

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

AN ORDER OF THE BOARD

NO. P. U. 11(2009)

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 by
9 Newfoundland Power Inc. (“Newfoundland
10 Power”) for approval to issue Series AM First
11 Mortgage Sinking Fund Bonds pursuant to
12 Section 91 of the *Act* (the “Application”).

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15
16 **WHEREAS** Newfoundland Power is a corporation organized and existing under the laws of the
17 Province of Newfoundland and Labrador, is a public utility within the meaning of the *Act*, and is
18 also subject to the provisions of the *EPCA*; and

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20 **WHEREAS** pursuant to subsection 91(1) of the *Act*, a public utility may not issue bonds until it has
21 obtained approval from the Board for the proposed issue; and

22
23 **WHEREAS** pursuant to subsection 91(3) of the *Act* where the Board is satisfied that a proposed
24 issue of bonds is to be made in accordance with law and for a purpose approved by the Board, the
25 Board shall make an Order approving the issue in an amount that it considers appropriate, and shall
26 prescribe the purpose to which the issue or the proceeds of the issue are to be applied; and

27
28 **WHEREAS** the Application filed by Newfoundland Power to issue Series AM First Mortgage
29 Sinking Fund Bonds in an amount of up to \$75,000,000 shows that the proceeds of the issue will be
30 used to repay short-term indebtedness (the “Short Term Debt”); and

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32 **WHEREAS** the Application states that the Short Term Debt was incurred to finance capital
33 expenditures approved by the Board to provide service as required under the *Act*; and

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35 **WHEREAS** pursuant to subsection 91(3) of the *Act* the Board has decided to exercise its discretion
36 to dispose of this matter without a public hearing; and

1 **WHEREAS** the Board has reviewed the Application and supporting material and finds that approval
2 of the issue of the first mortgage sinking fund bonds is in accordance with law and for a purpose
3 approved by the Board.
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5 **IT IS THEREFORE ORDERED THAT:**
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- 7 1. The Board approves, pursuant to Section 91 of the *Act*, the issuance by Newfoundland Power
8 of Series AM First Mortgage Sinking Fund Bonds in an amount of up to \$75,000,000 and on
9 the general terms set out in the Application subject to the following conditions:
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- 11 (a) The Bonds shall be issued on or before December 31, 2009.
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 - 13 (b) Newfoundland Power shall provide the Board an Affidavit specifying the terms and
14 conditions of the Bond issue within five (5) days (non-business days excepted) after
15 closing the Bond issue. In particular, the Affidavit shall set forth the following:
16 (i) date of the issue;
17 (ii) term;
18 (iii) maturity date;
19 (iv) principal amount;
20 (v) coupon rate;
21 (vi) particulars of sinking fund, if any;
22 (vii) price to the public and to the underwriters;
23 (viii) yield to the public;
24 (ix) underwriting fee;
25 (x) actual cost (i.e. yield) to Newfoundland Power; and
26 (xi) any other material terms or conditions not contemplated at the date of the
27 Application but forming part of the negotiated terms and conditions.
28
 - 29 (c) Newfoundland Power shall provide to the Board a copy of the Underwriting
30 Agreement relating to the Bond issue within five (5) days (non-business days
31 excepted) after closing the Bond issue.
32
 - 33 (d) The proceeds of the Bond issue shall be used in the manner set out in paragraph 9 of
34 the Application, and Newfoundland Power shall report by Affidavit to the Board on
35 the disposition of the proceeds no later than January 15, 2010.
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- 37 2. Newfoundland Power shall pay all costs and expenses of the Board in connection with this
38 Application.

DATED at St. John's, Newfoundland and Labrador this 20th day of March 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B
Commissioner

Cheryl Blundon
Board Secretary