

P.U. 2(2003)

**IN THE MATTER OF THE PUBLIC
UTILITIES ACT, R.S.N. 1990,
CHAPTER P-47 ("THE ACT")**

AND

**IN THE MATTER OF BOARD ORDER
NOS. P.U. 4 (1997-98) AND P.U. 7 (1997-98)**

AND

**IN THE MATTER OF AN APPLICATION BY
NEWFOUNDLAND POWER INC. ("NEWFOUNDLAND
POWER") FOR APPROVAL OF:**

- (i) REVISED DISTRIBUTION LINE COST PER
METRE FOR CIAC'S;**
- (ii) REVISED DISTRIBUTION PLANT UPGRADE
COST FOR CIAC'S; AND**
- (iii) REVISED CONTRIBUTION IN AID OF
CONSTRUCTION ("CIAC") COST FACTORS**

WHEREAS Board Order No. P.U. 4 (1997-98) issued by the Board on the 4th day of August, 1997 required amongst other things that,

Newfoundland Power file annually, together with an affidavit, a schedule of current costs, and the effective CIAC Policy Appendices entitled, Distribution Plant Upgrade Cost for CIACs, and both Residential and General Service Distribution Line Cost per Metre for CIACs;

and

WHEREAS Board Order No. P.U. 7 (1997-98) issued by the Board on September 30, 1997, approved the revised CIAC Policy of Newfoundland Power, effective October 1, 1997; and

WHEREAS by letter dated December 18, 2002 and received on December 18, 2002, Newfoundland Power submitted for the Board's review, Schedule A, Distribution Line Cost Per Metre for Residential and Seasonal Residential CIACs (Appendix A, Page 11 of 11 to the Residential Policy), and Schedule B, Distribution Line Cost Per Metre for General Service CIACs (Appendix A, Page 12 of 15 to the General Service Policy), Schedule C, Distribution Plant Support Table for General Service CIACs (Appendix B, Page 13 of 15 to the General Service Policy), Schedule D, Distribution Plant Upgrade Cost for General Service CIACs (Appendix C, Page 14 of 15 to the General Service Policy) and Schedule E, Unit Cost Factors for General Service Customers used in the detailed method for calculating CIACs (Appendix D, Page 15 of 15 to the General Service Policy); and

WHEREAS Board staff have reviewed the Schedules submitted by Newfoundland Power, as well as the supporting information received with respect to these Schedules; and

WHEREAS Board staff noted that Newfoundland Power has reviewed its current labour and material rates associated with construction of line extension and provision of electric service, and has determined that there has been no material change in these costs from the previous year and, as a result, Newfoundland Power has not revised the Distribution Line Cost Per Metre factors for residential and general service CIACs (Appendix A to both the Residential CIAC Policy and the General Service CIAC Policy) or the Distribution Plant Upgrade Costs for general service CIACs (Appendix C to the General Service CIAC Policy) for 2003; and

WHEREAS in preparing the revised Distribution Plant Support Table for CIACs (Appendix B to the General Service CIAC Policy) and the revised CIAC Unit Cost Factors (Appendix D to the General Service CIAC Policy), it was recognized that a number of the main inputs to these schedules will be reviewed as part of Newfoundland Power's 2003 General Rate Application (the "2003 GRA"); and

WHEREAS Newfoundland Power proposes, in these circumstances, that the schedule of costs used for the calculation of contributions in aid of construction remain unchanged for 2003; and

WHEREAS in compliance with Order No. P.U. 4 (1997-1998) Newfoundland Power filed the schedules, together with the required affidavit, which constitute its update to the cost factors used in the CIAC Policies; and

WHEREAS Board staff recommended that the Residential and General Service CIAC Policies in effect for 2002 continue for 2003.

IT IS THEREFORE ORDERED THAT:

Newfoundland Power Inc.'s "*Contribution in Aid of Construction Policy: Distribution Line Extensions to Residential and Seasonal Residential Customers*" and "*Contribution in Aid of Construction Policy: Distribution Line Extensions and Upgrades to General Service Customers*" (Revised effective January 31, 2002) approved by the Board for use by Newfoundland Power during 2002 shall remain in effect for CIACs calculated during 2003.

DATED at St. John's, Newfoundland and Labrador, this 30th day of January 2003.

Robert Noseworthy,
Chair and Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chair.

G. Cheryl Blundon,
Director of Corporate Services
Board Secretary.