

**P.U. 25 (2006)**

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**IN THE MATTER OF** the  
**PUBLIC UTILITIES ACT**,  
R.S.N.L. 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 cottage area 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 Domestic Customers with residences located in a Cottage Area on  
Valley Road near Carbonear and the Customers consist of thirty-five (35) potential residents of the  
Cottage Area; and

1 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested that the  
2 Applicant provide their residences with single-phase electrical service and provision of the requested  
3 service requires that the Applicant utilize an existing 1,073 metre distribution line constructed in  
4 2001 to serve other residential customers in the area and construct approximately 3,545 metres of  
5 new single-phase line (the “New Extension”); and

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

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11 **WHEREAS** the Policy provides that the minimum Participation Percentage necessary to avail of the  
12 Non-Refundable CIAC Option is 50% and, to date, 18 out of the 35 Customers have accepted  
13 service for a Participation Percentage of 51%; and

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15 **WHEREAS** as a result of an oversight, the Applicant did not include the shared portion of the  
16 existing distribution line, a distance of 939 metres, in the calculation of the contribution in aid of  
17 construction (CIAC) and a CIAC based on the understated length of 3,545 metres was calculated in  
18 accordance with Clause 6(a) of the Policy; and

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20 **WHEREAS** the CIAC thus calculated is Two thousand seven hundred eight-nine dollars and ninety  
21 cents (\$2,789.90), including HST, for each Customer; and

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

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4   **WHEREAS** the sum of the CIAC calculated pursuant to Clause 6(a) and the Basic Investment  
5   calculated pursuant to Clause 3 is \$91,328 and Clause 10(i) of the Policy states that the Applicant  
6   shall apply to the Board for approval of all CIACs where the sum of the CIAC calculated pursuant to  
7   Clause 5(a) or Clause 6(a) and the Basic and Additional Investment calculated pursuant to Clauses 3  
8   and 4 is greater than \$50,000; and

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

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

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1 **IT IS THEREFORE ORDERED THAT:**

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3 Pursuant to Section 41(5) of the *Act*, the Board approves the Non-Refundable Contribution in Aid of  
4 Construction in the amount of Two thousand seven hundred eighty-nine dollars and ninety cents  
5 (\$2,789.90), including HST, per Customer as calculated under the Policy to provide single-phase  
6 service to Domestic Customers located in a Cottage Area on Valley Road near Carbonear.

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8 **DATED** at St. John's, Newfoundland and Labrador, this 15<sup>th</sup> day of August 2006.

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Robert Noseworthy  
Chair & Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chair

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G. Cheryl Blundon  
Board Secretary

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