



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**
Prince Edward Island
Île-du-Prince-Édouard
CANADA

Docket UE21312
Order UE05-02

IN THE MATTER of an application by
Maritime Electric Company, Limited for approval
to issue a general security agreement and a
chattel mortgage to the Royal Bank of Canada.

BEFORE THE COMMISSION

on Wednesday, the 12th day of January, 2005.

Maurice Rodgeron, Chair
Weston Rose, Commissioner
James Carragher, Commissioner

Order

Compared and Certified a True Copy

(Sgd) *Donald G. Sutherland*

Technical and
Regulatory Services Division

IN THE MATTER of an application by
Maritime Electric Company, Limited for approval
to issue a general security agreement and a
chattel mortgage to the Royal Bank of Canada.

Order

WHEREAS, on January 10, 2005, Maritime Electric Company, Limited (“Maritime Electric” or “the Company”) applied for approval to the Island Regulatory and Appeals Commission (the “Commission”) to issue, to the Royal Bank of Canada, a general security agreement and a chattel mortgage to secure short-term financing of the engineering, procurement and commissioning of a 50 MW combustion turbine generating unit (the “Unit”) to be located at the site of Maritime Electric’s Charlottetown steam plant on Cumberland Street in Charlottetown;

AND WHEREAS, the general security agreement will charge all of Maritime Electric’s personal property except the Unit subject to the Deed of Trust and Mortgage issued by Maritime Electric in favour of Montreal Trust Company (now named Computershare Trust Company) dated May 1, 1955 as supplemented from time to time by supplementary trust deeds (the “Trust Deed”);

AND WHEREAS, the chattel mortgage will specifically charge the Unit, the charge ranking ahead of the Trust Deed;

AND WHEREAS section 10 of the *Electric Power Act* reads as follows:

10. Notwithstanding the provisions of any statute of this province, no public utility, except in the ordinary course of business, shall sell, assign, transfer, lease, mortgage or otherwise dispose of the whole or part of its property used in connection with its operations without first having obtained the approval of the Commission, and no person owning any public utility shall sell, assign, transfer, lease, mortgage or otherwise dispose of the public utility without that approval. 1984, c.20, s.9.

AND WHEREAS, it appears to the Commission that the short-term financing secured by the general security agreement and the chattel mortgage is in the interest of Maritime Electric's customers;

NOW THEREFORE, pursuant to section 10 of the *Electric Power Act*,

IT IS ORDERED THAT

1. the Commission hereby grants approval to Maritime Electric to secure up to \$25 million in short-term financing by creating and issuing in favour of the Royal Bank of Canada,
 - (a) a general security creating a charge on all of Maritime Electric's personal property excluding the Unit, second in priority to the Trust Deed, and
 - (b) a chattel mortgage creating a first charge on the Unit;

DATED at Charlottetown, Prince Edward Island, this 12th day of January, 2005.

BY THE COMMISSION:

(Sgd) *Maurice Rodgerson*

Maurice Rodgerson, Chair

(Sgd) *Weston Rose*

Weston Rose, Commissioner

(Sgd) *James Carragher*

James Carragher, Commissioner

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13.(1) and 13(2) of the *Act* provide as follows:

13.(1) An appeal lies from a decision or order of the Commission to the Appeal Division of the Supreme Court upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Supreme Court within twenty days after the decision or order appealed from and the Civil Procedure Rules respecting appeals apply with the necessary changes.

IRAC140B(2005/1)