

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

AN ORDER OF THE BOARD

NO. P.U. 16(2016)

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*”), as amended, and regulations
5 thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro for approval of:
9

- 10 (1) a Contribution in Aid of Construction for a line
11 extension to serve Domestic Customers in the
12 cottage area known as Duley Lake, near
13 Labrador City pursuant to section 41
14 of the *Act*; and
15
- 16 (2) a deviation from the Contribution in Aid of
17 Construction applicable to Domestic Customers in
18 relation to the calculation based on estimated
19 construction costs in addition to line extension costs
20 as provided for in clause 6(a)(iii) of the policy.
21
22

23 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
24 existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*,
25 and is also subject to the provisions of the *EPCA*; and
26

27 **WHEREAS** on April 22, 2016 Hydro filed an application for approval of a Contribution in Aid
28 of Construction (“CIAC”) for a single-phase line extension of approximately 8,811 metres (the
29 “Extension”) to serve Domestic Customers in a cottage area known as Duley Lake, near
30 Labrador City; and
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32 **WHEREAS** 24 potential customers of the area (the “Participating Customers”) have requested
33 that Hydro provide electrical service; and
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35 **WHEREAS** the Participating Customers have requested the Non-Refundable CIAC Option
36 provided for in Clause 6 of the CIAC Policy: Distribution Line Extensions to Domestic
37 Customers approved by Order No. P.U. 27 (2005), dated November 2, 2005, (the “Policy”); and

1 **WHEREAS** the Policy provides that the minimum participation percentage necessary to avail of
2 the Non-Refundable CIAC Option is 50% and, to date, 24 out of the 48 potential customers have
3 accepted service, constituting a participation percentage of 50%; and
4

5 **WHEREAS** the Non-Refundable CIAC, calculated in accordance with Clause 6 of the Policy, is
6 thirteen thousand eight hundred fifty-eight dollars and seventy cents (\$13,858.70), excluding
7 HST; and
8

9 **WHEREAS** the sum of the Non-Refundable CIAC calculated pursuant to Clause 6 and the Basic
10 Investment calculated pursuant to Clause 3 exceeds \$50,000 and therefore, in accordance with
11 Clause 10(i) of the Policy, Board approval is required; and
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13 **WHEREAS** Hydro must also construct a 46kV substation to provide standard level distribution
14 voltage; and
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16 **WHEREAS** Hydro has applied for approval of the CIAC based on estimated constructions costs
17 for a 46kV substation in addition to line extension costs, which is a deviation from the Policy;
18 and
19

20 **WHEREAS** pursuant to Clause 10 (ii) of the Policy Hydro is required to apply to the Board for
21 any deviation from the Policy; and
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23 **WHEREAS** Hydro, pursuant to Section 41 (5) of the *Act*, requests that the Board approve a
24 Non-Refundable CIAC of thirteen thousand eight hundred fifty-eight dollars and seventy cents
25 (\$13,858.70), excluding HST, for each customer of the Duley Lake cottage area; and
26

27 **WHEREAS** Hydro, pursuant to Clause 10 (ii) of the Policy, requests that the Board approve a
28 deviation from the Policy to allow the calculation of the Non-Refundable CIAC to be based on
29 estimated constructions costs for a 46kV substation in addition to line extension costs; and
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31 **WHEREAS** the proposed CIAC is necessary to ensure that Hydro's investment is compensatory
32 over the useful life of the Extension and will not be to the detriment of Hydro's other customers.
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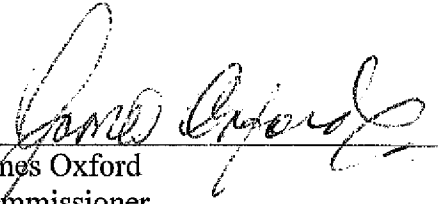
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35 **IT IS THEREFORE ORDERED THAT:**
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- 37 1. The Non-Refundable Contribution in Aid of Construction of thirteen thousand eight
38 hundred fifty-eight dollars and seventy cents (\$13,858.70), excluding HST, to apply to
39 Domestic Customers located in the cottage area known as Duley Lake is approved.
40
- 41 2. A deviation from the Policy requirement respecting the calculation of the Contribution in
42 Aid of Construction is approved.
43
- 44 3. Hydro shall pay all expenses of the Board arising from this Application.

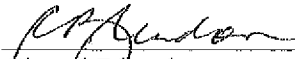
DATED at St. John's, Newfoundland and Labrador, this 17th day of May, 2016.



Darlene Whalen, P.Eng.
Vice-Chair



James Oxford
Commissioner



Cheryl Blundon
Board Secretary