

P.U. 24(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 a contribution
in aid of construction (“*CIAC*”) for a line
extension to serve domestic customers
residing in the Howley Cottage Area
(the “*Customers*”) approved by
Order No. P.U. 18(2006), pursuant to
Section 41(5) of the *Act*

AND

IN THE MATTER OF an application by
Newfoundland Power Inc. (the “*Applicant*”)
for approval of a deviation from the *CIAC*
policy applicable to domestic customers
(the “*CIAC Policy*”) in relation to the calculation
of the participating percentage as provided
for in Clause 6(a)(ii) of the *CIAC Policy*.

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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

1 **WHEREAS** a number of Domestic Customers with residences located in a Cottage Area near the
2 Community of Howley have requested that the Applicant provide their residences with single-phase
3 electrical service and provision of the requested service requires that the Applicant construct
4 approximately 48,868 metres of single-phase line (the “Extension”); and

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

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10 **WHEREAS** the CIAC Policy provides that the minimum participation percentage necessary to avail
11 of the Non-Refundable CIAC Option is 50%, effectively requiring that at least 208 out of the 415
12 Customers in the Howley Cottage Area must pay at least the minimum downpayment on their Non-
13 Refundable CIAC; and

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15 **WHEREAS** on May 23, 2006 the Applicant made application to the Board requesting approval of a
16 CIAC of Three thousand four hundred five dollars and seventy-seven cents (\$3,405.77), including
17 HST, for each customer, and by Order No. P.U. 18(2006) dated June 12, 2006 the Board approved
18 the CIAC Application; and

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20 **WHEREAS** at the time the original CIAC Application was submitted, 208 of the potential 415
21 Customers in the area had provided the Applicant with written confirmation that they would accept
22 electrical service and pay the required CIAC; and

1 **WHEREAS** as of July 6, 2006 the Applicant has received written confirmation from 212 Customers
2 that they will accept service and pay the approved CIAC but only 204 Customers, or 49% of the total
3 number of customers, had paid the minimum downpayment; and

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5 **WHEREAS** the Applicant has stated it is unlikely it will receive the minimum downpayment from
6 208 Customers in time to enable the Applicant to complete construction in this year; and

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8 **WHEREAS** the Applicant, pursuant to S. iv(ii) of the CIAC Policy requests the Board approve a
9 Non-Refundable CIAC of \$3,405.77 including HST for each customer of the Cottage Area based on
10 the participation of 49% of the customers; and

11 **WHEREAS** the Board is satisfied that approval of the Application as a deviation from the CIAC
12 Policy is reasonable in the circumstances.

IT IS THEREFORE ORDERED THAT:

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1. Order No. P.U. 18(2006) is rescinded.
2. Pursuant to section 41(5) of the *Act*, the Board approves as a deviation from the CIAC Policy a Non-Refundable Contribution in Aid of Construction in the amount of three thousand four hundred and five dollars and seventy-seven cents (\$3,405.77), including HST, as calculated under the CIAC Policy to provide single-phase service to Domestic Customers located in the Howley Cottage Area.

DATED at St. John’s, Newfoundland and Labrador, this 6th day of July 2006.

Robert Noseworthy
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

G. Cheryl Blundon
Board Secretary