

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

AN ORDER OF THE BOARD

NO. P.U. 35(2014)

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
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17 **WHEREAS** on July 8, 2014 the Board received an application from Hydro to issue debentures
18 in an amount of up to \$200,000,000 with a term of up to 40 years, and coupon rate of up to 6%
19 (the “Application”); and
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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
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24 **WHEREAS** Hydro states that the proceeds of the debentures will be used to finance 2014
25 capital expenditures; and
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27 **WHEREAS** Hydro advises that the planned issuance is contingent on receiving authorization
28 from the Lieutenant Governor in Council; and
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30 **WHEREAS** the Application was circulated to Newfoundland Power Inc. (“Newfoundland
31 Power”), the Consumer Advocate, a group of three Island Industrial customers: Corner Brook
32 Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources Limited (the
33 “Industrial Customer Group”), Vale Newfoundland and Labrador Limited (“Vale”), and Praxair
34 Canada Inc. (“Praxair”); and
35

36 **WHEREAS** on July 11, 2014 Newfoundland Power advised that it did not intend to comment on
37 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 or Praxair;

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 \$200,000,000 is in accordance with
6 law and for a purpose approved by the Board.

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8 **IT IS THEREFORE ORDERED THAT:**
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- 10 1. Hydro's proposal to issue debentures in an amount of up to \$200,000,000 to finance 2014
11 capital expenditures is approved subject to the following conditions:
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13 (a) The debentures shall be issued on or before October 31, 2014.
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15 (b) Hydro shall file with the Board a report specifying the terms and conditions of the
16 bond issue within five (5) days after closing, setting out the following:
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18 (i) date of issue;
19 (ii) term;
20 (iii) maturity date;
21 (iv) principal amount;
22 (v) interest rate;
23 (vi) particulars of sinking fund, if any;
24 (vii) price to public and to the underwriters;
25 (viii) yield to the public;
26 (ix) underwriting fee;
27 (x) actual cost (i.e. yield) to Hydro; and
28 (xi) any other material terms or conditions.
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30 (c) Hydro shall file with the Board a copy of the Underwriting Agreement relating to the
31 debentures within five (5) days after closing.
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33 (d) Hydro shall file with the Board a copy of the Order in Council providing approval to
34 issue the debentures within five (5) days of receipt of the Order in Council.
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36 (e) Hydro shall file with the Board a report on the disposition of the proceeds no later
37 than six months from the date of the closing.
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39 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 8th day of August, 2014.



Andy Wells
Chair and Chief Executive Officer



Darlene Whalen, P.Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



Bobbi Sheppard
Assistant Board Secretary