentage of 51%; and

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14 **WHEREAS** as a result of an inadvertent transcription error, the length of the Extension used
15 in the calculation of the CIAC was understated by 1,450 metres, and a CIAC based on the
16 understated length of 6,425 metres was calculated in accordance with Clause 6(a) of the Policy; and

17

18 **WHEREAS** the CIAC thus calculated in accordance with Clause 6(a) of the Policy is One
19 thousand six hundred seventy-three dollars and twenty-six cents (\$1,673.26), including HST; and

20

21 **WHEREAS** the participating Customers have accepted service on the basis of the CIAC
22 thus calculated, and the Applicant proposes that the CIAC thus calculated be approved; and

1 **WHEREAS** Clause 10(i) of the Policy states that the Applicant shall apply to the Board for
2 approval of all CIACs where the sum of the CIAC calculated pursuant to Clause 5(a) or Clause 6(a)
3 and the Basic and Additional Investment calculated pursuant to Clauses 3 and 4 is greater than
4 \$50,000; and

5

6 **WHEREAS** calculation of the CIAC based on less than the full length of the Extension as
7 noted in paragraph 6 represents a deviation from the Policy, and Clause 10(ii) requires the Applicant
8 to apply to the Board for approval of any deviations from the Policy in the calculation of CIACs; and

9

10 **WHEREAS** the proposed CIAC is necessary to ensure that the Applicant's investment in the
11 Extension is compensatory over the useful life of the Extension and will not be to the detriment of
12 the Applicant's other customers.

13

14 **IT IS THEREFORE ORDERED THAT:**

15 Pursuant to Section 41(5) of the *Act*, the Board approves the Non-Refundable Contribution in
16 Aid of Construction in the amount of One thousand six hundred seventy-three dollars and twenty-six
17 cents (\$1,673.26), including HST, as calculated under the Policy, to provide single phase service to
18 Domestic Customers located in a Cottage Area on Cape Pond Road off the Southern Shore Highway.

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1 **DATED** at St. John's, Newfoundland and Labrador, this 14th day of December 2005.

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Robert Noseworthy
Chair & Chief Executive Officer

G. Fred Saunders
Commissioner

G. Cheryl Blundon
Board Secretary