



# MANITOBA ORDER IN COUNCIL

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DATE: **April 10, 2019**

ORDER IN COUNCIL NO.: **124/2019**

RECOMMENDED BY: **Minister of Finance**

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## ORDER

1. The Minister of Finance is authorized to make advances to The Manitoba Hydro-Electric Board ("Manitoba Hydro") from the proceeds of debentures issued by the Province of Manitoba to a maximum aggregate amount of \$1,083,000,224.
2. The advances to Manitoba Hydro shall be made on the same terms and conditions and market exposure as apply to the debt issued, reissued, or swapped by the Province of Manitoba for the purposes of making or refinancing such advances to Manitoba Hydro.

## AUTHORITY

*The Financial Administration Act, C.C.S.M. c. F55, states:*

### **Authority to raise money**

50(1) When this or any other Act of the Legislature confers on the government the power to raise money on the credit of the government, the Lieutenant Governor in Council may by Order authorize the Minister of Finance or may designate and authorize an officer of the Department of Finance to raise money to a specified maximum amount on the credit of the government.

### **Manner of raising money**

50(2) An Order of the Lieutenant Governor in Council under subsection (1) authorizes the Minister of Finance or designated officer to raise money by way of loan in any of the following ways:

- (a) by the issue and sale of provincial securities;
- (b) from a bank, trust company, credit union or other financial institution;
- (c) in any other manner.

### **Purposes of money raised under section 50**

53 Money raised under section 50 shall be raised for one or more of the following purposes:

- (a) funding the Consolidated Fund when the Minister of Finance determines that it is insufficient to meet the disbursements lawfully authorized to be made from it;
- (b) funding advances and loans authorized under this or any other Act of the Legislature;
- (c) redeeming or repaying provincial securities;
- (d) redeeming or repaying securities the repayment of which has been guaranteed by the government.

### **Advances by government**

61(1) When an Act of the Legislature authorizes money to be paid out of the Consolidated Fund for the purpose of making an advance of money to a government agency or other person, the Lieutenant Governor in Council may authorize the Minister of Finance to advance the money by way of

- (a) loan; or
- (b) investment in the shares of the government agency;

and, subject to subsection (2), may determine and vary the terms and conditions applying to the advance.

**Interest rate**

61(2) Subject to subsection (3), the Minister of Finance shall, at least monthly, establish a schedule of interest rates to apply to advances made by way of loan under this or any other Act of the Legislature.

**Minimum rate of interest**

61(3) No rate of interest shall be less than the rate of interest estimated at the time the schedule of rates is established to be the government's cost of borrowing for the term during which the advance is to be repaid.

*The Loan Act, 2018*, S.M. 2018 c. 27, states:

**LG in C may authorize advances**

4 The Lieutenant Governor in Council may authorize amounts to be advanced to agencies or for programs as set out in the Schedule.

*The Manitoba Hydro Act*, C.C.S.M. c. H190, states:

**Loans by government**

32(1) To the extent permitted by any Act of the Legislature the Lieutenant Governor in Council may authorize the raising by way of loan, in the manner provided in *The Financial Administration Act* and *The Loans Act*, of such sums as the Lieutenant Governor in Council may deem requisite for any of the purposes of the corporation under this Act; and any such sums may be advanced to, and paid over by the Minister of Finance to, the corporation, and shall be repaid by it to the Minister of Finance at such times and on such terms as the Lieutenant Governor in Council may direct, together with interest thereon as provided in subsection (2).

**BACKGROUND**

1. Section 4 of *The Loan Act, 2018* provides authority to advance amounts not exceeding in total an aggregate amount of \$4,078,222,000 to Manitoba Hydro.
2. Once this Order is in effect, the authority of the Government to advance amounts under Section 4 of *The Loan Act, 2018* to Manitoba Hydro will be reduced by the aggregate amount of the advances made under this Order.