

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

**AN ORDER OF THE BOARD**

**NO. P. U. 14(2008)**

1 **IN THE MATTER OF** the *Electrical Power*  
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the  
3 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,  
4 Chapter P-47 (the “*Act*”) as amended, and their  
5 subordinate regulations;

6  
7 **AND**  
8

9 **IN THE MATTER OF** the application by  
10 Newfoundland Power Inc. (“Newfoundland Power”)  
11 for approval of a contribution in aid of construction  
12 (“CIAC”) for a line extension to serve domestic  
13 customers residing in a cottage area (the “Customers”)  
14 pursuant to Section 41(5) of the *Act*; and  
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16  
17 **WHEREAS** Newfoundland Power is a corporation duly organized and existing under the laws of  
18 the Province of Newfoundland and Labrador, is a public utility within the meaning of the *Act*, and is  
19 also subject to the provisions of the *EPCA, 1994*; and  
20

21 **WHEREAS** the Customers are Domestic Customers with residences located in a Cottage Area at  
22 Line Road near Carbonear and the Customers consist of thirty-two (32) potential residents of the  
23 Cottage Area; and  
24

25 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested that  
26 Newfoundland Power provide their residences with single-phase electrical service and provision of  
27 the requested services requires that Newfoundland Power construct approximately 2,573 metres of  
28 single-phase line (the “Line Road Extension”); and

1 **WHEREAS** the Participating Customers have requested the Non-Refundable CIAC Option  
2 provided for in Clause 6 of the CIAC Policy: Distribution Line Extension to Domestic Customers  
3 approved by Order No. P. U. 27(2005), dated November 2, 2005, (the “Policy”); and  
4

5 **WHEREAS** the Policy provides that the minimum Participating Percentage necessary to avail of the  
6 Non-Refundable CIAC Option is 50%, and to date, 16 of the 32 Customers have accepted service for  
7 a Participation Percentage of 50%; and  
8

9 **WHEREAS** construction of the Line Road Extension represents a further expansion of a line  
10 constructed in 2006 for the adjacent Valley Road Cottage Area (the “Valley Road Extension”); and  
11

12 **WHEREAS** in Order No. P. U. 25(2006), the Board approved a Non-Refundable CIAC of two  
13 thousand four hundred twenty-six dollars (\$2,426.00), excluding HST, for 35 potential customers in  
14 the Valley Road Cottage Area; and  
15

16 **WHEREAS** electrical service to be provided to the Customers will utilize the Valley Road  
17 Extension and Newfoundland Power submits it is appropriate in the circumstances that the Line  
18 Road and Valley Road Cottage Areas be combined as one Cottage Area (the “Combined Valley  
19 Road Cottage Area”) with a total of sixty-seven (67) potential customers; and  
20

21 **WHEREAS** a CIAC has been calculated for the Combined Valley Road Cottage Area in accordance  
22 with Clause 6(a) of the Policy, and the CIAC thus calculated is two thousand three hundred ninety-  
23 two dollars and twenty-four cents (\$2,392.24), excluding HST; and  
24

25 **WHEREAS** the sum of the CIAC calculated pursuant to Clause 6(a) and the Basic Investment  
26 calculated pursuant to Clause 3 is \$183,532 and Clause 10(i) of the Policy states that Newfoundland  
27 Power shall apply to the Board for approval of all CIACs where the sum of the CIAC calculated  
28 pursuant to Clause 5(a) or Clause 6(a) and the Basic and Additional Investment calculated pursuant  
29 to Clauses 3 and 4 is greater than \$50,000; and  
30

31 **WHEREAS** the proposed CIAC for the Combined Valley Road Cottage Area represents a reduction  
32 of thirty-three dollars and seventy-six cents (\$33.76), excluding HST, in the Non-Refundable CIAC  
33 approved in Order No. P. U. 25(2006) for the original Valley Road Cottage Area and Newfoundland  
34 Power proposes to refund the amount of thirty-three dollars and seventy-six cents (\$33.76),  
35 excluding HST, to each of the existing customers in the Valley Road Cottage Area; and  
36

37 **WHEREAS** the calculation of a CIAC on the basis described above represents a deviation from the  
38 Policy and Clause 10(ii) of the Policy states that Newfoundland Power shall apply to the Board for  
39 approval of any deviation from the Policy in the calculation of CIAC’s for Line Extensions to  
40 Domestic Customers; and

1 **WHEREAS** the proposed CIAC is necessary to ensure that Newfoundland Power's investment in  
2 the Extension is compensatory over the useful life of the Extension and will not be to the detriment  
3 of Newfoundland Power's other customers.

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5 **IT IS THEREFORE ORDERED THAT:**  
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- 7 1. The Non-Refundable CIAC of two thousand three hundred ninety-two dollars and twenty-  
8 four cents (\$2,392.24), excluding HST, as calculated under the Policy to apply to Domestic  
9 Customers located in the Combined Valley Road Cottage Area for a 20-year period from the  
10 date the Line Road Extension is placed in service, is approved.  
11  
12 2. The refund to each of the existing customers in the Valley Road Cottage Area of the amount  
13 of thirty-three dollars and seventy-six cents (\$33.76), excluding HST, is approved.  
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15 3. Newfoundland Power shall pay all expenses of the Board arising from this Application.

**DATED** at St. John's, Newfoundland and Labrador, this 19<sup>th</sup> day of June 2008.

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Andy Wells  
Chair & Chief Executive Officer

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Darlene Whalen, P.Eng.  
Vice-Chair

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Dwanda Newman, LL.B.  
Commissioner

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Cheryl Blundon  
Board Secretary