

1 Q. Please provide a copy of Hydro's Investment / Customer Contribution Policy
2 (i.e. the policy that determines "Contributions in Aid of Construction"). Please
3 also provide a copy of any literature made available to customers on this
4 subject.

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7 A. Please see attached Contribution In Aid of Construction Policies labeled as
8 follows:

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10 PUB-161 NLH Attachment A, DISTRIBUTION LINE EXTENSIONS TO
11 RESIDENTIAL AND SEASONAL RESIDENTIAL CUSTOMERS,
12 SEPTEMBER 1997.

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14 PUB-161 NLH Attachment B, DISTRIBUTION LINE EXTENSIONS AND
15 UPGRADES TO GENERAL SERVICE CUSTOMERS, SEPTEMBER 1997.

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17 Additional information is available to customers on this subject at Hydro's
18 website (www.nlh.nf.ca) under the Customer Services link. A standard form
19 CIAC quotation letter is also provided in reply to requests for service when a
20 contribution is required. This letter provides the customer with information
21 concerning the CIAC quoted.

NEWFOUNDLAND AND LABRADOR HYDRO

CONTRIBUTION IN AID OF CONSTRUCTION POLICY:

DISTRIBUTION LINE EXTENSIONS TO

RESIDENTIAL AND SEASONAL RESIDENTIAL CUSTOMERS

SEPTEMBER 1997

1. THE POLICY: GENERAL

The Corporation will provide permanent distribution line extensions to Residential and Seasonal Customers without a Contribution in Aid of Construction (CIAC) when the cost to provide and maintain plant will be recovered by electric service rates paid by the customers served by such extensions. When costs associated with construction and maintenance of permanent line extensions are not recovered by electric service rates paid by the customers served by the extension, a Contribution in Aid of Construction calculated in accordance with this policy will be required from the customer or customers requesting service.

2. INTERPRETATION

Annual Carrying Charge Rate means a rate, expressed as a percentage which, when applied to a capital investment, will yield an amount reasonably approximate to the aggregate of Newfoundland Power's weighted cost of capital, depreciation and income tax relative to that capital investment.

Board means the Board of Commissioners of Public Utilities for Newfoundland.

Cable Company means any company other than Aliant Telecom which provides cable television service in the Corporation's service territory.

Corporation means Newfoundland and Labrador Hydro.

Cost per Metre means the average maintenance and construction cost per metre for Line extensions as calculated by Newfoundland Power and filed from time to time with the Board.

General Service Policy means Newfoundland and Labrador Hydro's policy entitled "Contribution In Aid of Construction Policy: Distribution Line Extensions and Upgrades to General Service Customers" as approved by the Board.

Incorporated Community means a municipality that has defined boundaries, is the legislated authority for taxation, and is recognized as a legal entity.

Line means an electrical distribution line and may include a Main Line or a Service Line.

Local Service District means an unincorporated area defined as a Local Service District in the *Municipalities Act*.

Main Line means any Line required to supply electric power for one or more customers adjacent to a Public Road, or for two or more customers on a private road.

Municipality means a community, town, or region as defined in the *Municipalities Act*.

Newfoundland Power means Newfoundland Light and Power Company Limited.

Permanent Service means a service required for at least three years.

Public Road means any road which is listed as a public road by the Department of Works, Services & Transportation or by an Incorporated Community and which is open year round and operated and maintained by public funds.

Residential Customer means a customer who has contracted for a Permanent Service which is a domestic service as defined in the Corporation's Rates, Rules and Regulations, but does not include a Seasonal Customer.

Rules and Regulations means the rules and regulations relating to the Corporation's service as approved from time to time by the Board.

Seasonal Customer means a customer whose premises is a self-contained domestic unit, occupied intermittently or seasonally during the year, which is not the customer's primary or permanent residence.

Service Line means any Line across private property or along a private road required to serve a single customer.

Subdivision means a subdivided area of four or more building lots being developed for residential use within a municipality.

3. THE CORPORATION INVESTMENT

The Corporation Investment shall include:

- (a) for Seasonal Customers, metering and up to 25 metres of line measured from the customer's meter location and all plant directly associated to that specific length of line;
- (b) for Residential Customers, transformation, and up to 85 metres of line measured from the customer's meter location and all plant directly associated to that specific length of line;
- (c) for all customers, where the customer requesting service is located on the opposite side of the road from where the Corporation's distribution line is located, only that portion of the service line required to cross the road right of way.

