

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,  
NEW BRUNSWICK, NEWFOUNDLAND, 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 EPCOR UTILITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island (the "Jurisdictions") have received an application from EPCOR Utilities Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in National Policy Statement No. 47 ("NP 47") and the applicable securities legislation of Quebec (including but not limited to, those requirements set forth in Section 13 of the *Securities Act* (Quebec) and Section 166 of the *Regulation Respecting Securities* (Quebec)), which provides that an issuer shall have been a reporting issuer or equivalent in the Jurisdictions for the 12 calendar months immediately preceding the date of filing of its annual information form (the "Eligibility Requirement") in order to be eligible to issue non-convertible debt securities in the Jurisdictions under the prompt offering qualification system (the simplified prospectus regime in Quebec) (the "POP System") shall not apply to the Filer;

AND WHEREAS pursuant to 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. The Filer was incorporated as Edmonton Power Corporation by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on August 28, 1995. The Filer, through wholly-owned subsidiaries, delivers products and services in the power and water industries and, currently, the principal power generation, distribution and transmission and water distribution businesses of the Filer and its subsidiaries are regulated utility operations. The Filer's generation and transmission businesses are currently regulated by the Alberta Electric Utilities Board under the *Electric Utilities Act* (Alberta) and the Filer's distribution and water businesses are currently regulated by the City of Edmonton under the *Municipal Government Act* (Alberta);

2. The City of Edmonton is the sole shareholder of the Filer;
3. The Filer has in excess of \$2 billion of assets and in excess of \$800 million of shareholders' equity. The Filer had revenues in excess of \$1 billion during the year ended December 31, 1999;
4. The Filer has outstanding debt aggregating \$1,320 million as at December 31, 1999, consisting of \$150 million of prospectus qualified debentures, and \$182 million of short term commercial paper and bankers' acceptances issued in the money markets, \$924 million of debt obligations to the City of Edmonton (which in turn has issued debentures in the same amounts with the same terms in the municipal debt markets, and \$64 million of non-recourse project financing syndicated in bank and life insurance markets);
5. The Filer became a reporting issuer or equivalent in each of the Jurisdictions on June 22, 1999 upon receiving receipts for its prospectus in respect of its initial public offering of \$150,000,000 senior unsecured debentures (the "Debentures") CBRS Inc. and Dominion Bond Rating Service Limited have assigned ratings to the Debentures of "A" and "A(low)", respectively;
6. To the best of its knowledge, the Filer is not in default of any requirements of the securities legislation of the Jurisdictions and the regulations and rules thereunder;
7. The Filer wishes to institute in May 2000 a medium term note program which can only be done by way of a shelf prospectus under National Policy 44 therefore requiring the Filer to be eligible to use the POP System;
8. The Filer has recently filed with the securities regulatory authorities in each of the Jurisdictions its audited financial statements for the year ended December 31, 1999, its Management Discussion and Analysis in respect of such financial statements, its 1999 Annual Report, and its Annual Filing of Reporting Issuer for the year ended December 31, 1999 (Alberta Form 28, in lieu of an Information Circular);
9. The Filer proposes to file, by the end of April 2000, an initial annual information form (the "Initial AIF") pursuant to NP 47 and in the Province of Quebec pursuant to the *Securities Act* (Quebec) in respect of its financial year ended December 31, 1999; and
10. Assuming the Initial AIF is accepted by the securities regulatory authorities, and the Filer is not in default of any requirements of any securities legislation of the Jurisdictions and the regulation and rules thereunder, the Filer would be eligible to participate in the POP System pursuant to Section 4.3(1) of NP 47, but for the fact that it has not been a reporting issuer or equivalent for 12 months;

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision")

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Eligibility Requirement shall not apply to the Filer, provided that the Filer complies with all of the filing requirements and procedures and each of the other eligibility requirements of NP 47.

DATED at Edmonton, Alberta on April "17" 2000.

Agnes Lau, CA  
Deputy Director, Capital Markets