

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

**AN ORDER OF THE BOARD
NO. P.U. 32(2026)**

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

IN THE MATTER OF an application by Newfoundland and Labrador Hydro for approval to issue debt pursuant to section 91 of the **Act**.

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing under the **Hydro Corporation Act, 2024**, SNL 2024, Chapter H-18, is a public utility within the meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and

WHEREAS pursuant to subsection 91(1) of the **Act** a public utility may not issue evidence of indebtedness payable more than one year from the date of issue until it has obtained approval from the Board for the proposed issue; and

WHEREAS on September 15, 2026 the Board received an application from Hydro for approval of the issuance of up to \$200 million of indebtedness to the Province of Newfoundland and Labrador (the “Application”); and

WHEREAS the Application proposed that, to ensure least cost borrowing, the Province of Newfoundland and Labrador borrow on Hydro’s behalf and lend the proceeds to Hydro on identical terms and conditions, consistent with the debt issuances approved by the Board in Order Nos. P.U. 42(2017), P.U. 40(2020) and P.U. 33(2025); and

WHEREAS the Application stated that the funds borrowed will be used to refinance Hydro’s short-term borrowings which were used to finance the capital program, along with normal expenditures relating to items such as debt service, supply costs, and operating and maintenance costs; and

1 **WHEREAS** the following general terms and conditions of the indebtedness were set out in the
2 Application:

3		
4	Term:	up to 40 years
5	Amount:	up to \$200 million
6	Coupon Rate:	up to 6%
7	Issue Date:	on or before December 31, 2026
8	Cost to Hydro:	up to 0.700% of face value plus incidentals
9	Sinking Fund:	Yes

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11 **WHEREAS** the Application was copied to Newfoundland Power Inc. (“Newfoundland Power”), the
12 Consumer Advocate, Ms. Adrienne Ding (“Consumer Advocate”); the Island Industrial Customer
13 Group;¹ Teck Resources Limited; and Linde Canada Inc.; and

14
15 **WHEREAS** on September 25, 2026 Newfoundland Power and the Consumer Advocate confirmed
16 that they did not have any comments in relation to the Application; and

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18 **WHEREAS** the Board did not receive any other comments in relation to the Application; and

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20 **WHEREAS** pursuant to sections 38 and 46 of the **Hydro Corporation Act, 2024**, SNL 2024, Chapter
21 H-18, authorization for the indebtedness is required from the Lieutenant Governor in Council;
22 and

23
24 **WHEREAS** on September 29, 2026 Hydro advised that the required authorization from the
25 Lieutenant Governor in Council had not yet been received and requested that the Board approve
26 the proposed issuance of debt conditional on Hydro filing a copy of the Order in Council with the
27 Board when received; and

28
29 **WHEREAS** the Board has reviewed the Application and supporting material and finds that
30 approval of the proposed issue of indebtedness of up to \$200 million is in accordance with law
31 and for a purpose approved by the Board.

¹ The members of the Island Industrial Customer Group are Corner Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc., and Vale Newfoundland and Labrador Limited.

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

3 1. The proposal by Hydro to borrow from the Province of Newfoundland and Labrador in an
4 amount of up to \$200,000,000 to refinance outstanding short-term debt is approved subject
5 to the following conditions:
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7 a) Hydro shall file with the Board a copy of the Order in Council providing approval to issue
8 the debentures within five (5) days of receipt of the Order in Council.
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10 b) The debt shall be issued on or before December 31, 2026.
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12 c) Hydro shall file with the Board an affidavit specifying the terms and conditions of the
13 debt issue within five (5) days after terms and conditions have been successfully
14 negotiated, setting out the following where applicable:

15 (i) date of issue;

16 (ii) term;

17 (iii) maturity date;

18 (iv) principal amount;

19 (v) interest rate;

20 (vi) price to the public and to the underwriters;

21 (vii) yield to the public;

22 (viii) underwriting fee;

23 (ix) actual cost to Hydro; and

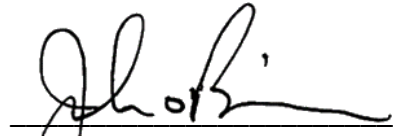
24 (x) any other material terms or conditions.
25

26 d) Hydro shall file with the Board a copy of the Loan Agreement relating to the debt issue
27 within five (5) days after the conditions have been accepted by Hydro.
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29 e) Hydro shall file with the Board a report on the disposition of the proceeds no later than
30 six months from the date of the closing.
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32 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 2nd day of October 2026.



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Jo-Anne Galarneau, LL.B., ICD.D
Commissioner



Mike McNiven
Board Secretary