4. LINE EXTENSIONS AT CORPORATION'S EXPENSE

- (a) In addition to the Corporation Investment outlined in Clause 3, the Corporation will provide, at its expense, additional single-phase Main Line extensions to Residential customers, where there is satisfactory evidence indicating that future development or growth along the route extension will be sufficient to support the construction cost of the extension.

- (i) For Residential customers, the existence of a building foundation along the route of the required Main Line extension will constitute satisfactory evidence of future growth. For each such foundation, the Corporation will provide, at its expense, an amount of single phase Main Line equal to the amount of single phase Main Line that would be provided to a customer requiring service at the location of such foundation as a portion of the 85 metre Corporation Investment to which that customer would be entitled under this Policy or the General Service Policy.

- (ii) For a Subdivision, the minimum required evidence of future growth will be substantially completed road work, power line easements in place, legal survey drawings indicating lot layouts and roads with all relative distances and bearings shown, and written municipal approval and/or a copy of the development agreement between the developer of the Subdivision and the municipal council.

- (b) Extensions provided for Subdivisions at Corporation expense will be limited to 60 metres of Main Line per approved building lot. The length of Main Line, in metres, in excess of 60 metres of Main Line per approved building lot, if any, will be multiplied by the Cost per Metre to determine the CIAC to be paid by the developer of the Subdivision.

5. CALCULATION OF CIACS

- (a) A CIAC will be required for Line extensions to Residential Customers that do not meet the applicable criteria set out in Clause 4(a)(i). When a line extension is requested, the length in metres of the Line extension, excluding the Corporation investment, will be multiplied by the Cost per Metre to determine the CIAC payable by the customer or customers.

- (b) CIACs for Line extensions for Seasonal Customers shall be calculated by multiplying the length of the Line extension, excluding the Corporation investment, by the Cost per Metre of the extension and adding the cost of transformation.

- (c) In cases where the Line extension will be shared by more than one customer and the Line extension will serve primarily Seasonal Customers, any CIAC required will be calculated by dividing the total cost as defined in Clause 5(b) by the number of participating customers. In cases where the Line extension will be shared by more than one customer and the Line extension will serve primarily residential customers, any CIAC required to serve each customer. Where a customer is connected to a Line extension in respect of which a CIAC was paid within 10 years from the date construction of the Line extension was completed, that customer shall pay a CIAC calculated as if service was connected to that customer when the Line extension was originally placed in service.

- (d) Where an addition to an existing Line extension that serves primarily Seasonal Customers would result in an increase in the CIAC amount calculated for the entire Line extension in accordance with Clause 5(b), the addition shall be deemed to be a separate Line extension.

- (e) Where a portion of a proposed Line extension that serves primarily Seasonal customers includes a continuous section of 300 metres or more of Line with no customer premises located thereon, the portion of the Line extension commencing with and including the said section of Line shall be deemed to be a separate Line extension.

6. REFUNDS

- (a) Subject to Clauses 6(b) and (c), where additional customers are connected to a Line extension within 10 years from the date construction of the Line extension was completed, the Corporation will refund all or part of a CIAC paid in respect of that Line extension. The amount of the refund will be the difference between the CIAC originally paid and the CIAC which would have been payable under Clause 5(c) if the additional customers had taken service at the time the original CIAC was calculated. A refund becomes due to a CIAC customer 90 days following the connection of the additional customer(s).
- (b) Interest paid through the financing option outlined in Clause 11(b) is not refundable other than provided under Clause 6(c) of this policy.
- (c) The Corporation shall advise customers of the conditions relating to refunds of CIACs. The Corporation shall make all reasonable efforts to identify customer refunds. When a refund has been delayed beyond the date referred to in Clause 6(a), such refunds will accrue interest at the rate of interest prescribed under Clause 11(c) from the due date after the customer became eligible for a refund as referred to in Clause 6(a).
- (d) Where a CIAC is paid in respect of a Line extension that is not used jointly by the Corporation and Alliant Telecom, and Alliant commences joint use of the Line

extension within ten years from the date construction of the Line extension was completed, the Corporation will recalculate the CIAC in accordance with Clause 7(a) and refund the difference to the customer who paid the CIAC. Such refunds will not be provided where the Line extension is a non-compensatory extension, or the provision of a refund will make the Line extension a non-compensatory extension.

