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Headnote

Mutual Reliance Review System for Exemptive Relief Application - issuer to distribute medium term notes - medium term notes fully and unconditionally guaranteed - issuer exempt from the requirement that financial statements be reconciled to Canadian GAAP and that auditor's report be accompanied by statement of auditor, subject to conditions - issuer exempt from certain continuous disclosure requirements and from certain prospectus disclosure and eligibility requirements, subject to conditions

Applicable British Columbia Provisions

Securities Act, R.S.B.C.1996, c. 418, ss. 91 and 119

National Instrument 44-101 *Short Form Prospectus Distributions*, s. 15.1

National Instrument 44-102 *Shelf Distributions*, s. 11.1

National Instrument 71-101 *Multijurisdictional Disclosure System*

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK, NEWFOUNDLAND AND
LABRADOR, NOVA SCOTIA AND PRINCE EDWARD ISLAND**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF DOMINION CANADA FINANCE COMPANY AND
DOMINION RESOURCES, INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island, (the "Jurisdictions") has received an application (the "Application") from Dominion Resources, Inc. ("DRI") and Dominion Canada Finance Company ("DomCan" and together with DRI, the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Applicants be exempted from the following requirements contained in the Legislation:

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- (a) the requirement pursuant to National Instrument 44-101 (“NI 44-101”) and National Instrument 44-102 (“NI 44-102”) that a person or company guaranteeing non-convertible debt issued by an issuer be a reporting issuer with a 12-month reporting history in a Canadian province or territory and have a current annual information form (an “AIF”) in order to permit DomCan to issue non-convertible debt securities, in particular medium term notes, with an Approved Rating (as defined in NI 44-101) which will be fully and unconditionally guaranteed by DRI (the “Eligibility Requirement”);
- (b) the requirement pursuant to NI 44-101 to reconcile financial statements included in a prospectus and prepared in accordance with generally accepted accounting principles (“GAAP”) of a foreign jurisdiction to Canadian GAAP (the “Canadian GAAP Reconciliation Requirement”);
- (c) the requirement to provide, where financial statements are audited in accordance with generally accepted auditing standards (“GAAS”) of a foreign jurisdiction, a statement by the auditor: (a) disclosing any material differences in the form and content of the auditor’s report as compared to a Canadian auditor’s report; and (b) confirming that the auditing standards of the foreign jurisdiction are substantially equivalent to Canadian GAAS (the “Canadian GAAS Reconciliation Requirement” and together with the Canadian GAAP Reconciliation Requirement, the “Reconciliation Requirement”);
- (d) the requirement that DomCan issue and file with the Decision Makers news releases with respect to material changes and file material change reports (collectively, the “Material Change Requirements”);
- (e) the requirement that DomCan satisfy the proxy and proxy solicitation requirements under the Legislation, including filing with the Decision Makers, and, if applicable, sending to securityholders, an information circular or report in lieu thereof (the “Proxy Requirements”);
- (f) the requirement that the insiders of DomCan file insider reports with the Decision Makers (the “Insider Reporting Requirements”);
- (g) the requirement that DomCan file with the Decision Makers and send to its securityholders audited annual comparative financial statements and an annual report, where applicable (the “Annual Financial Statement Requirements”);

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- (h) the requirement that DomCan file with the Decision Makers and send to its securityholders unaudited interim financial statements (the "Interim Financial Statement Requirements"); and
- (i) the requirement that a short form prospectus include the information set forth in items 12.1(1) and 12.2(1) to 12.2(4) of Form 44-101F3 ("44-101F3") of NI 44-101 (the "Prospectus Disclosure Requirements").

