

1
2
3
4
5
6 **P.U. 48(2004)**
7
8

9 **IN THE MATTER OF THE PUBLIC**
10 **UTILITIES ACT, R.S.N. 1990,**
11 **CHAPTER P-47 ("THE ACT")**
12

13 **AND**
14

15 **IN THE MATTER OF BOARD ORDER**
16 **NOS. P.U. 4 (1997-98) AND P.U. 7 (1997-98)**
17

18 **AND**
19

20 **IN THE MATTER OF AN APPLICATION BY**
21 **NEWFOUNDLAND POWER INC. ("NEWFOUNDLAND**
22 **POWER") FOR APPROVAL OF:**
23

- 24
- 25 **(i) REVISED DISTRIBUTION LINE COST PER**
 - 26 **METRE FOR CIAC'S;**
 - 27 **(ii) REVISED DISTRIBUTION PLANT UPGRADE**
 - 28 **COST FOR CIAC'S; AND**
 - 29 **(iii) REVISED CONTRIBUTION IN AID OF**
 - 30 **CONSTRUCTION ("CIAC") COST FACTORS**
- 31
32

33 **WHEREAS** Board Order No. P.U. 4 (1997-98) issued by the Board on the 4th day of
34 August, 1997 required amongst other things that,

35 Newfoundland Power file annually, together with an affidavit, a schedule of current
36 costs, and the effective CIAC Policy Appendices entitled, Distribution Plant Upgrade
37 Cost for CIAC's, and both Residential and General Service Distribution Line Cost
38 per Metre for CIAC's,

39 and

1
2 **WHEREAS** Board Order No. P.U. 7 (1997-98) issued by the Board on September 30, 1997,
3 approved the revised CIAC Policy of Newfoundland Power, effective October 1, 1997, and
4

5 **WHEREAS** by letter dated October 13, 2004 Newfoundland Power submitted for the
6 Board's review, Schedule A, Distribution Line Cost Per Metre for Residential and Seasonal
7 Residential CIAC's (Appendix A, Page 11 of 11 to the Residential Policy), and Schedule B,
8 Distribution Line Cost Per Metre for General Service CIAC's (Appendix A, Page 12 of 15 to the
9 General Service Policy), Schedule C, Distribution Plant Support Table for General Service CIAC's
10 (Appendix B, Page 13 of 15 to the General Service Policy), Schedule D, Distribution Plant Upgrade
11 Cost for General Service CIAC's (Appendix C, Page 14 of 15 to the General Service Policy) and
12 Schedule E, Unit Cost Factors for General Service Customers used in the detailed method for
13 calculating CIACs (Appendix D, Page 15 of 15 to the General Service Policy), and
14

15 **WHEREAS** Board staff have reviewed the Schedules submitted by Newfoundland Power, as
16 well as the supporting information received with respect to these Schedules, and
17

18 **WHEREAS** Board staff recommended that the Board approve the revised CIAC
19 Appendices.
20

IT IS THEREFORE ORDERED THAT:

1. (a) Appendix A, Schedule "A", Page 11 of 11 Revised, of the Contribution in Aid of Construction Policy: Distribution Line Extensions to Residential and Seasonal Residential Customers, approved by Order No. P.U. 32 (2001-2002) be and it is hereby rescinded and replaced by Appendix A, Schedule "A", Page 11 of 11 Revised January 1, 2005, appended to this Order.

(b) Appendix A, Schedule "B", Page 12 of 15 Revised January 31, 2002, Appendix B, Schedule "C", Page 13 of 15 Revised January 31, 2002, and Appendix C, Schedule "D", Page 14 of 15 Revised January 31, 2002

of the Contribution in Aid of Construction Policy: Distribution Line Extensions and Upgrades to General Service Customers, approved by Order No P.U. 32 (2001-2002) be and they are hereby rescinded and replaced by the following Appendices, and appended to this Order:

Appendix A, Schedule "B", Page 12 of 15 Revised January 1, 2005, Appendix B, Schedule "C", Page 13 of 15 Revised January 1, 2005, and Appendix C, Schedule "D", Page 14 of 15 Revised January 1, 2005.

(c) Appendix D, Schedule "E", Page 15 of 15, Revised January 31, 2002

of the Contribution In Aid of Construction Policy, CIAC Cost Factors to General Service customers, approved by Order No. P.U. 32 (2001-2002) be and it is hereby revised and replaced by the following appendix, and appended to this Order

Appendix D, Schedule "E", Page 15 of 15, Revised January 1, 2005.

2. The revised cost factors submitted with the application dated October 13, 2004, and approved above, are to be used in the calculation of all CIAC's with effect from January 1, 2005, and, where advantageous to customers of the Newfoundland Power, on all CIAC's quoted but unpaid as of January 1, 2005.

3. Newfoundland Power submit a revised CIAC Policy in its entirety incorporating the revisions approved herein.

DATED at St. John's, Newfoundland and Labrador this 9th day of December 2004.

Robert Noseworthy,
Chair and Chief Executive Officer.

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

Barbara Thistle,
Assistant Board Secretary.

Appendix A, Schedule "A", Page 11 of 11, Revised January 1, 2005

**NEWFOUNDLAND POWER INC.
 RESIDENTIAL AND SEASONAL RESIDENTIAL**

DISTRIBUTION LINE COST PER METRE FOR CIACs

TYPE OF CONSTRUCTION	COST / METRE ^{1, 2, 3}
<p style="text-align: center;"><u>LINE EXTENSIONS</u></p> <p style="text-align: center;">SINGLE PHASE</p>	

- (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) Where necessary, for Seasonal Customers, a transformation cost of \$650 may be added to the CIAC.