7. JOINT USE ALLOWANCE

- (a) Where the Corporation constructs a Line extension for which a CIAC is required, and Aliant Telecom will be attaching to the Line extension, the Cost per Metre in Appendix A shall be reduced by the amount specified in Note 1 of Appendix A.
- (b) Where the Corporation constructs a Line extension for which a CIAC is required, and a Cable Company will be attaching to the Line extension, the Cost per Metre in Appendix A shall be reduced by the amount specified in Note 2 of Appendix A.

8. SERVICE ENTRANCE LOCATIONS

Should a customer request the Corporation to attach to a service entrance which is in a location which is not as close as practical to the distribution pole from which the Service Line is to be run, the customer will be required to pay the costs associated with any additional plant.

9. UNDERGROUND SERVICE¹

- (a) A Residential Customer may have the Service Line to their dwelling placed underground on their property provided that the customer pays the difference between the installed cost of underground service lines and the installed cost of overhead service lines, in addition to any CIAC required under Clause 5.
- (b) A Subdivision developer who wishes to provide underground distribution service to a housing development will pay the difference in cost between the underground system and the equivalent overhead system, in addition to any CIAC required under Clause 5.

10. REVIEW OF CIACs

Residential CIACs may be reviewed after a period of 24 months from the date the service is made available to determine whether the residential service has been designated appropriately. Where the energy use has been seasonal during the first 24 months, then the CIAC for that account will be recalculated as a Seasonal Customer with a minimum Corporation Investment as set out in Clause 3(a), and the difference charged to the customer. Similarly, if a Seasonal Customer, charged a CIAC on the basis of a minimum Corporation Investment as set out in Clause 3(a), changes its circumstances and demonstrates during the first 24 months that it is a permanent Residential Customer, then a refund will be granted.

¹ Newfoundland and Labrador Hydro is exempt from the application of this Clause 9.

11. PAYMENT

- (a) Subject to Clause 11(b), all CIACs shall be paid by cash or certified cheque in advance of construction.
- (b) Where approval has been given in advance by Head Office Credit personnel, a customer may pay a CIAC on the following basis:
 - (i) \$300 or 1/3 of the CIAC, whichever is greater, as a down-payment in advance of construction; and
 - (ii) the balance together with interest by way of not more than 60 equal monthly installments of not less than \$20 each.
- (c) Interest on the unpaid balance from time to time outstanding on a CIAC financed pursuant to Clause 11(b) shall be set at the time of the customer's agreement to pay by way of installments. The rate shall be equal to the prime rate of the Corporation's bankers as of the last day of the month immediately preceding the time of a customer's agreement to pay by way of installments, plus 3%.
- (d) Installments shall be subject to the Corporation's credit policy. Default in payment of any installment shall, at the Corporation's option, render the unpaid balance immediately due and payable.

12. BOARD APPROVALS

The Corporation shall apply to the Board for approval:

- (a) of all Line extensions involving CIACs where the construction costs are estimated to be greater than \$25,000.00; and
- (b) of any deviations from this policy in the calculation of CIACs for Line extensions.
- (c) of all CIACs for Main Line extensions for primarily seasonal residential customers.

NEWFOUNDLAND AND LABRADOR HYDRO

RESIDENTIAL AND SEASONAL RESIDENTIAL

DISTRIBUTION LINE COST PER METRE FOR CIACs

TYPE OF CONSTRUCTION	COST PER METRE
<u>LINE EXTENSIONS</u> ^{1,2,3} SINGLE PHASE	 \$26

- (1) Reduce the Cost Per Metre by \$7 where Aliant Telecom will be attaching to the Line Extension.
- (2) Reduce the Cost Per Metre by \$1 where a Cable Company will be attaching to the Line Extension.
- (3) Where necessary, for Seasonal Customers, a transformation cost of \$600 may be added to the CIAC.