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief applications (the "System"), the Alberta Securities Commission is the principal regulator for the Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 Definitions;

AND WHEREAS the Applicants have represented to the Decision makers that:

1. DomCan was incorporated under the *Companies Act* (Nova Scotia) on August 20, 2001 and is an indirect wholly-owned subsidiary of DRI. DomCan was extra-provincially registered in Alberta on August 21, 2001.
2. The registered office of DomCan is in Halifax, Nova Scotia and its head office is located in Calgary, Alberta.
3. DomCan's only business is to access Canadian capital markets to raise funds, which it lends or otherwise invests in the Canadian subsidiary companies of DRI. DomCan does not carry on any operating business.
4. DomCan became a reporting issuer or its equivalent in the Jurisdictions on November 30, 2001 by virtue of filing a short form prospectus in connection with the establishment in Canada of its MTN program (as defined in NI 44-102) pursuant to the provisions of NI 44-101 and NI 44-102 (the "Existing Program").
5. Pursuant to the Existing Program, DomCan could issue up to Cdn. \$750,000,000 notes over a 25 month period (the "First Series Notes") fully and unconditionally guaranteed by DRI as to payment of principal, interest and all other amounts due thereunder. As at November 13, 2003, DomCan had issued and outstanding a total of Cdn. \$315,000,000 in principal amount of First Series Notes.
6. DRI was incorporated under the laws of the Commonwealth of Virginia in 1983 and is not a reporting issuer or the equivalent in any of the Jurisdictions.

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7. DRI has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the "1934 Act") since 1983.
8. DRI has filed with the United States Securities and Exchange Commission (the "SEC") all filings required to be made with the SEC under Sections 13 and 15(d) of the 1934 Act since it first became a reporting company.
9. As at December 31, 2002, DRI had approximately US \$6.7 billion in long term debt outstanding. All of DRI's directly issued outstanding long term debt is rated "BBB+" by Standard & Poor's Corporation, and "Baa-1" by Moody's Investors Service, Inc.
10. The common stock of DRI is publicly traded and listed under the symbol "D" on the New York Stock Exchange (the "NYSE"). As at the close of trading on the NYSE on November 13, 2003, the common stock of DRI not held by affiliates of DRI had a market value in excess of US \$19,923,991,281.
11. DRI is the largest fully integrated gas and electric company in the United States with five million customers, more than 24,000 megawatts of electric power generation, 6.2 trillion cubic feet of proved natural gas reserves and operates North America's largest natural gas storage system. DRI owns and manages assets valued in excess of US\$37 billion as of December 31, 2002.
12. In connection with the establishment of the Existing Program, relief was obtained from the Eligibility Requirement, Reconciliation Requirement, Annual Financial Statement Requirements, Interim Financial Statement Requirements, Material Change Requirements, Insider Reporting Requirements, Proxy Requirements and Prospectus Disclosure Requirements (as they existed at that time) in the Jurisdictions, on the condition, among others, that the continuous disclosure materials filed by DRI in the United States would be filed in the Jurisdictions (collectively, all such relief being the "Prior Decision").
13. In connection with the establishment of the Existing Program, relief was also obtained from the applicable Legislation in Ontario, Saskatchewan and Quebec (the "AIF Decision") from the requirement to file with those Decision Makers an AIF and to prepare, file and send annual and interim MD&A (the "AIF and MD&A Requirements").
14. DomCan has complied with the conditions of relief set out in the Prior Decision and the AIF Decision and has been filing DRI's continuous disclosure materials in Canada.