Appendix A, Schedule "B", Page 12 of 15, Revised January 1, 2005

**NEWFOUNDLAND POWER INC.
GENERAL SERVICE**

DISTRIBUTION LINE COST PER METRE FOR CIACs

TYPE OF CONSTRUCTION	COST / METRE ^{1,2}
<u>LINE EXTENSIONS</u>	
SINGLE PHASE	\$29
THREE PHASE	\$38
<u>UPGRADES³</u>	
SINGLE PHASE TO THREE PHASE	\$31
TWO PHASE TO THREE PHASE	\$18

(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.

Appendix B, Schedule "C", Page 13 of 15, Revised January 1, 2005

NEWFOUNDLAND POWER INC.
GENERAL SERVICE
DISTRIBUTION PLANT SUPPORT TABLE FOR CIACs

GENERAL SERVICE (10-350 KVA)
METRES PER KVA / KW

ANNUAL LOAD FACTOR	LESS THAN 10%	10%-15%	16%-20%	21%-25%	26%-30%	31%-35%	36%-40%	41%-45%	46%-50%	51%-55%	56%-60%	61%-65%	OVER 65%
						LINE EXTENSIONS							
SINGLE PHASE	0.0	3.5	8.5	10.5	11.0	11.0	11.5	11.5	11.5	11.5	12.0	12.0	12.5
THREE PHASE	0.5	2.5	6.0	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.5	8.5
						UPGRADES*							
SINGLE PHASE TO THREE PHASE	0.5	3.5	8.0	9.5	10.0	10.0	10.0	10.0	10.5	10.5	10.5	10.5	10.5
TWO PHASE TO THREE PHASE	1.0	6.0	14.0	17.0	17.5	17.5	18.0	18.0	18.0	18.5	18.5	18.5	19.0

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

Appendix C, Schedule "D", Page 14 of 15, Revised January 1, 2005

NEWFOUNDLAND POWER INC.
GENERAL SERVICE

DISTRIBUTION PLANT UPGRADE COST FOR CIACs

TYPE OF TRANSFER OR REPLACEMENT	COST *
REPLACE POLES - UP TO 45'	\$1,190
DISTRIBUTION SECONDARY PER POLE / SPAN TRANSFER ONLY	\$520
REPLACE CONDUCTOR	\$700
SERVICE DROP PER POLE / SPAN TRANSFER ONLY	\$50
REPLACE CONDUCTOR	\$150
TRANSFORMER MOUNTINGS SINGLE TRANSFORMER	\$710
TWO OR THREE TRANSFORMERS	\$1,890
POLE GUY TRANSFER ONLY	\$30
REPLACE GUY	\$70
REPLACE ANCHOR	\$280
STREETLIGHTING - TRANSFER SINGLE FIXTURE	\$230
STREETLIGHTING DUPLEX PER POLE / SPAN TRANSFER ONLY	\$50
REPLACE CONDUCTOR	\$90

* Includes all overheads

Appendix D, Schedule "E", Page 15 of 15, Revised January 1, 2005

NEWFOUNDLAND POWER INC.

2000 COST OF SERVICE STUDY
2000 Actual using Temporarily Approved Methodology from Order No. 7 (1996-97), and 1996 Load Factor Estimates.

CIAC COST FACTORS

Cost Factors based on the Cost of Service Study:

Less: Distribution Return, Income Taxes & Depreciation
: Distribution Overhead Lines O&M Expenses

Plus: Adjustment for the January 1, 2002 Rate Changes

GENERAL SERVICE 2.1 (0-10 kW) COMPANY Owned Transformer CUSTOMER \$13 /BILL DEMAND 2.78 ¢/kWh ENERGY 3.55 ¢/kWh	GENERAL SERVICE 2.2 (10-100 kW) COMPANY Owned Transformer CUSTOMER \$34 /BILL DEMAND 6.39 \$/kW ENERGY 3.55 ¢/kWh
--	--

GENERAL SERVICE 2.3 (110-350 kVA) COMPANY Owned Transformer CUSTOMER \$72 /BILL DEMAND 6.34 \$/kVA ENERGY 3.55 ¢/kWh	GENERAL SERVICE 2.3 (110-350 kVA) CUSTOMER Owned Transformer CUSTOMER \$142 /BILL DEMAND 6.34 \$/kVA ENERGY 3.50 ¢/kWh
---	---

GENERAL SERVICE 2.3 (350-1000 kVA) COMPANY Owned Transformer CUSTOMER \$72 /BILL DEMAND 5.53 \$/kVA ENERGY 3.55 ¢/kWh	GENERAL SERVICE 2.3 (350-1000 kVA) PRIMARY CUSTOMER Owned Transformer CUSTOMER \$142 /BILL DEMAND 4.65 \$/kVA ENERGY 3.50 ¢/kWh
--	--

GENERAL SERVICE 2.4 (OVER 1000 kVA) PRIMARY CUSTOMER Owned Transformer CUSTOMER \$154 /BILL DEMAND 5.77 \$/kVA ENERGY 3.50 ¢/kWh	GENERAL SERVICE 2.4 (OVER 1000 kVA) TRANSMISSION CUSTOMER Owned Transformer CUSTOMER \$105 /BILL DEMAND 5.77 \$/kVA ENERGY 3.46 ¢/kWh
---	--

COST TO BE USED FOR CUSTOMERS OVER 350 KVA IN THE CALCULATION OF PLANT SUPPORTED IN THE DERIVATION OF A CIAC.

	Secondary	Primary	Transmission
CUSTOMER \$/BILL	\$72	\$148	\$105
DEMAND \$/kVA	\$5.53	\$5.21	\$5.77
ENERGY ¢/kWh	3.55	3.50	3.46

Annualized Fixed Charge Rate (Full Life)

11.4%

Capital O&M Factor (Full Life)

6.8%