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P.U. 29 (2005)

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 the application by Newfoundland and Labrador Hydro (the “Applicant”) for approval of a Contribution in Aid of Construction (“CIAC”) for a single-phase line extension to serve a Canadian Coast Guard Communications Tower located on Dome Mountain, Happy Valley-Goose Bay, Labrador, pursuant to Section 41(5) of the *Act*.

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 subject to the provisions of the *Electrical Power Control Act, 1994*; and

WHEREAS the Canadian Coast Guard (the “Customer”) has requested the Applicant to supply single-phase electrical service to a Communications Tower located on Dome Mountain, Happy Valley-Goose Bay, Labrador; and

1 **WHEREAS** the Customer has requested that the Applicant provide single-phase electrical
2 service which, in order to so provide, requires the extension of approximately 3,000 metres of
3 single-phase distribution line to serve an expected demand of 8.0 kW; and

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5 **WHEREAS** Clause 5(a)(ii) of the CIAC Policy: Distribution Line Extensions and Upgrades
6 to General Service Customers, approved by Order No. P.U. 19(2005) dated June 22, 2005 (the
7 “Policy”), requires the Applicant to calculate CIACs for General Service Customers by the
8 applicable Cost per Metre; and

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10 **WHEREAS** the Applicant has applied for approval of a CIAC that deviates from the Policy
11 in that it is using the detailed method for CIAC calculation using the “estimated construction costs”
12 as set out in Clause 5(e) instead of the method set out in Cause 5(a)(ii) that uses the approved “Cost
13 per Metre” values; and

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15 **WHEREAS** Clause 10(ii) of the Policy states that the Applicant shall apply to the Board for
16 approval of any deviations from the Policy in the calculation of CIACs for Line Extensions; and

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18 **WHEREAS** the Applicant has calculated a total CIAC for the Line Extension in accordance
19 with Clause 5(e) of the CIAC Policy, which calculation assumes the Line Extension will supply
20 service to one general service customer and the total CIAC thus calculated is \$197,976.00, including
21 HST; and

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1 **WHEREAS** the total estimated construction cost of the Line Extension is \$197,976.00 and
2 Clause 10(i) of the Policy states that all Line Extensions or Upgrades involving CIACs where the
3 costs of the Line Extension or Upgrade calculated pursuant to Clause 5(a) are estimated to be greater
4 than \$50,000 shall be submitted to the Board for approval; and

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6 **WHEREAS** the proposed expenditures on the Line Extension are necessary for the
7 Applicant to provide service and facilities to the Customer which are reasonably safe and adequate
8 and just and reasonable as required pursuant to section 37 of the *Act*; and

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10 **WHEREAS** the proposed CIAC is necessary to ensure that the Applicant's investment in the
11 Line Extension is compensatory over the useful life of the Line Extension and will not be to the
12 detriment of the Applicant's other customers.

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14 **IT IS THEREFORE ORDERED THAT:**

15 Pursuant to section 41(5) of the *Act*, the Board approves the contribution in aid of
16 construction in the amount of \$197,976.00, including HST, for the supply of single-phase electrical
17 service to one general service customer, the Canadian Coast Guard Communications Tower, located
18 on Dome Mountain, Happy Valley-Goose Bay, Labrador, as calculated under the Policy.

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1 **Dated** at St. John's, Newfoundland and Labrador, this 10th day of November 2005.

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Robert Noseworthy
Chair and Chief Executive Officer

G. Fred Saunders
Commissioner

G. Cheryl Blundon
Board Secretary