

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

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 British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from Dominion Resources, Inc. ("Dominion US") and its subsidiary Dominion Canada Finance Company (the "Issuer", and together with Dominion US, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation that:

(a) under National Instrument 44-101 – Short Form Prospectus Distributions ("NI 44-101") and National Instrument 44-102 – Shelf Distributions (collectively, the "Shelf Requirements"), a credit supporter be a reporting issuer with a 12 month reporting history in a jurisdiction (the "Eligibility Requirement") in connection with the issuance by the Issuer of non-convertible debt securities (the "Notes") with an Approved Rating (as such term is defined in NI 44-101) which will be fully and unconditionally guaranteed by Dominion US;

(b) under NI 44-101, that the financial statements of Dominion US that are included in a short form prospectus of the Issuer and are prepared in accordance with foreign GAAP (as such term is defined in NI 44-101) be reconciled to Canadian generally accepted accounting principles ("Canadian GAAP") and that where such financial statements are audited in accordance with foreign GAAS (as such term is defined in NI 44-101) the Issuer provide a statement by the auditor disclosing any material differences in the auditor's report and confirming that the auditing standards of the foreign jurisdiction are substantially similar to Canadian generally accepted auditing standards (the "Reconciliation Requirement");

(c) the Issuer file with the Decision Makers and send to its shareholders audited annual financial statements and annual reports, where applicable (the "Annual Financial Statement Requirements");

(d) the Issuer file with the Decision Makers and send to its shareholders unaudited interim financial statements (the "Interim Financial Statement Requirements");

(e) the Issuer file with the Decision Makers annual and interim MD&A (the "MD&A Requirements");

(f) the Issuer issue and file with the Decision Makers press releases and file with the Decision Makers material change reports (together, the "Material Change Requirements");

(g) the Issuer comply with the proxy and proxy solicitation requirements, including filing with the Decision Makers an information circular or report in lieu thereof (the "Proxy Requirements");

(h) insiders of the Issuer ("Insiders") file insider reports with the Decision Makers (the "Insider Reporting Requirements"), shall not apply;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. Dominion US 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.
2. Dominion US has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the "1934 Act") since 1983.
3. Dominion US has filed with the United States Securities and Exchange Commission (the "SEC") all filings required to be made with the SEC under Sections 13, 14 and 15(d) of the 1934 Act since it first became a reporting company.
4. As at December 31, 2000, Dominion US had approximately US\$12 billion in long term debt outstanding. All of Dominion US' directly issued outstanding long term debt is rated "BBB+" by Standard & Poor's Corporation and "Baa-1" by Moody's Investors Service, Inc..
5. The common shares in the capital of Dominion US are 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 August 20, 2001, the common shares of Dominion US not held by affiliates of Dominion US had a market value in excess of US\$15 billion.

6. Dominion US is the largest fully integrated gas and electric company in the United States with four million customers, 21,000 megawatts of electric power generation, 2.8 trillion cubic feet of natural gas and natural gas equivalents and operates North American's largest natural gas storage system. With approximately US\$29.3 billion in owned and managed assets at December 31, 2000, Dominion US is positioned to serve the more than 50 million homes and businesses in the Midwest to Northwest quadrant of the United States.

7. The head office of the Issuer is in Calgary, Alberta.

8. The Issuer was incorporated under the *Companies Act* (Nova Scotia) on August 20, 2001, and is an indirect wholly-owned subsidiary of Dominion US. The Issuer extra-provincially registered in Alberta on August 21, 2001.

9. The Issuer's only business is to access Canadian capital markets to raise funds, which it lends or otherwise invests in the Canadian subsidiary companies of Dominion US. The Issuer does not carry on any operating business.

10. The Issuer is not a reporting issuer or its equivalent in any of the Jurisdictions. As a result of obtaining a final MRRS Decision Document for the filing of a final short form base shelf prospectus in each of the Jurisdictions to establish the Offering (as defined below), the Issuer will become a reporting issuer or the equivalent in each Jurisdiction which imposes such a concept.

11. Dominion US satisfies all 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 United States prospectus requirements with certain additional Canadian disclosure.

12. Except for the fact that the Issuer is not incorporated under United States law, the Offering (as defined below) would comply with the alternative eligibility criteria for offerings 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.

13. The Issuer does not satisfy the alternative qualification criteria for issuers of guaranteed non-convertible debt securities, as set out in section 2.5 of NI 44-101, solely because Dominion US (as guarantor of the Offering) is not a reporting issuer in any jurisdiction.

14. The Issuer proposes to establish a program to raise up to approximately Cdn. \$750,000,000 in Canada (the "Offering") through its issuance of Notes from time to time over a two-year period.

15. The Notes will be fully and unconditionally guaranteed by Dominion US as to payment of principal, interest and all other amounts due thereunder within 15 days of failure by the Issuer to make any such payment. All Notes will have an Approved Rating (as defined in NI 44-101).

