

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

AN ORDER OF THE BOARD

NO. P. U. 2(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. (the “Applicant”)
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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18 **WHEREAS** the Applicant is a corporation duly organized and existing under the laws of the
19 Province of Newfoundland and Labrador, is a public utility within the meaning of the *Act*, and is
20 also subject to the provisions of the *EPCA, 1994*; and
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22 **WHEREAS** the Customers are Domestic Customers with residences located in a Cottage Area at
23 Terrence’s Pond near Clarenville and the Customers consist of forty-four (44) potential residents of
24 the Cottage Area; and
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26 **WHEREAS** a number of the Customers (the “Participating Customers”) have requested that the
27 Applicant provide their residences with single-phase electrical service and provision of the requested
28 service requires that the Applicant construct approximately 5,602 metres of single-phase line (the
29 “Terrence’s Pond Extension”); and
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31 **WHEREAS** the Participating Customers have requested the Non-Refundable CIAC Option
32 provided for in Clause 6 of the CIAC Policy: Distribution Line Extensions to Domestic Customers
33 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 the
2 Non-Refundable CIAC Option is 50%, and to date, 22 out of the 44 Customers have accepted
3 service for a Participation Percentage of 50%; and
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5 **WHEREAS** construction of the Terrence's Pond Extension represents a further extension of a line
6 constructed in 2006 for the adjacent Thorburn Lake Cottage Area (the "Thorburn Lake Extension");
7 and
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9 **WHEREAS** in Order No. P. U. 32(2005), the Board approved a Non-Refundable CIAC of four
10 thousand four hundred sixty-seven dollars and thirty cents (\$4,467.30), excluding HST, for 164
11 potential customers in the Thorburn Lake Cottage Area; and
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13 **WHEREAS** electrical service to be provided to the Customers will utilize the Thorburn Lake
14 Extension and the Applicant submits it is appropriate in the circumstances that the Customers should
15 share in the cost of the Thorburn Lake Extension and proposes that the Terrence's Pond and
16 Thorburn Lake Cottage Areas be combined as one Cottage Area (the "Combined Thorburn Lake
17 Cottage Area") with a total of two hundred eight (208) potential customers; and
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19 **WHEREAS** a CIAC has been calculated in accordance with Clause 6(a) of the Policy, and the
20 CIAC thus calculated is four thousand three hundred thirty-one dollars and twenty-nine cents
21 (\$4,331.29), excluding HST; and
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23 **WHEREAS** the sum of the CIAC calculated pursuant to Clause 6(a) and the Basic Investment
24 calculated pursuant to Clause 3 is \$855,946 and Clause 10(i) of the Policy states that the Applicant
25 shall apply to the Board for approval of all CIACs where the sum of the CIAC calculated pursuant to
26 Clause 5(a) or Clause 6(a) and the Basic and Additional Investment calculated pursuant to Clauses 3
27 and 4 is greater than \$50,000; and
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29 **WHEREAS** the proposed CIAC for the Combined Thorburn Lake Cottage Area represents a
30 reduction of one hundred thirty-six dollars and one cent (\$136.01), excluding HST, in the Non-
31 Refundable CIAC approved in Order No. P. U. 32(2005) for the original Thorburn Lake Cottage
32 Area and the Applicant proposes to refund the amount of one hundred and thirty-six dollars and one
33 cent (\$136.01), excluding HST, to each of the existing customers in the Thorburn Lake Cottage
34 Area; and
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36 **WHEREAS** the calculation of a CIAC on the basis described above and the issuance of the refund
37 as proposed represent deviations from the Policy and Clause 10(ii) of the Policy states that the
38 Applicant shall apply to the Board for approval of any deviation from the Policy in the calculation of
39 CIACs for Line Extensions to Domestic Customers; and
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41 **WHEREAS** the proposed CIAC is necessary to ensure that the Applicant's investment in the
42 Extension is compensatory over the useful life of the Terrence's Pond Extension and will not be to
43 the detriment of the Applicant's other customers.

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IT IS THEREFORE ORDERED THAT:

1. The Board approves the Non-Refundable CIAC of four thousand three hundred thirty-one dollars and twenty-nine cents (\$4,331.29), excluding HST, as calculated under the Policy to provide single-phase service to Domestic Customers located in the Combined Thorburn Lake Cottage Area for a 20-year period from the date the Terrence’s Pond Extension is placed in service, pursuant to s. 41(5) of the *Act*.
2. The Board approves the refund to each of the existing customers in the Thorburn Lake Cottage Area of the amount of one hundred thirty-six dollars and one cent (\$136.01), excluding HST.
3. The Applicant shall pay all expenses of the Board arising from this Application.

DATED at St. John’s, Newfoundland and Labrador, this 10th day of April 2008.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Cheryl Blundon
Board Secretary