

1 **P.U. 24(2007)**  
2  
3

4 **IN THE MATTER OF** the *Electrical Power*  
5 *Control Act*, RSNL 1994, Chapter E-5.1 (the  
6 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,  
7 Chapter P-47 (the “*Act*”) as amended, and their  
8 subordinate regulations;  
9

10 **AND**

11  
12 **IN THE MATTER OF** the application by  
13 Newfoundland Power Inc. (“Newfoundland Power”)  
14 for approval to issue Series AL First Mortgage  
15 Sinking Fund Bonds pursuant to Section 91 of the *Act*.  
16

17  
18 **WHEREAS** pursuant to s. 91(1) of the *Act*, a public utility may not issue bonds until it has obtained  
19 approval from the Board for the proposed issue; and  
20

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

26 **WHEREAS** the Application filed on June 22, 2007 by Newfoundland Power to issue Series AL  
27 First Mortgage Sinking Fund Bonds (the “Application”) in an amount of up to \$75,000,000 shows  
28 that the proceeds of the issue will be used to repay short-term indebtedness (the “Short Term Debt”);  
29 and  
30

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

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

37 **WHEREAS** the Board has reviewed the Application and supporting material and finds that approval  
38 of the issue of the first mortgage sinking fund bonds is in accordance with law and for a purpose  
39 approved by the Board.  
40

1 **IT IS THEREFORE ORDERED THAT:**  
2

3 1. Approval is hereby given to Newfoundland Power to issue Series AL First Mortgage Sinking  
4 Fund Bonds in an amount of up to \$75,000,000 and on the general terms set out in the  
5 Application subject to the following conditions:  
6

7 (a) The Bonds shall be issued on or before December 31, 2007.  
8

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

12 (i) date of the issue;

13 (ii) term;

14 (iii) maturity date;

15 (iv) principal amount;

16 (v) coupon rate;

17 (vi) particulars of sinking fund, if any;

18 (vii) price to the public and to the underwriters;

19 (viii) yield to the public;

20 (ix) agency fee;

21 (x) actual cost (i.e. yield) to Newfoundland Power; and

22 (xi) any other material terms or conditions not contemplated at the date of the  
23 Application but forming part of the negotiated terms and conditions.  
24

25 (c) Newfoundland Power shall provide to the Board a copy of the Agency Agreement  
26 relating to the Bond issue within five (5) days (non-business days excepted) after  
27 closing the Bond issue.  
28

29 (d) The proceeds from the Bond issue shall be used in the manner set out in paragraph 9  
30 of the Application, and Newfoundland Power shall report by Affidavit to the Board  
31 on the disposition of the proceeds no later than January 15, 2008.  
32

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

**DATED** at St. John's, Newfoundland and Labrador, this 26<sup>th</sup> day of July 2007.

---

Robert Noseworthy  
Chair and Chief Executive Officer

---

Darlene Whalen, P.Eng.  
Vice-Chair

---

Cheryl Blundon  
Board Secretary