NEWFOUNDLAND AND LABRADOR HYDRO

CONTRIBUTION IN AID OF CONSTRUCTION POLICY:

DISTRIBUTION LINE EXTENSIONS AND UPGRADES

TO GENERAL SERVICE CUSTOMERS

SEPTEMBER 1997

1. THE POLICY: GENERAL

The Corporation will provide permanent distribution line extensions or upgrades to General Service Customers without a Contribution in Aid of Construction (CIAC) when the cost to provide and maintain plant will be recovered by electric service rates paid by the customers served by such extensions or upgrades. When costs associated with construction and maintenance of permanent line extensions or upgrades are not recovered by electric service rates paid by the customers served by the extension or upgrade, a Contribution in Aid of Construction calculated in accordance with this policy will be required from the customer or customers requesting service.

2. INTERPRETATION

Annual Carrying Charge Rate means a rate, expressed as a percentage which, when applied to a capital investment, will yield an amount reasonably approximate to the aggregate of Newfoundland Power's weighted cost of capital, depreciation and income tax relative to that capital investment.

Board means the Board of Commissioners of Public Utilities for Newfoundland.

Cable Company means any company other than Aliant Telecom which provides cable television service in the Corporation's service territory.

Corporation means Newfoundland and Labrador Hydro.

COS means the current Fully Distributed Cost of Service Study of Newfoundland Power.

Cost per Metre means the average maintenance and construction cost per metre for Line extensions or Upgrades as calculated by Newfoundland Power and filed from time

to time with the Board. For Upgrades, the Cost per Metre will include only the costs associated with primary conductor and related hardware.

Demand means the quantity of power which is delivered to a customer. It is expressed in kilowatts or kilovoltamperes at a given point in time or averaged over a period of time.

General Service Customer means any customer on General Service Rates as defined in the Corporation's Rates, Rules and Regulations.

Incorporated Community means a municipality that has defined boundaries, is the legislated authority for taxation, and is recognized as a legal entity.

Line means an electrical distribution line and may include a Main Line or a Service Line.

Load Factor means the ratio of the average demand in kilowatts supplied during a designated period to the maximum demand in kilowatts occurring in that period. The average demand is determined by dividing the energy consumption in kilowatt-hours by 730 hours (if monthly) or by 8760 hours (if yearly).

Local Service District means an unincorporated area defined as a Local Service District in the *Municipalities Act*.

Main Line means any Line required to supply electric power for one or more customers adjacent to a Public Road, or for two or more customers on a private road.

Municipality means a community, town, or region as defined in the *Municipalities Act*.

Newfoundland Power means Newfoundland Light and Power Company Limited.

Peak Demand means the maximum demand that will be imposed by a customer.

Permanent Service means a service required for at least three years.

Public Road means any road which is listed as a public road by the Department of Works, Services & Transportation or by an Incorporated Community and which is open year round and operated and maintained by public funds.

Residential Policy means Newfoundland and Labrador Hydro's policy entitled "Contribution In Aid of Construction Policy: Distribution Line Extensions to Residential and Seasonal Residential Customers" as approved by the Board.

Rules and Regulations means the rules and regulations relating to the Corporation's service as approved from time to time by the Board.

Service Line means any Line across private property or along a private road required to serve a single customer.

Upgrade means the upgrade of a single phase or two phase distribution line to three phase and it also means the upgrade of a single phase distribution line to two phase.

3. THE CORPORATION INVESTMENT

The Corporation Investment for General Service customers shall, at a minimum, include transformation¹, secondary metering and up to 85 metres of line measured from the point where the customer takes service and all plant directly associated to that specific length of line. All customers whose premises are located on the opposite side of the road from where the Corporation's distribution line is located shall also be given only that portion of the service line required to cross the road right of way.

¹ The Rules and Regulations shall apply in determining if transformation will be provided by the Corporation.

