



**AltaGas Energy Limited
Partnership
ECNG Energy LP**

Gas Code of Conduct Regulation
Audit Exemption

June 2, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-248: AltaGas Energy Limited Partnership and
ECNG Limited Partnership

Gas *Code of Conduct Regulation* Audit Exemption

Application Nos. 1606117 and 1606118

Proceeding ID. 612

June 2, 2010

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**ALTAGAS ENERGY LIMITED PARTNERSHIP AND
ECNG ENERGY LP
GAS CODE OF CONDUCT REGULATION
AUDIT EXEMPTION**

**Decision 2010-248
Application No. 1606117
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1 INTRODUCTION

1. The Alberta Utilities Commission (Commission) received an application dated April 23, 2010, from AltaGas Ltd., as administrator for AltaGas Energy Limited Partnership (AltaGas Energy) and ECNG Energy LP (ECNG). The application requests an exemption from conducting a compliance audit for the 2009 audit year, pursuant to section 41(1)(a) of the *Code of Conduct Regulation*, AR 183/2003. This section enables a gas distributor or default supply provider or its affiliated retailer to apply to the Commission for an exemption from all or any provision of the *Code of Conduct Regulation*.

2. Section 37 of the *Code of Conduct Regulation* requires a gas distributor or default supply provider and its affiliated retailer to each appoint an independent auditor to perform a compliance audit on an annual basis in accordance with the *Code of Conduct Regulation*.

3. Pursuant to section 41(2)(a) of the *Code of Conduct Regulation* the Commission can not approve an exemption unless the Commission is satisfied that it is in the public interest to do so and that any exemption does not significantly affect the obligations of the applicant, or that the obligations can be or will be met in other ways.

4. The Commission issued a Notice of Application on April 26, 2010 requesting parties who wished to intervene in the proceeding to submit a statement of intent to participate to the Commission by 4:00 p.m., May 10, 2010. The Commission did not receive a statement of intent to participate from any party. The Commission considers that the record for this proceeding closed on May 10, 2010.

2 BACKGROUND

5. AltaGas Ltd. submitted that AltaGas Energy and ECNG have made all filings required under the *Code of Conduct Regulation* for 2009, including their annual filings with the Commission. AltaGas Ltd. further submitted that there were no instances of non-compliance with the *Code of Conduct Regulation* and no complaints from the public.

6. AltaGas Ltd. noted that ECNG and AltaGas Energy have a total of just over 300 customers in Alberta. Consistent with AltaGas' internal policy, none of these customers carried on business in the service territory of AltaGas Utilities Inc., the gas distributor with which AltaGas Energy and ECNG have an affiliate relationship under the *Code of Conduct Regulation*.

7. AltaGas Ltd. also submitted that the requirement to conduct an audit is disproportionate to the benefit the public would receive from an audit, particularly in light of the lack of instances of non-compliance and no complaints from the public.

3 VIEWS OF THE COMMISSION

8. The Commission is satisfied that the exemption request is in the public interest and will not significantly affect the obligations of AltaGas Energy and ECNG for the following three reasons.

9. First, the Commission notes that for 2009, AltaGas Energy and ECNG continued to comply with the reporting requirements of the *Code of Conduct Regulation* by having made all required filings under the *Code of Conduct Regulation*. The exemption request will not affect these obligations.

10. Second, there is limited risk that either AltaGas Energy and ECNG will be in contravention of the *Code of Conduct Regulation* because AltaGas Energy and ECNG do not have any customers in the service territory of its affiliate AltaGas Utilities Inc.

11. Third, the Commission agrees that the cost of conducting an audit would be disproportionate to the benefit the public would receive from an audit given the reduced level of risk for prohibited behavior, AltaGas Energy and ECNG's small customer base and there having been no reported instances of non-compliance or complaints from the public.

4 DECISION

12. For the foregoing reasons the Commission exempts AltaGas Energy and ECNG from the requirement to perform a compliance audit for the 2009 year, as required by section 37 of the *Code of Conduct Regulation*.

Dated on June 2, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Mark Kolesar
Commissioner