



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

Docket: UE21503

Order: UE06-05

**IN THE MATTER** of establishing the  
accounting treatment for corporate transaction  
costs associated with the issuance of long-term  
debt.

**BEFORE THE COMMISSION**

on Friday, the 29th day of September, 2006.

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

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# Order

**IN THE MATTER** of establishing the accounting treatment for corporate transaction costs associated with the issuance of long-term debt.

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# Order

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**WHEREAS** Maritime Electric Company, Limited (the “Company”) has reported to the Commission that, in 1994, the Company changed its accounting practice relating to debt issue expenses from deferring and amortizing such expenses to a practice of expensing such costs in the year the costs were incurred;

**AND WHEREAS** the Commission has reviewed current accounting standards including standard regulatory accounting treatment and pronouncements from the Canadian Institute of Chartered Accountants;

**AND WHEREAS** the Commission has determined that the implementation of an accounting requirement that defers and amortizes debt issue costs over the term of the related debt issue will assist in stabilizing customer rates and charges;

**NOW THEREFORE**, pursuant to the *Electric Power Act*,

## IT IS ORDERED THAT

1. commencing immediately, the Company shall defer and amortize debt issue costs over the term of the related debt issue; and
2. the Company shall implement this requirement on a prospective basis.

**DATED** at Charlottetown, Prince Edward Island, this 29th day of September, 2006.

**BY THE COMMISSION:**

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Maurice Rodgerson, Chair

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Weston Rose, Commissioner

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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)