


<p>MADE at the City of Calgary, in the Province of Alberta, on 4th day of February 2005.</p>	 ALBERTA ENERGY AND UTILITIES BOARD
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<p>CU Water Limited Issuance of Debentures</p>	<p>Application No. 1377411</p>
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On December 22, 2004, CU Water Limited (CU Water) filed an application (Application) with the Alberta Energy and Utilities Board (Board) for approval to issue a 5.096% debenture (Debenture) in the principal amount of \$900,000 to CU Inc., its parent company. Details of the Debenture are as follows.

Interest Rate	Principal Amount	Maturity Date	Length to Maturity
5.096%	\$900,000	November 18, 2014	10 years

The Application was considered pursuant to section 101(2)(a) of the *Public Utilities Board Act*, R.S.A. 2000, c. P-45, as amended, (PUB Act).

The Board arranged for publication of Notice of the Application (Notice) in the major Alberta daily newspapers on January 17, 2005 and provided interested parties with a copy of the Notice by e-mail on January 12, 2005. Interested parties were requested to file any objections to the Application by February 1, 2005.

The Board notes that it did not receive any objections to the Application by the deadline date. Therefore the Board will continue to process this Application without further notice as indicated in the Notice.

The Debenture contains repayment and redemption provisions, as well as other terms and conditions that reflect the comparable provisions applicable to the 5.096% debenture of CU Inc. The net proceeds to CU Water, after deduction of its pro rata shares of the issue fees and expenses of CU Inc., are estimated to be approximately \$895,400. In the Application, CU Water stated that the net proceeds received from the proposed Debenture will be applied to finance capital expenditures, repay outstanding indebtedness and for other general corporate purposes.

CU Water stated in its Application that the rates of interest and other terms and conditions attached to the Debenture are, in the opinion of management, more favourable to CU Water than would have been the case if CU Water had carried out long-term debt financing on its own. CU

Water considered that the proposed 5.096% Debenture issue to CU Inc. will not be prejudicial to the interests of CU Water's customers nor to the interests of the public of the Province of Alberta.

The Board considers that CU Water has complied with the requirements of section 101(2)(a) of the PUB Act, and is satisfied that the 5.096% Debenture issue will be made in accordance with legislative requirements. The Board is satisfied with the purposes of the issues and is satisfied that the Debenture will not be detrimental to the interests of CU Water's customers.

Therefore, the Alberta Energy and Utilities Board, pursuant to section 101(2)(a) of the PUB Act R.S.A. 2000, c. P-45, as amended, hereby orders as follows:

- (1) Authorization for CU Water to issue a 10-year 5.096% Debenture to CU Inc. in the principal amount of \$900,000.

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