

NGTL Contribution in Aid of Construction (CIAC) Policy – Final May 8, 2018

CIAC is a cash contribution from a customer (s) toward a project that is related to a service request.

The policy applies when NGTL determines facilities requested by Customer are outside the standard facility offering determined necessary through NGTL's design methodology to provide FT-R and FT-D service.

CIAC charges include the following:

- Capital costs of any portion of facilities to be installed that have been determined to be outside of the standard NGTL facility offering
- Present value of 15 years of annual operating expenses associated with facilities that have been determined to be outside of the standard NGTL facility offering (O&M and Municipal Tax, calculated in accordance with Appendix E), and a 12% processing fee.

Principles:

- Facilities which add capacity must be underpinned by new firm service.
- CIAC is not intended to cover costs of facilities which add capacity for IT service.
- CIAC is not intended to cover costs of facilities which add capacity for transfers.
- NGTL maintains ownership and operation of any facilities installed under CIAC.
- The CIAC paid by a customer will only be applied to the applicable capital costs and associated expenses for which the customer is responsible.
- The CIAC is associated with an agreement to construct facilities, such as a Project and Expenditure Authorization (PEA). If CIAC payment is made upon signing of the PEA, carrying charges (AFUDC) will not be included in the CIAC amount. If payment is made at a later date carrying charges (AFUDC) will be included in the CIAC amount.
- CIAC will be adjusted upon project completion to reflect actual final costs.
- If the PEA is cancelled prior to the cancellation date and CIAC was paid upon executing the PEA, the CIAC will be returned to the customer. Any costs and expenses incurred for prework or to construct the facility prior to cancellation will be deducted from the CIAC prior to returning the balance to the customer.
- NGTL will not accept CIAC to improve otherwise uneconomic facilities (applies to meter stations, extensions and expansions).
- NGTL will use CIAC for new facilities installed for the provision of FT-X or IT-S, if facilities are determined necessary by NGTL.
- NGTL has the right to discontinue use of this policy at any time, by delivering notice to TTFP of the discontinuance.