

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

**AN ORDER OF THE BOARD**

**NO. P.U. 20(2014)**

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 Power Inc. 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 Baie de L’Eau Road, near  
13 the town of Bay L’Argent 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 of the participation percentage  
19 as provided for in clause 6 (A)(II) of the policy.  
20  
21

22 **WHEREAS** Newfoundland Power Inc. (“Newfoundland Power”) is a corporation duly  
23 organized and existing under the laws of the Province of Newfoundland and Labrador, is a public  
24 utility within the meaning of the *Act*, and is also subject to the provisions of the *EPCA*; and  
25

26 **WHEREAS** on June 4, 2014 Newfoundland Power filed an application for approval of a  
27 Contribution in Aid of Construction (“CIAC”) for a single-phase line extension of approximately  
28 18,325 metres (the “Extension”) to serve Domestic Customers in a cottage area known as Baie  
29 de L’Eau Road, near the town of Bay L’Argent; and  
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31 **WHEREAS** fifty potential customers of the area (the “Participating Customers”) have requested  
32 that Newfoundland Power provide electrical service; and  
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34 **WHEREAS** the Participating Customers have requested the Non-Refundable CIAC Option  
35 provided for in Clause 6 of the CIAC Policy: Distribution Line Extensions to Domestic  
36 Customers approved by Order No. P.U. 27 (2005), dated November 2, 2005, (the “Policy”); and  
37

1 **WHEREAS** the Non-Refundable CIAC, calculated in accordance with Clause 6 of the Policy, is  
2 six thousand nine hundred thirty-one dollars and sixty-four cents (\$6,931.64), excluding HST;  
3 and  
4

5 **WHEREAS** the sum of the Non-Refundable CIAC calculated pursuant to Clause 6 and the Basic  
6 Investment calculated pursuant to Clause 3 exceeds \$50,000, and therefore, in accordance with  
7 Clause 10(i) of the Policy Board approval is required; and  
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9 **WHEREAS** the Policy provides that the minimum participation percentage necessary to avail of  
10 the Non-Refundable CIAC Option is 50% and, to date, 50 out of the 96 customers, constituting a  
11 participation percentage of 52%, have provided Newfoundland Power with written confirmation  
12 that they will accept service and pay the approved CIAC but only 45 customers, or 47% of the  
13 total number of customers, have paid the minimum down-payment; and  
14

15 **WHEREAS** a participation percentage of 50% would be achieved if three additional customers  
16 paid the minimum down payment, but Newfoundland Power has stated that it is unlikely it will  
17 receive further minimum down payments prior to construction of the Extension; and  
18

19 **WHEREAS** pursuant to Clause 10 (ii) of the Policy Newfoundland Power is required to apply to  
20 the Board for any deviation from the Policy; and  
21

22 **WHEREAS** Newfoundland Power, pursuant to Section 41 (5) of the Act, requests that the Board  
23 approve a Non-Refundable CIAC of Six thousand nine hundred thirty-one dollars and sixty-four  
24 cents (\$6,931.64), excluding HST, for each customer of the Cottage Area; and  
25

26 **WHEREAS** Newfoundland Power, pursuant to Clause 10 (ii) of the Policy, requests that the  
27 Board relax the requirement of the Policy that 50% of the Participating Customers must pay at  
28 least the minimum down payment on their CIAC prior to the commencement of construction of  
29 the Extension; and  
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31 **WHEREAS** the proposed CIAC is necessary to ensure that Newfoundland Power's investment  
32 is compensatory over the useful life of the Extension and will not be to the detriment of  
33 Newfoundland Power's other customers.  
34  
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36 **IT IS THEREFORE ORDERED THAT:**  
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- 38 1. The Non-Refundable Contribution in Aid of Construction of six thousand nine hundred  
39 thirty-one dollars and sixty-four cents (\$6,931.64), excluding HST, to apply to Domestic  
40 Customers located in the Cottage Area known as Baie De L'Eau Road is approved.  
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- 42 2. A deviation from the Policy requirement respecting down payments to allow  
43 Newfoundland Power to commence construction of the Extension is approved.  
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- 45 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, 2014.

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Darlene Whalen, P.Eng.  
Vice-Chair

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James Oxford  
Commissioner

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Cheryl Blundon  
Board Secretary