

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

AN ORDER OF THE BOARD

NO. P. U. 22(2008)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the
3 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the “*Act*”), as amended;

5
6 **AND**

7
8 **IN THE MATTER OF** an Application
9 (the “Application”) by Newfoundland Power
10 Inc. (“Newfoundland Power”) pursuant to
11 Section 91(5) of the *Act* for approval to
12 amend an existing committed revolving
13 term credit facility to extend the maturity
14 date.

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16
17 **WHEREAS** Newfoundland Power is a corporation duly organized and existing under the laws of
18 the Province of Newfoundland and Labrador, is a public utility within the meaning of the *Act*, and is
19 also subject to the provisions of the *Electrical Power Control Act, 1994*; and

20
21 **WHEREAS** by Order No. P. U. 1(2005) the Board of Commissioners of Public Utilities (the
22 “Board”) approved Newfoundland Power’s issue of a \$100,000,000 committed revolving term credit
23 facility (the “Committed Facility”) to meet the short-term debt requirements of Newfoundland
24 Power arising from the fulfillment of its service obligations under the *Act*; and

25
26 **WHEREAS** on January 21, 2005 Newfoundland Power entered into a credit agreement (the “Initial
27 Credit Agreement”) which established the Committed Facility in the amount of \$100,000,000 with
28 an initial term of 364 days; and

29
30 **WHEREAS** the Committed Facility provided Newfoundland Power with access to \$100,000,000 in
31 short-term debt financing for an effective 2-year period as contemplated by Order No. P. U 1(2005);
32 and

1 **WHEREAS** by Order No. P. U. 4(2006) the Board approved an amendment to the Committed
2 Facility that provided for a 3-year committed revolving credit facility with a maturity date of January
3 20, 2009, with an option to extend for a further 364 days should Newfoundland Power and the
4 lenders agree (the “Amended Credit Facility”); and

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6 **WHEREAS** the Amended Credit Facility provides Newfoundland Power with access to
7 \$100,000,000 in short-term debt financing for an effective 3-year period as contemplated by Order
8 No. P. U. 4(2006); and

9
10 **WHEREAS** Newfoundland Power has executed an agreement (the “Amending Agreement”) to
11 provide for (i) a 3-year committed revolving credit facility with a maturity date of August 29, 2011;
12 (ii) the option to extend for a further period of 364 days (if the request is made two years prior to the
13 Maturity Date) or for a further period of up to one year and 364 days (if the request is made one year
14 prior to the Maturity Date) should Newfoundland Power and the lenders agree; and (iii) deletion of a
15 provision entitling the lenders to immediately terminate the Amended Credit Facility upon the
16 occurrence of a material adverse change affecting Newfoundland Power’s business; and

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18 **WHEREAS** the Application proposes that the Amended Credit Facility be amended in accordance
19 with the Amending Agreement (the “Second Amended Credit Facility”); and

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21 **WHEREAS** the Second Amended Credit Facility will provide Newfoundland Power with access to
22 \$100,000,000 in short-term debt financing for an effective 3-year period to August 29, 2011 with an
23 option to request further extensions thereof on an ongoing basis, and will effectively extend the
24 maturity of the Committed Facility approved by Order No. P. U. 1(2005) within the meaning of
25 Section 91(5) of the *Act*; and

26
27 **WHEREAS** pursuant to Section 91(5)(b) of the *Act* Newfoundland Power is required to obtain the
28 approval of the Board before extending the maturity of a security; and

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30 **WHEREAS** the deletion of the material adverse change provision constitutes a material alteration in
31 the characteristics of the Amended Credit Facility within the meaning of Section 91(5) of the *Act*;
32 and

33
34 **WHEREAS** pursuant to Section 91(5)(a) of the *Act* Newfoundland Power is required to obtain the
35 approval of the Board before making a material alteration in the characteristics of a security; and

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37 **WHEREAS** the extension of the maturity date associated with the Amended Credit Facility and the
38 option to extend the maturity date on an ongoing basis will provide assurance of continued
39 committed access to short-term credit, and the deletion of the material adverse change provision will
40 improve the overall quality of access to short-term credit, providing greater assurance that
41 Newfoundland Power will be able to fulfill its service obligations under the *Act*.

1 **IT IS THEREFORE ORDERED THAT:**
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- 3 1. Pursuant to Section 91(5) of the *Act*, the Board approves:
4
5 a. the extension of the maturity date associated with the Amended Committed Facility to
6 August 29, 2011;
7 b. such further extensions of the maturity date as may be requested by Newfoundland
8 Power and agreed to by the lenders; and
9 c. the deletion of the material adverse change provision described in paragraph 6 of the
10 Application
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12 all as contemplated by the Second Amending Agreement.
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14 2. Newfoundland Power shall pay all the expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 17th day of September 2008.

Andrew Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chairperson

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary