

## Headnote

Mutual Reliance Review System for Exemptive Relief Applications- issuer granted exemption from the prospectus and registration requirements in connection with trades of short-term negotiable promissory notes or commercial paper- sufficient to obtain one credit rating at or above a revised category from an approved credit rating agency, subject to conditions.

## Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c.S-4, sections 75, 110 and 144

Citation: EnCana Corporation, 2006 ABASC 1240 **Date:** 20060411

In the Matter of  
the Securities Legislation of Alberta,  
British Columbia, Saskatchewan, Manitoba, Ontario  
Québec, New Brunswick, Nova Scotia, Prince Edward Island and  
Newfoundland & Labrador (the Jurisdictions)

and

In the Matter of  
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of EnCana Corporation (the Filer)

## MRRS Decision Document

## Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that trades of commercial paper/short-term debt (Commercial Paper) of the Filer be exempt from the dealer registration and prospectus requirements of the Legislation (the Requested Relief).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS):

2.1 the Alberta Securities Commission is the principal regulator for this application, and

2.2 this MRRS decision document evidences the decision of each Decision Maker.

## Interpretation

3. Defined terms contained in National Instrument 14-101 have the same meaning in this decision unless they are defined in this decision.

#### Representations

4. This decision is based on the following facts represented by the Filer:

4.1 The Filer is a corporation governed by the Canada Business Corporations Act with a head office located in Calgary, Alberta.

4.2 The Filer is a reporting issuer in each of the Jurisdictions and is not on the list of reporting issuers in default in any of the Jurisdictions.

4.3 Subsection 2.35(1)(b) of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106) provides that exemptions from the dealer registration and prospectus requirements of the Legislation for short-term debt (the Commercial Paper Exemption) are available only where such short-term debt "has an approved credit rating from an approved credit rating organization." NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" that are used in National Instrument 81-102 Mutual Funds (NI 81-102).

4.4 The definition of "approved credit rating" in NI 81-102, requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating."

4.5 The Commercial Paper of the Filer has an "R-1(low)" rating from Dominion Bond Rating Service Limited (DBRS) and an "A-1(low)" rating from Standard & Poor's (S&P) which meet the prescribed threshold in NI 81-102.

4.6 The Commercial Paper of the Filer does not meet the "approved credit rating" definition in NI 81-102 because it has a "P-2" from Moody's Investors Service (Moody's) which is a lower rating than required by the Commercial Paper Exemption.

#### Decision

5. 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.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Commercial Paper:

6.1 matures not more than one year from the date of issue;

6.2 is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper;

6.3 has a rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below:

<b>Rating</b>	<b>Organization Rating</b>
Dominion Bond Rating Service Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

7. For each Jurisdiction, this decision will terminate on the earlier of:

7.1 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.35 of NI 45-106 or provides an alternate exemption; and

7.2 three years from the date of this decision.

" original signed by"  
Glenda A. Campbell, Q.C., Vice-Chair  
Alberta Securities Commission

" original signed by"  
James A. Millard, Q.C., Member  
Alberta Securities Commission