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15. DomCan proposes to renew its Existing Program pursuant to NI 44-101 and NI 44-102 to provide the ability to raise up to Cdn. \$500,000,000 in Canada (the "Proposed Offering") through the issuance of additional notes ("Second Series Notes") from time to time over a 25 month period and may in the future file additional short form shelf prospectuses in each of the Jurisdictions in respect of the issuance by DomCan of additional medium term notes from time to time (the "Future Offerings", and together with the Proposed Offering, the "Offerings" and each an "Offering"). The Second Series Notes and any other medium term notes issued by DomCan pursuant to an Offering (collectively, the "Notes") will be fully and unconditionally guaranteed by DRI as to payment of principal, interest and all other amounts due thereunder and have an Approved Rating.
16. In connection with the Proposed Offering and any Future Offering, the Applicants are concurrently seeking relief from the AIF and MD&A Requirements from the Decision Makers in Ontario, Saskatchewan and Quebec substantially similar to the AIF Decision.
17. DRI satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") and is eligible to use the multi-jurisdictional disclosure system ("MJDS") (as set out in NI 71-101) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with US prospectus requirements with certain additional Canadian disclosure.
18. Except for the fact that DomCan is not incorporated under US law, an Offering would comply with the alternative eligibility criteria of non-convertible debt having an approved rating under the MJDS as set forth in paragraphs 3.1 and 3.2 of NI 71-101.
19. DomCan does not satisfy the alternative criteria for issuers of guaranteed non-convertible securities, as set out in section 2.5 of NI 44-101, solely because DRI (as guarantor of an Offering) is not a reporting issuer in any Jurisdiction.
20. In connection with any Offering (which, for greater certainty, includes the Proposed Offering and any Future Offerings):
 - (a) each short form base shelf prospectus will be prepared pursuant to the Shelf Requirements, with the disclosure required by: (i) items 12 and 13 of 44-101F3 being addressed by incorporating by reference DRI's public disclosure documents, including DRI's annual information form in the form of an annual report on Form 10-K; and (ii) item 7 of Form 44-101F3

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in respect of DomCan being addressed by disclosure with respect to DRI in accordance with United States' requirements;

- (b) each prospectus will incorporate by reference: (i) disclosure made in DRI's most recent annual report on Form 10-K filed under the 1934 Act, together with all quarterly reports on Form 10-Q and mandatory current reports on Form 8-K filed under the 1934 Act in respect of the financial year following the year that is the subject of DRI's most recently filed annual report on Form 10-K; and (ii) any documents of the foregoing type filed after the date of the Prospectus and prior to the termination of the Offering; and will state that purchasers of Notes will not receive separate continuous disclosure information regarding DomCan;
- (c) DRI will fully and unconditionally guarantee the Notes as to the payments required to be made by DomCan to holders of the Notes under the provisions of the supplemental trust indenture relating to the particular Notes;
- (d) any Notes will have an Approved Rating;
- (e) the consolidated annual and interim financial statements of DRI that will be included in or incorporated by reference in any short form shelf prospectus of DomCan will be prepared in accordance with GAAP in the United States that the SEC has identified as having substantive authoritative support, as supplemented by Regulation S-X and Regulation S-B under the 1934 Act and in the case of audited annual financial statements, such financial statements will be audited in accordance with GAAS in the United States, as supplemented by the SEC's rules on auditor independence;
- (f) DRI will sign each short form shelf prospectus as credit supporter; and
- (g) DRI will undertake to file with the Decision Makers all documents that it files under sections 13 and 15(d) of the 1934 Act until such time as the Notes are no longer outstanding.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

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THE DECISION of the Decision Makers under the Legislation is that:

- (a) the Applicants be exempted from the Eligibility Requirement and the Reconciliation Requirement in connection with any Offering (which, for greater certainty, includes the Proposed Offering and any Future Offering) provided that:
 - (i) each of DRI and DomCan complies with paragraph 20 above;
 - (ii) DomCan complies with all of the filing requirements and procedures set out in NI 44-101 except as varied by the Decision or as permitted by NI 44-102;
 - (iii) the consolidated annual and interim financial statements of DRI that will be included or incorporated by reference in any short form shelf prospectus are prepared in accordance with United States GAAP and, in the case of the audited consolidated annual financial statements, such financial statements will be audited in accordance with United States GAAS;
 - (iv) DRI, or any successor thereto, maintains direct or indirect 100% ownership of the voting shares of DomCan; and
 - (v) DRI continues to satisfy the eligibility criteria set forth in paragraph 3.1 of NI 71-101 (or any applicable successor provision) for using MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; and
- (b) the Prospectus Disclosure Requirements shall not apply to any short form shelf prospectus filed by DomCan in connection with any Offering (which, for greater certainty, includes the Proposed Offering and any Future Offering) provided that each of DomCan and DRI complies with paragraph 20 above;

DATED at Calgary, Alberta on this 2nd day of December, 2003.