4. LINE EXTENSIONS AND UPGRADES AT CORPORATION'S EXPENSE

- (a) In addition to the Corporation Investment outlined in Clause 3, the Corporation will provide additional single-phase Main Line extensions at it's expense to customers where the service requested is a Permanent Service, and there is satisfactory evidence indicating that future development or growth along the route extension will be sufficient to support the construction cost of the extension. The existence of a building foundation along the route of the required Main Line extension will constitute satisfactory evidence of future growth. For each such foundation, the Corporation will provide, at it's expense, an amount of single phase Main Line equal to the amount of single phase Main Line that would be provided to a customer requiring service at the location of such foundation as a portion of the 85 metre Corporation Investment to which that customer would be entitled under this Policy or the Residential Policy.
- (b) The Corporation will provide Service Lines, single phase and three phase Main Lines where the cost to provide the Service Line or Main Line will be recovered by electric service rates paid by the customer or customers requesting the Service Line or Main Line. The calculation to determine whether the cost to provide the Service Line or Main Line will be recovered by electric service rates shall be made in accordance with Clause 5.
- (c) The Corporation will provide Line Upgrades where the cost of the Upgrade will be recovered by additional electrical service rates paid by the customer or customers requesting the Upgrade. The calculation to determine whether the cost to provide the Line Upgrade will be recovered by electric service rates shall be made in accordance with Clause 5.

5. CALCULATION OF CIACs

- (a) A CIAC will be required for Line extensions to, or Upgrades for, General Service Customers with a demand less than 10 kW that do not meet the applicable criteria set out in Clause 4(a), (b), or (c). When a Line extension or Upgrade is requested, the length in metres of the Line extension or Upgrade, excluding the Corporation Investment, will be multiplied by the applicable Cost per Metre and the result shall be added to any costs applicable by virtue of Clause 5(d) to determine the CIAC payable by the customer or customers.
- (b) A CIAC will be required for Line extensions to, or Upgrades for, General Service Customers with a demand between 10 kW and 350 kVA that do not meet the applicable criteria set out in Clause 4(a), (b), or (c). The length of the Line extension or Upgrade which will be supported by revenue from a customer will be determined by reference to the anticipated load factor and peak demand of the customer in accordance with calculations filed from time to time with the Board. The length in metres of the Line extension or Upgrade, excluding the Corporation Investment, not supported by the anticipated revenue will be multiplied by the applicable Cost per Metre and the result shall be added to any costs applicable by virtue of Clause 5(d) to determine the CIAC payable by the customer or customers.
- (c) A CIAC will be required for Line extensions to, or Upgrades for, General Service Customers with a demand over 350 kVA that do not meet the applicable criteria as set out in Clause 4(a), (b), or (c). The CIAC payable shall be determined as follows:
 - (i) the appropriate unit demand, energy and customer costs for the relevant rate class², exclusive of income tax, depreciation, return and maintenance costs³ related to distribution plant of Newfoundland Power, shall be derived from Newfoundland Power's COS;

- (ii) the unit costs derived pursuant to Clause 5(c)(i) shall be multiplied by the targeted revenue to cost ratio for the relevant rate class to arrive at the customer's unit costs;
- (iii) the customer's unit costs derived pursuant to Clause 5(c)(ii) shall be multiplied by the demand and energy consumption data provided by the customer to arrive at the cost required to service the customer;
- (iv) the cost required to service the customer as calculated pursuant to Clause 5(c)(iii) shall be subtracted from the estimated annual revenue to the Corporation, as calculated based on information provided by the customer, and the amount remaining, if any, shall be divided by the Annual Carrying Charge Rate to arrive at the construction costs supported by the estimated revenue from the customer; and
- (v) the construction costs supported by the estimated revenue from the customer as calculated pursuant to Clause 5(c)(iv) or the value of the Corporation Investment, whichever is greater, shall be subtracted from the estimated construction cost of the Line extension or Upgrade and the difference, if any, shall be payable as a CIAC.

²For so long as Newfoundland and Labrador Hydro ("Hydro") continues to supply power to Newfoundland Power on an energy only rate, then Newfoundland Power shall derive the appropriate unit demand and energy costs from the COS and then take the simple average of the unit energy cost so derived and the unit energy cost paid to Hydro by Newfoundland Power and use that average as the unit energy cost. The unit demand cost derived from the COS shall then be proportionately decreased by the gross amount of the increase in the unit energy charge resulting from the averaging calculation.

³ Maintenance costs shall include those costs in the books of account of Newfoundland Power which reflect the maintenance of overhead conductors, poles and fittings.