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;

THE DECISION of the Decision Makers under the Legislation is that the Eligibility Requirement and the Reconciliation Requirement shall not apply to the Offering so long as:

(a) the Issuer complies with all of the other requirements of NI44-101, except as varied in paragraph (c) below;

(b) prior to the filing of a preliminary short form prospectus for the Offering (the "Prospectus"):

(i) Dominion US files with the Decision Makers an AIF in the form of an annual report on Form 10-K ("Dominion US' AIF"), in electronic format through SEDAR (as defined in National Instrument 13-101 – Filings with Securities Regulatory Authorities) under the Issuer's SEDAR profile; and

(ii) Dominion US files with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the following documents that Dominion US has filed under the 1934 Act during the last year: (A) Dominion US' 2000 annual report on Form 10-K; and (B) its quarterly reports on Form 10-Q for the periods ended March 31, 2001 and June 30, 2001;

(c) the Prospectus is prepared pursuant to the Shelf Requirements and complies with the requirements set out in Form 44-101F3, with the disclosure required by item 12 of Form 44-101F3 being addressed by incorporating by reference Dominion US' public disclosure documents as well as Dominion US' AIF and the disclosure required by item 7 of Form 44-101F3 being addressed by disclosure with respect to Dominion US in accordance with United States requirements;

(d) the annual and interim financial statements that are included in the Prospectus are prepared in accordance with US GAAP and otherwise comply with the requirements of US law, and in the case of the audited annual financial statements, such financial statements are audited in accordance with US GAAS;

(e) the Prospectus includes all material disclosure concerning the Issuer;

(f) the Prospectus incorporates by reference disclosure made in Dominion US' most recent Form 10-K (as filed under the 1934 Act) together with all Form 10-Qs and mandatory Form 8-Ks filed under the 1934 Act in respect of the financial

year following the year that is the subject of Dominion US' most recently filed Form 10-K and incorporates by reference any documents of the foregoing type filed after the date of the Prospectus and prior to termination of the Offering and states that purchasers of the Notes will not receive separate continuous disclosure information regarding the Issuer;

(g) Dominion US continues to fully and unconditionally guarantee the Notes as to the payments required to be made by the Issuer to holders of the Notes under the provisions of the note indenture relating thereto;

(h) the Notes have an Approved Rating (as defined in NI 44-101);

(i) Dominion US signs the prospectus as promoter;

(j) Dominion US remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of the Issuer;

(k) Dominion US continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use 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

(l) Dominion US undertakes to file with the Decision Makers, in electronic format under the Issuer's SEDAR profile, 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.

THE FURTHER DECISION of the Decision Makers under the Legislation is that the Annual Financial Statement Requirements, the Interim Financial Statement Requirements, the MD&A Requirements, the Material Change Requirements, the Proxy Requirements and the Insider Reporting Requirements (collectively, the "Continuous Disclosure Requirements") shall not apply to the Issuer or Insiders (as defined in the Legislation) of the Issuer, as the case may be, so long as:

(a) Dominion US files with each of the Decision Makers, in electronic format under the Issuer's SEDAR profile, copies of all documents filed by it with the SEC under sections 13, 14 and 15(d) of the 1934 Act, within 24 hours after filing with the SEC including, but not limited to, copies of any Form 10-K, Form 10-Q, mandatory Form 8-K (including press releases), and proxy statements prepared in connection with Dominion US' annual meetings;

(b) the documents referred to in paragraph (a) above are provided to debt security holders whose last address as shown on the books of the Issuer is in Canada in the manner, at the time and only if required by applicable United States law;

- (c) each Insider (as defined in the Legislation) files 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) Dominion US complies with the requirements of the NYSE (or such other principal stock exchange on which its common shares are then listed) in respect of making public disclosure of material information on a timely basis and forthwith issues in the Jurisdictions and files with the Decision Makers, in electronic format under the Issuer's SEDAR profile, any press release that discloses a material change in Dominion US affairs;
- (e) Dominion US remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of the Issuer;
- (f) Dominion US maintains a class of securities registered pursuant to section 12 of the 1934 Act;
- (g) if there is a material change in respect of the business, operations or capital of the Issuer that is not a material change in respect of Dominion US, the Issuer 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 Dominion US;
- (h) Dominion US continues to fully and unconditionally guarantee the Notes as to the payments required to be made by the Issuer to holders of the Notes;
- (i) the Issuer does not issue additional securities other than the Notes (or any other series of the Notes which hereinafter may be issued), debt securities ranking *pari passu* to the Notes, any debentures issued in connection with the security granted by the Issuer to the holders of Notes or debt ranking *pari passu* with the Notes, and those securities currently issued and outstanding, other than to Dominion US or to wholly-owned subsidiaries of Dominion US;
- (j) if Notes of another series or debt securities ranking *pari passu* with the Notes are hereinafter issued by the Issuer, Dominion US shall fully and unconditionally guarantee such Notes or debt securities as to the payments required to be made by the Issuer to holders of such Notes or debt securities; and
- (k) all filing fees that would otherwise be payable by the Issuer in connection with the Continuous Disclosure Requirements are paid.

DATED at Edmonton, Alberta on September 7, 2001.

"Agnes Lau"
Agnes Lau, CA
Deputy Director, Capital Markets

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a wholly-owned Canadian subsidiary of a MJDS eligible U.S. issuer. Issuer granted relief to issue approved rating debt, fully and unconditionally guaranteed by the parent company, under the Short Form Prospectus System and using the Shelf Procedures. Issuer also granted continuous disclosure relief subject to certain conditions.

Applicable Alberta Statutory Provisions

Securities Act, S.A. 1981, c. S-6.1, as amended, ss. 123(c) and 184(2)
National Instruments 44-101 and 44-102