

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**AN ORDER OF THE BOARD
NO. P.U. 33(2012)**

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1 (the
3 "*EPCA*") and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the "*Act*") and regulations thereunder;

5
6 **AND**
7

8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro for approval
10 of a contribution in aid of construction for a line
11 extension to serve a cottage area known as West
12 Bottom North located near South Brook Junction.

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14
15 **WHEREAS** Newfoundland and Labrador Hydro ("Hydro") is a corporation duly organized
16 and existing under the laws of the Province of Newfoundland and Labrador, is a public
17 utility within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and

18
19 **WHEREAS** on October 9, 2012 Hydro filed an application (the "Application") for
20 approval of a contribution in aid of construction ("CIAC") for a single-phase line extension
21 of approximately 3,763 metres (the "Extension") to serve the customers residing in a
22 cottage area known as West Bottom North located near South Brook Junction (the "Area");
23 and

24
25 **WHEREAS** the CIAC, calculated in accordance with Clause 5(a) of the CIAC Policy, and
26 the Basic Investment, calculated in accordance with Clause 3 of the CIAC Policy, is one
27 hundred ten thousand eight hundred and seventy-seven dollars (\$110,877); and

28
29 **WHEREAS** the sum of the CIAC calculated pursuant to Clause 5(a) and Clause 3 exceeds
30 \$50,000, and therefore in accordance with Clause 10(i) of the CIAC Policy Board approval
31 is required; and

32
33 **WHEREAS** there are 50 potential customers (the "Customers") with residences in the
34 Area; and

35
36 **WHEREAS** 20 of the Customers requested Hydro to provide their residences with single-
37 phase electrical service; and

1 **WHEREAS** the total estimated customer contribution is four thousand eight hundred and
2 eighteen dollars and eighty-five cents (\$4,818.85), excluding HST, for 20 Customers, as
3 calculated under the Refundable CIAC Option provided for in Clause 5 of the CIAC Policy;
4 and

5
6 **WHEREAS** Hydro has received CIAC payments from 15 of the 20 Customers, and the
7 remaining 5 Customers have indicated that they are unable or unwilling to pay the CIAC
8 and are not willing to accept electrical service at this time; and

9
10 **WHEREAS** Hydro has recalculated the CIAC to reflect a reduction in the number of
11 participating Customers from 20 to 15 and the resulting CIAC is six thousand one hundred
12 and six dollars and twelve cents (\$6,106.12), excluding HST, per Customer; and

13
14 **WHEREAS** Hydro is required to apply for approval of the CIAC if it deviates from the
15 CIAC Policy approved by Order No. P.U. 27(2005); and

16
17 **WHEREAS** Hydro proposes to deviate from the CIAC Policy by charging the 15
18 Customers the original CIAC amount rather than the recalculated CIAC amount; and

19
20 **WHEREAS** this proposal will create a shortfall in the cost recovery of nineteen thousand
21 three hundred and nine dollars and twenty cents (\$19,309.20), calculated as one thousand
22 two hundred and eighty-seven dollars and twenty-eight cents (\$1,287.28) per Customer;
23 and

24
25 **WHEREAS** Hydro proposes that the entitlement of the Customers to refunds that may be
26 calculated under Clause 5 of the CIAC Policy be suspended until the shortfall is recovered;
27 and

28
29 **WHEREAS** given the total potential number of Customers in the Area, Hydro believes that
30 additional Customers will decide to accept service within a reasonable period after the
31 Extension is constructed in the Area; and

32
33 **WHEREAS** the proposed CIAC is necessary to ensure that Hydro's investment in the line
34 extension is compensatory over the useful life of the Extension and will not be to the
35 detriment of its other customers; and

1 **IT IS THEREFORE ORDERED THAT:**

- 2
- 3 1. The contribution in aid of construction of four thousand eight hundred and eighteen
- 4 dollars and eighty-five cents (\$4,818.85), excluding HST, for the supply of single-
- 5 phase electrical service to Domestic Customers located in a cottage area known as
- 6 West Bottom North located near South Brook Junction, as calculated under the CIAC
- 7 Policy is approved.
- 8
- 9 2. A deviation from the CIAC Policy is approved such that the payment of refunds to the
- 10 Customers is suspended until such time as the shortfall of nineteen thousand three
- 11 hundred and nine dollars and twenty cents (\$19,309.20) is recovered.
- 12
- 13 3. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John’s, Newfoundland and Labrador, this 31st day of October, 2012.

Dwanda Newman, LL.B.
Commissioner

James Oxford
Commissioner

Cheryl Blundon
Board Secretary