- (d) Where an Upgrade requires the replacement of poles or the installation of additional poles or anchors, then the costs associated with such replacement or installation shall be included in any CIAC in addition to any amounts otherwise payable under Clause 5(a) or 5(b). Costs associated with replacement or installation of poles for an Upgrade may include, without limitation, the actual cost of new poles (less a reasonable allocation for accumulated depreciation attributable to poles removed), the cost of removal and installation of poles, hardware, transformers and conductor, property acquisition costs, joint use rearrangement costs, engineering and overhead costs.
- (e) In cases where the Line extension will be shared by more than one customer, any CIAC required will be apportioned based on the length of the Line extension required to serve each customer. Where a customer is connected to a Line extension in respect of which a CIAC was paid within 10 years from the date construction of the Line extension was completed, that customer shall pay a CIAC calculated as if service was connected to that customer when the Line extension was originally placed in service.
- (f) In cases other than those described in Clauses 5(a), (b), and (c), the CIAC shall be calculated in accordance with the detailed method outlined in 5(c).

6. REFUNDS

- (a) Subject to Clauses 6(b) and (c), where additional customers are connected to a Line extension within 10 years from the date construction of the Line extension was completed, the Corporation will refund all or part of a CIAC paid in respect of that Line extension. The amount of the refund will be the difference between the CIAC originally paid and the CIAC which would have been payable under Clause 5(c) if the additional customers had taken service at the time the original

CIAC was calculated. A refund becomes due to a CIAC customer 90 days following the connection of the additional customer(s).

- (b) Interest paid through the financing option outlined in Clause 9(a)(iii) is not refundable other than provided under Clause 6(c) of this policy.
- (c) The Corporation shall advise customers of the conditions relating to refunds of CIACs. The Corporation shall make all reasonable efforts to identify customer refunds. When a refund has been delayed beyond the date referred to in Clause 6(a), such refunds will accrue interest at the rate of interest prescribed under Clause 9(b) from the due date after the customer became eligible for a refund as referred to in Clause 6(a).
- (d) Where a CIAC is paid in respect of a Line extension that is not used jointly by the Corporation and Aliant Telecom, and Aliant commences joint use of the Line extension within ten years from the date construction of the Line extension was completed, the Corporation will recalculate the CIAC in accordance with Clause 7(a) and refund the difference to the customer who paid the CIAC. Such refunds will not be provided where the Line extension is a non-compensatory extension, or the provision of a refund will make the Line extension a non-compensatory extension.

7. JOINT USE ALLOWANCE

- (a) In circumstances where the Corporation constructs a Line extension for which a CIAC is required, and Aliant Telecom will be attaching to the Line extension, the Cost per Metre in Appendix A shall be reduced by the amount specified in Note 1 of Appendix A.

- (b) In circumstances where the Corporation constructs a Line extension for which a CIAC is required, and a Cable Company will be attaching to the Line extension, the Cost per Metre in Appendix A shall be reduced by the amount specified in Note 2 of Appendix A.

8. SERVICE ENTRANCE LOCATIONS

Should a customer request the Corporation to attach to a service entrance which is in a location which is not as close as practical to the distribution pole from which the Service Line is to be run, the customer will be required to pay the costs associated with any additional plant.

9. PAYMENT

- (a) All CIACs shall be paid by cash or certified cheque in advance of construction, except in the following cases:
 - (i) Federal or Provincial Government Departments may provide a purchase order;
 - (ii) General Service Customers, if approval has been given in advance by Head Office Credit personnel, may provide a purchase order; and
 - (iii) Where approval has been given in advance by Head Office Credit personnel, a customer may pay a CIAC on the following basis:
 - (A) \$300 or 1/3 of the CIAC, whichever is greater, as a down-payment in advance of construction; and

- (B) the balance together with interest by way of not more than 60 equal monthly installments of not less than \$20 each.
- (b) Interest on the unpaid balance from time to time outstanding on a CIAC financed pursuant to Clause 9(a)(iii) shall be set at the time of the customer's agreement to pay by way of installments. The rate shall be equal to the prime rate of the Corporation's bankers as of the last day of the month immediately preceding the time of the customer's agreement to pay by way of installments, plus 3%.
- (c) Installments in respect of a CIAC shall be subject to the Corporation's credit policy. Default in payment of any installment on a CIAC paid in accordance with Clause 9(a)(iii) shall, at the Corporation's option, render the unpaid balance immediately due and payable.
- (d) Should the customer wish to prepay all or a portion of the unpaid balance, the Corporation will accept such pre-payment without bonus or penalty.

