

1 **P.U. 20 (2005)**
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4 **IN THE MATTER OF** the
5 **PUBLIC UTILITIES ACT,**
6 R.S.N.L. 1990, c. P-47, as amended
7 (“the *Act*”)

8 **AND**
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10 **IN THE MATTER OF** the application by
11 Newfoundland Power Inc. (“Newfoundland Power”)
12 for approval to issue Series AK First Mortgage
13 Sinking Fund Bonds pursuant to Section 91 of the *Act*.

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18 **WHEREAS** the Board of Commissioners of Public Utilities (“the Board”) received the within
19 Application on June 17, 2005; and

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

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24 **WHEREAS** pursuant to s. 91(3) of the *Act*, where the Board is satisfied that a proposed issue of
25 bonds is to be made in accordance with law and for a purpose approved by the Board, the Board
26 shall make an Order approving the issue in an amount that it considers appropriate, and shall
27 prescribe the purpose to which the issue or the proceeds of the issue are to be applied; and
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1 **WHEREAS** the Application filed by Newfoundland Power to issue Series AK First Mortgage
2 Sinking Fund Bonds (the “Application”) in an amount of up to \$60,000,000 shows that the proceeds
3 of the issue will be used to repay short-term indebtedness (the “Short Term Debt”); and

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5 **WHEREAS** the Application states that the Short Term Debt was incurred to finance those capital
6 expenditures approved by the Board; and

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8 **WHEREAS** pursuant to s. 91(3) of the *Act* the Board has decided to exercise its discretion to
9 dispose of this matter without a public hearing; and

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11 **WHEREAS** the Board has reviewed the Application and supporting material and finds that approval
12 of the issue of the first mortgage sinking fund bonds is in accordance with law and for a purpose
13 approved by the Board.

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15 **IT IS THEREFORE ORDERED THAT:**

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17 1. Approval is hereby given to Newfoundland Power to issue Series AK First Mortgage
18 Sinking Fund Bonds in an amount of up to \$60,000,000 and on the general terms set out in
19 the Application subject to the following conditions:

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21 (a) The Bonds shall be issued on or before December 31, 2005.

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23 (b) Newfoundland Power shall provide to the Board an Affidavit specifying the terms
24 and conditions of the Bond issue within five (5) days (non-business days excepted)
25 after closing the Bond issue. In particular, the Affidavit shall set forth the following:

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- 1 (i) date of the issue;
- 2 (ii) term;
- 3 (iii) maturity date;
- 4 (iv) principal amount;
- 5 (v) coupon rate;
- 6 (vi) particulars of sinking fund, if any;
- 7 (vii) price to public and to the underwriters;
- 8 (viii) yield to the public;
- 9 (ix) agency fee;
- 10 (x) actual cost (i.e. yield) to Newfoundland Power,;and
- 11 (xi) any other material terms or conditions not contemplated at the date of the
- 12 Application but forming part of the negotiated terms and conditions.
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14 (c) Newfoundland Power shall provide to the Board a copy of the Agency Agreement
15 relating to the Bond issue within five (5) days (non-business days excepted) after
16 closing the Bond issue.

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18 (d) The proceeds from the Bond issue shall be used in the manner set out in paragraph 9
19 of the Application, and Newfoundland Power shall report by Affidavit to the Board
20 on the disposition of the proceeds no later than January 15, 2006.

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22 2. All costs and expenses incurred by the Board in connection with the Application shall be
23 borne by Newfoundland Power.

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1 **DATED** at St. John's, Newfoundland and Labrador, this 14th day of July 2005.

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23 G. Cheryl Blundon,
 Board Secretary.

Robert Noseworthy,
Chair and Chief Executive Officer.

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