



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

**Docket: UE21316**

**Order: UE18-11**

**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, December 3, 2018.

J. Scott MacKenzie, Q.C., Chair

M. Douglas Clow, Vice-Chair

John Broderick, Commissioner

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**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** 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 the Commission Order UE16-01 took into consideration the anticipated interest rate for this bond issue;

**AND WHEREAS** the Commission has reviewed the Summary Term Sheet dated December 3, 2018 issued by RBC Capital

Markets, a copy of the resolution of the Company's Board of Director 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 is not to exceed \$40.0 million,
  - b. The debt issue term of 40 years, maturing December 6, 2058; and
  - c. The yield rate is 4.148%, 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, Monday, December 3, 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.