10. REVIEW OF CIACs

All CIACs collected from General Service Customers with a demand of 10 kW or greater will be subject to a review after a period of 24 months from the date the service is made available to determine whether the estimated revenue to the Corporation was reasonably represented in the original CIAC calculation. Where a variation greater than 20% exists between the estimated and actual electrical demand and/or energy consumption for the 12 months preceding the review and such variation was the result of inaccurate information supplied by the customer, then the Corporation will recalculate the CIAC and charge the difference, if the revenue was lower, to an electric service account of the customer or, if the revenue was higher, the Corporation will refund the difference.

11. BOARD APPROVALS

The Corporation shall apply to the Board for approval:

- (a) of all Line extensions or Upgrades involving CIACs where the construction costs are estimated to be greater than \$25,000.00; and
- (b) of any deviations from this policy in the calculation of CIACs for Line extensions or Upgrades.

NEWFOUNDLAND AND LABRADOR HYDRO

GENERAL SERVICE

DISTRIBUTION LINE COST PER METRE FOR CIACs

TYPE OF CONSTRUCTION	COST PER METRE
<u>LINE EXTENSIONS</u> ^{1,2}	
SINGLE PHASE	\$26
THREE PHASE	\$35
<u>UPGRADES</u> ³	
SINGLE PHASE TO THREE PHASE	\$27
TWO PHASE TO THREE PHASE	\$16

- (1) Reduce the Cost Per Metre by \$7 where NewTel Communications Inc. will be attaching to the Line Extension.
- (2) Reduce the Cost Per Metre by \$1 where a Cable Company will be attaching to the Line Extension.
- (3) These costs include only the cost associated with primary conductors and related hardware in upgrades. For additional costs, refer to Clause 5(d) and Appendix C.

NEWFOUNDLAND AND LABRADOR HYDRO

GENERAL SERVICE (10-350 kVA)

DISTRIBUTION PLANT SUPPORT TABLE FOR CIACs METRES PER kVA/kW

ANNUAL LOAD FACTOR	LESS THAN 10%	10% to 15%	16% to 20%	21% to 25%	26% to 30%	31% to 35%	36% to 40%	41% to 45%	46% to 50%	51% to 55%	56% to 60%	61% to 65%	OVER 65%
						LINE EXTENSIONS							
SINGLE PHASE	0.0	2.0	5.5	8.0	8.5	9.0	9.5	10.0	10.5	11.0	11.5	12.5	13.5
THREE PHASE	0.0	1.5	4.0	5.5	6.0	6.5	7.0	7.5	7.5	8.0	8.5	9.0	9.5
						UPGRADES *							
SINGLE PHASE TO THREE PHASE	0.0	2.0	5.5	7.5	8.0	8.5	9.5	10.0	10.5	11.0	11.5	12.0	12.5
TWO PHASE TO THREE PHASE	0.0	3.5	9.5	12.5	14.0	14.5	15.5	16.5	17.5	18.5	19.0	20.0	21.0

* These allowances include only the costs associated with primary conductors and related hardware. For additional costs refer to Clause 5(d) and Appendix C.

NEWFOUNDLAND AND LABRADOR HYDRO

GENERAL SERVICE

DISTRIBUTION PLANT UPGRADE COSTS FOR CIACs

TYPE OF TRANSFER OR REPLACEMENT	COST *
REPLACE POLES – UP TO 45'	\$1,090
DISTRIBUTION SECONDARY PER POLE / SPAN	
TRANSFER ONLY	\$450
REPLACE CONDUCTOR	\$630
SERVICE DROP PER POLE / SPAN	
TRANSFER ONLY	\$50
REPLACE CONDUCTOR	\$130
TRANSFORMER MOUNTINGS	
SINGLE TRANSFORMER	\$590
TWO OR THREE TRANSFORMERS	\$1,520
POLE GUY	
TRANSFER ONLY	\$20
REPLACE GUY	\$60
REPLACE ANCHOR	\$280
STREETLIGHTING – TRANSFER FIXTURE	\$190
STREETLIGHTING DUPLEX PER POLE / SPAN	
TRANSFER ONLY	\$50
REPLACE CONDUCTOR	\$90

* Includes all Overheads