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Manager, Securities Analysis

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AND THE FURTHER DECISION of the Decision Makers under the Legislation is that:

- (A) the Material Change Requirements shall not apply to DomCan, provided that:
 - (i) DRI files with the Decision Makers, in electronic format through SEDAR under DomCan's SEDAR profile, the mandatory current reports on Form 8-K of DRI which are filed by it with the SEC, on the same day on which they are filed with the SEC, or as soon as practicable thereafter;
 - (ii) DRI promptly issues in each Jurisdiction and DomCan files with the Decision Makers, in electronic format through SEDAR under DomCan's SEDAR profile, any news release that discloses material information and which is required to be issued in connection with the Form 8-K requirements applicable to DRI; and
 - (iii) if there is a material change in respect of the business, operations or capital of DomCan that is not a material change in respect of DRI, DomCan will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be a material change in respect of DRI;
- (B) the Proxy Requirements shall not apply to DomCan, provided that:
 - (i) DRI complies with the requirements of the 1934 Act and the rules and regulations made thereunder relating to proxy statements, proxies and proxy solicitations in connection with any meeting of the holders of its notes;
 - (ii) DRI files with the Decision Makers, in electronic format through SEDAR under DomCan's SEDAR profile, materials relating to any such meeting filed by DRI with the SEC, on the same day on which they are filed with the SEC, or as soon as practicable thereafter; and
 - (iii) such documents are provided to holders of Notes whose last address as shown on the books of DomCan is in Canada, in the manner, at the time and if required by applicable United States law to be sent to DRI debt holders resident in the United States;

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- (C) The Insider Reporting Requirements shall not apply to insiders of DomCan, provided that such insiders file with the SEC on a timely basis the reports, if any, required to be filed with the SEC pursuant to section 16(a) of the 1934 Act and the rules and regulations thereunder;
- (D) The Annual Financial Statement Requirements shall not apply to DomCan, provided that:
 - (i) DRI files with the Decision Makers, in electronic format through SEDAR under DomCan's SEDAR profile, the annual reports on Form 10-K filed by it with the SEC, on the same day on which they are filed with the SEC, or as soon as practicable thereafter; and
 - (ii) such documents are provided to holders of Notes whose last address as shown on the books of DomCan is in Canada, in the manner, at the time and, if required, by applicable United States law to be sent to DRI debt holders; and
- (E) The Interim Financial Statement Requirements shall not apply to DomCan, provided that:
 - (i) DRI files with the Decision Makers quarterly reports on Form 10-Q in electronic format through SEDAR under DomCan's SEDAR profile, filed by it with the SEC, on the same day on which they are filed with the SEC, or as soon as practicable thereafter; and
 - (ii) such documents are provided to holders of Notes whose last address as shown on the books of DomCan is in Canada, in the manner, at the time and, if required, by applicable United States law to be sent to DRI debt holders;

further provided that (for A through E):

- (a) DomCan does not issue additional securities to the public other than securities fully guaranteed by DRI;
- (b) each of DomCan and DRI comply with paragraph 20 above;
- (c) the Notes maintain an Approved Rating;
- (d) DRI, or any successor thereto, maintains direct or indirect 100% ownership of the voting shares of DomCan;

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- (e) DRI maintains a class of securities registered pursuant to section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act;
- (f) DRI continues to satisfy the eligibility criteria set forth in paragraph 3.1 of NI 71-101 (or any applicable successor provision) for using MJDS (or any successor instrument) for the propose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure;
- (g) DomCan carries on no other business other than that set out in paragraph 3 above;
- (h) DRI continues to fully and unconditionally guarantee payment of the principal and interest on any Notes, together with any other amounts that may be due under any provisions of a supplemental trust indenture relating to any Notes; and
- (i) all filing fees that would otherwise be payable by DomCan in connection with the Material Change Requirements, the Proxy Requirements, the Insider Reporting Requirements, the Annual Financial Statement Requirements and the Interim Financial Statement Requirements are paid.

DATED at Calgary, Alberta on this 2nd day of December, 2003.

Mavis Legg, CA
Manager, Securities Analysis