

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

**AN ORDER OF THE BOARD**

**NO. P.U. 38(2016)**

1 **IN THE MATTER OF** the *Electrical Power*  
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1 (the  
3 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,  
4 Chapter P-47 (the “*Act*”), as amended, and regulations  
5 thereunder; and  
6

7 **IN THE MATTER OF** an application by  
8 Newfoundland and Labrador Hydro for  
9 approval to issue debentures pursuant to  
10 section 91 of the *Act*.  
11  
12

13 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation duly organized and  
14 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and  
15 is also subject to the provisions of the *EPCA*; and  
16

17 **WHEREAS** on August 25, 2016 the Board received an application from Hydro to issue  
18 debentures in an amount of up to \$350,000,000 with a term of up to 40 years, and coupon rate of  
19 up to 6% (the “Application”); and  
20

21 **WHEREAS** pursuant to Section 91 of the *Act*, a public utility may not issue debentures until it  
22 has obtained approval from the Board for the proposed issue; and  
23

24 **WHEREAS** Hydro states that the proceeds of the debentures will be used to refinance Series AE  
25 debentures totaling \$225,000,000 and to retire outstanding short-term debt; and  
26

27 **WHEREAS** Hydro advises that the planned issuance is contingent on receiving authorization  
28 from the Lieutenant Governor in Council; and  
29

30 **WHEREAS** the Application was circulated to Newfoundland Power Inc. (“Newfoundland  
31 Power”), the Consumer Advocate, a group of Island Industrial customers: Corner Brook Pulp  
32 and Paper Limited and North Atlantic Refining Limited (the “Industrial Customer Group”), Vale  
33 Newfoundland and Labrador Limited (“Vale”), Praxair Canada Inc. (“Praxair”) and Teck  
34 Resources Limited (“Teck”); and  
35

36 **WHEREAS** on September 6, 2016 Newfoundland Power advised that it did not have any  
37 comments on the Application; and

1 **WHEREAS** the Board did not receive any comments in relation to the Application from the  
2 Consumer Advocate, the Industrial Customer Group, Vale, Praxair or Teck; and  
3

4 **WHEREAS** the Board has reviewed the Application and supporting material and finds that  
5 approval of the issue of the debentures in an amount of up to \$350,000,000 is in accordance with  
6 law and for a purpose approved by the Board.  
7

8  
9 **IT IS THEREFORE ORDERED THAT:**  
10

11 1. Hydro's proposal to issue debentures in an amount of up to \$350,000,000 to refinance Series  
12 AE debentures totaling \$225,000,000 and to retire outstanding short-term debt is approved  
13 subject to the following conditions:  
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15 (a) The debentures shall be issued on or before October 31, 2016.  
16

17 (b) Hydro shall file with the Board a report specifying the terms and conditions of the bond  
18 issue within five (5) days after closing, setting out the following:

- 19 (i) date of issue;  
20 (ii) term;  
21 (iii) maturity date;  
22 (iv) principal amount;  
23 (v) interest rate;  
24 (vi) particulars of sinking fund, if any;  
25 (vii) price to public and to the underwriters;  
26 (viii) yield to the public;  
27 (ix) underwriting fee;  
28 (x) actual cost (i.e. yield) to Hydro; and  
29 (xi) any other material terms or conditions.  
30

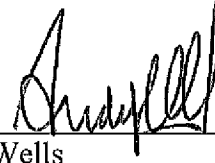
31 (c) Hydro shall file with the Board a copy of the Underwriting Agreement relating to the  
32 debentures within five (5) days after closing.  
33

34 (d) Hydro shall file with the Board a copy of the Order in Council providing approval to  
35 issue the debentures within five (5) days of receipt of the Order in Council.  
36

37 (e) Hydro shall file with the Board a report on the disposition of the proceeds no later than  
38 six months from the date of the closing.  
39

40 2. Hydro shall pay all expenses of the Board arising from this Application.

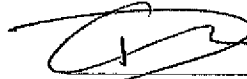
DATED at St. John's, Newfoundland and Labrador, this 9<sup>th</sup> day of September, 2016.



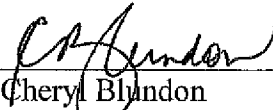
Andy Wells  
Chair and Chief Executive Officer



Darlene Whalen, P.Eng.  
Vice-Chair



Dwanda Newman, L.L.B.  
Commissioner



Cheryl Blundon  
Board Secretary