

**THE ISLAND REGULATORY AND
APPEALS COMMISSION**

Prince Edward Island
Île-du-Prince-Édouard
CANADA

Docket UE21315

Order UE16-06

IN THE MATTER of an
application by Maritime Electric Company,
Limited, under Section 12(1) of the Electric Power
Act (R.S.P.E.I. 1988, Cap. E-4), for approval of
the issuance of first mortgage bonds.

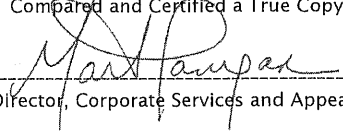
**BEFORE THE
COMMISSION**

on Monday, the 15th day of August, 2016.

J. Scott MacKenzie Q.C., Chair
Douglas Clow, CPA, CA, Vice-Chair
Michael Campbell, Commissioner

Order

Compared and Certified a True Copy


Director, Corporate Services and Appeals

IN THE MATTER of an
application by Maritime Electric Company,
Limited, under Section 12(1) of the Electric Power
Act (R.S.P.E.I. 1988, Cap. E-4), for approval of
the issuance of first mortgage bonds.

Order

WHEREAS, Maritime Electric Company, Limited
("Maritime Electric" or the "Company") applied on June 14, 2016
for Commission approval of the issuance of up to \$40 million in
long term first mortgage bonds;

AND WHEREAS, Section 12(1) of the Electric
Power Act ("*Act*") reads as follows: *no public utility shall issue
stocks or shares or bonds, debentures, securities, or other
evidence of indebtedness, payable in more than one year from
the date thereof, unless it has first obtained approval by the
Commission of the proposed issue;*

AND WHEREAS, the Commission, by Order
UE16-05 issued June 28, 2016, gave approval to the proposed
bond issuance, subject to conditions set out in the Order;

AND WHEREAS, the purpose of the bond
issuance is to refinance maturing bonds and replenish short-
term borrowing capacity which had been used to finance capital
expenditures incurred the last several years;

AND WHEREAS, as required by Section 12(2) of
the *Act*, the Commission approves the purpose of the proposed
bond issuance;

AND WHEREAS, the Company's most recent
rate application approved by Commission Order UE16-04 took
into consideration the decline in interest rates anticipated with
this bond issuance;

AND WHEREAS, the Commission has reviewed the Summary Term Sheet dated August 12, 2016 issued by RBC Capital Markets, a copy of the resolution of the Company's Board of Directors approving the terms of issue and the legal opinion of the Company's solicitors that the bond issuance and sale complies with applicable securities laws;

NOW THEREFORE, pursuant to the *Island Regulatory and Appeals Commission Act* and the *Electric Power Act*,

IT IS ORDERED THAT

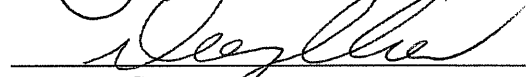
1. Approval is hereby granted for the issuance of first mortgage secured bonds in accordance with the Summary Term Sheet, which includes the following details:
 - a. the principal amount of \$40.0 million;
 - b. the debt issue term of 40 years, maturing August 23, 2056; and
 - c. the yield rate is 3.657% , subject only to adjustments as set out in the Summary Term Sheet.
2. Upon completion of the bond issue the Company shall file a copy of the closing documents with the Commission.
3. The Company shall file a report with the Commission on the disposition of the bond issue proceeds within six (6) months from the date of bond issue.

DATED at Charlottetown, Prince Edward Island, this 15th day of August, 2016.

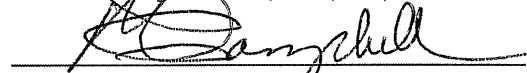
BY THE COMMISSION:



J. Scott MacKenzie Q.C., Chair



Douglas Clow, CPA, CA, Vice-Chair



Michael Campbell, 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), 13(2), 13(3), and 13(4) of the Act provide as follows:

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

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

(3) The Commission shall be deemed to be a party to the appeal.

(4) No costs shall be payable by any party to an appeal under this section unless the Court of Appeal, in its discretion, for special reasons, so orders.

IRAC140A(04/07)

