

**P.U. 41 (2003)**

**IN THE MATTER OF** the  
**PUBLIC UTILITIES ACT,**  
R.S.N. 1990, c. P-47, as amended  
(the “Act”)

**AND**

**IN THE MATTER OF** the application by  
Newfoundland Power Inc. (the “Applicant”)  
for approval of a contribution in aid of  
construction (“CIAC”) for a line extension to  
serve seasonal customers (the “Customers”)  
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  
also subject to the provisions of the *Electrical Power Control Act, 1994*; and

**WHEREAS** the Customers consist of seven (7) Seasonal Customers whose residences are  
located at Sandy Point near Norris Arm South; and

**WHEREAS** the Customers have requested that the Applicant provide their residences at Sandy Point with single-phase electrical service which, in order to so provide, requires the construction of a 1,227-metre single-phase extension and the upgrade of 880 metres of an existing communications line (the “Extension”); and

**WHEREAS** there is an available lower cost option for providing service to the Customers which, for environmental and aesthetic reasons, is inappropriate; and

**WHEREAS** the construction cost used in the calculation of the CIAC is based on the available lower cost option rather than on the estimated cost of the Extension; and

**WHEREAS** a portion of the Extension will be jointly used by the Applicant and Aliant Telecom Inc.; and

**WHEREAS** a CIAC of the Extension has been calculated in accordance with Clauses 5 (b) and Clause 5 (c) of the CIAC Policy: Distribution Line Extensions to Residential and Seasonal Residential Customers approved by Order No. P.U. 7 (1997-98) dated September 30, 1997 (the “Policy”) and the CIAC thus calculated is Nine thousand six hundred nineteen dollars and twenty-six cents (\$9,619.26), including HST, for each Seasonal Customer; and

**WHEREAS** the construction cost of the Extension is \$77,642 and Clause 12(a) of the Policy requires all Line extensions involving CIACs where the construction costs are estimated to be greater than \$25,000 to be submitted to the Board for approval; and

**WHEREAS** Clause 12(c) of the Policy states that all CIACs for Main Line extensions for primarily seasonal residential customers be submitted to the Board for approval; and

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

**WHEREAS** the proposed expenditures on the Extension are necessary for the Applicant to provide service and facilities to the Customers which are reasonably safe and adequate and just and reasonable as required pursuant to s. 37 of the Act.

**IT IS THEREFORE ORDERED THAT:**

Pursuant to Section 41(5) of the Act, the Board approves the contribution in aid of construction in the amount of Nine thousand six hundred nineteen dollars and twenty-six cents (\$9,619.26), including HST, for each Seasonal Customer, as calculated under the Policy.

**DATED** at St. John's, Newfoundland and Labrador, this 18<sup>th</sup> day of December, 2003.

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Robert Noseworthy,  
Chair & Chief Executive Officer.

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Darlene Whalen, P.Eng.  
Vice-Chair.

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Barbara Thistle,  
Assistant Board Secretary.