

P.U. 29 (2004)

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 Humber Valley Resort Corporation
(the "Customer") 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 Customer is developing ninety-three (93) building lots for residential use
adjacent to the Humber River near the City of Corner Brook; and

WHEREAS the Customer has requested that the Applicant provide its facility with single-phase electrical service which, in order to so provide, requires the construction of 6,573 metres of single-phase line (the “Extension”); and

WHEREAS the Extension will be jointly used by the Applicant and Aliant Telecom Inc;
and

WHEREAS Clause 2 of the CIAC Policy: Distribution Line Extensions To Residential and Seasonal Residential Customers (the “Residential Policy”), approved by Order No. P.U. 7 (1997-98) dated September 30, 1997, defines a Subdivision as four or more building lots being developed for residential use within a municipality, and the Customer’s premises are not located within a municipality; and

WHEREAS the Customer has completed substantial road work, including the construction of a bridge crossing the Humber River, and has completed a legal survey of the area indicating lot layouts and easements, and has received from the Department of Environment and Labour, Government of Newfoundland and Labrador, approval to proceed with the development under the Environmental Assessment Act; and

WHEREAS the Applicant is proposing to deviate from the Residential Policy by treating the Customer's residential building lot development as a Subdivision for the purpose of calculating a contribution in aid of construction (CIAC); and

WHEREAS Clause 12(b) of the Residential Policy states that all deviations from the Residential Policy in the calculation of CIACs for Line extensions must be submitted to the Board for approval; and

WHEREAS a CIAC for the Extension has been calculated in accordance with Clause 4(b) of the Residential Policy, which calculation assumes the Extension will supply service to a Subdivision with 93 residential lots, and the CIAC thus calculated is Twenty-one thousand six hundred ninety-seven dollars and five cents (\$21,697.05), including HST; and

WHEREAS the estimated construction cost of the Extension is \$170,898.00, excluding the service drops for the residential building lots, and Clause 12(a) of the Residential Policy states that all Line Extensions or Upgrades involving CIACs where the construction costs are estimated to be greater than \$25,000 must 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.

IT IS THEREFORE ORDERED THAT:

Pursuant to section 41(5) of the Act, the Board approves:

- (a) the deviation from the Residential Policy as described in paragraph 9 of the Application; and
- (b) the contribution in aid of construction of Twenty-one thousand six hundred ninety-seven dollars and five cents (\$21,697.05), including HST, as calculated under the Policy to provide single-phase service to 93 building lots.

DATED at St. John's, Newfoundland and Labrador, this 20th day of August 2004.

Robert Noseworthy,
Chair and Chief Executive Officer.

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

G. Cheryl Blundon,
Board Secretary.