



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

**Docket: UE21316**

**Order: UE18-06**

**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** Tuesday, October 30, 2018.

J. Scott MacKenzie, Q.C., Chair

M. Douglas Clow, Vice-Chair

John Broderick, Commissioner

**CERTIFIED A TRUE COPY**

Cheryl Mosher,  
Senior Financial Advisor  
Island Regulatory & Appeals Commission

# ORDER

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.

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# Order

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**WHEREAS** Maritime Electric Company, Limited ("Maritime Electric" or the "Company") is a public utility under the Electric Power Act ("EPA" or the "Act") engaged in the production, purchase, transmission, distribution, and sale of electricity within Prince Edward Island.

**AND WHEREAS** on October 12, 2018, the Company filed an application with this Commission for the issuance of up to \$40 million in long term first mortgage bonds;

**AND WHEREAS** Section 12(1) of the 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 Company states in its application it requires the funds to refinance approximately \$15 million of bonds maturing in December 2018 and to convert approximately \$25 million of short term indebtedness incurred by the Company to finance normal business activities and the Company's capital program previously approved by the Commission;

**AND WHEREAS** the Company's most recent rate application approved by the Commission Order UE16-01 took into consideration the anticipated interest rate for this bond issue;

**AND WHEREAS** the Commission has reviewed the application and supporting material and finds the issuance of \$40 million first mortgage bonds is a just and reasonable approach to present long term financing requirements of the Company at this time;

**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 Company to proceed with the issuance and sale of first mortgage bonds provided that:
  - a. The principal amount is not to exceed \$40.0 million,
  - b. The debt issue is not to mature later than 40 years; and
  - c. The coupon interest rate must be established through a competitive market pricing process.
  
2. The company shall file with the Commission, upon completion of the issue and sale of the first mortgage bonds, a copy of all documents delivered at the closing of the transaction.

**DATED** at Charlottetown, Prince Edward Island, Tuesday, October 30, 2018.

**BY THE COMMISSION:**

(sgd) J. Scott MacKenzie

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J. Scott MacKenzie, Q.C., Chair

(sgd) M. Douglas Clow

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M. Douglas Clow, Vice-Chair

(sgd) John Broderick

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John Broderick, 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.*

**NOTE:** In accordance with IRAC's *Records Retention and Disposition Schedule*, the material contained in the official file regarding this matter will be retained by the Commission for a period of 5 years.