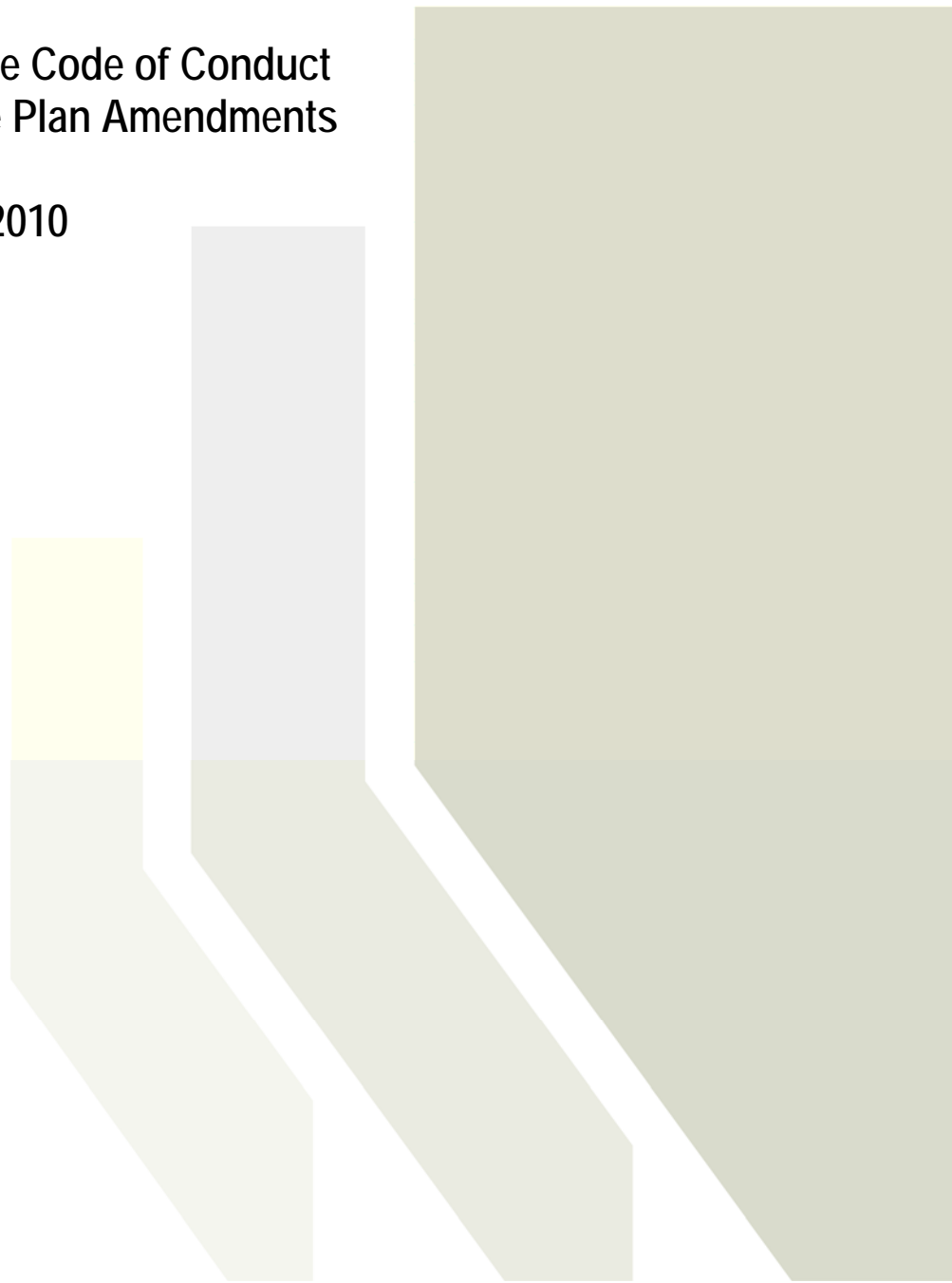




ATCO Gas and Pipelines Ltd.
ATCO Electric Ltd.
CU Water Ltd.

Inter-Affiliate Code of Conduct
Compliance Plan Amendments

October 4, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-481: ATCO Gas and Pipelines Ltd.
ATCO Electric Ltd.
CU Water Ltd.

Inter-Affiliate Code of Conduct Compliance Plan Amendments

Application Nos. 1605739, 1605741, 1605744, 1605753, 1605754, 1605755, 1605767, 1605768
Proceeding ID. 594

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ALBERTA UTILITIES COMMISSION

Calgary Alberta

ATCO GAS AND PIPELINES LTD.	Decision 2010-481
ATCO ELECTRIC LTD.	Application Nos. 1605739, 1605741,
CU WATER LTD.	1605744, 1605753,
INTER-AFFILIATE CODE OF CONDUCT	1605754, 1605755,
COMPLIANCE PLAN AMENDMENTS	1605767, 1605768
	Proceeding ID. 594

1 INTRODUCTION

1. The ATCO Group consists of ATCO Gas, a division of ATCO Gas and Pipelines Ltd., ATCO Electric Ltd., ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. and CU Water Ltd (collectively ATCO or the ATCO Group).

2. The Alberta Utilities Commission's (AUC or Commission) predecessor, the Alberta Energy and Utilities Board (EUB or Board) issued Decision [2003-040](#)¹ in the spring of 2003. The decision dealt with inter-affiliate transactions and activity among the ATCO Group as well as between the ATCO Group and other non-regulated affiliated companies.

3. The ATCO Group's Inter-Affiliate Code of Conduct (Code) was approved as an integral part of Decision 2003-040. The Code set out the principles, obligations and defined terms applicable to inter-affiliate transactions, including the requirement for each utility within the ATCO Group to prepare a compliance plan (Plan). The Plans detailed the measures, policies, procedures and monitoring mechanisms designed to ensure the ATCO Group's full compliance with the Code. Under the present Plans, quarterly and annual compliance reports must be filed with the AUC.

4. On April 30, 2009 the ATCO Group filed reports which stated that it was in non-compliance with section 3.3.1 of the Code, the sharing of employees provision. The AUC sent letters dated December 1, 2009 to ATCO directing it comply with section 3.3.1 of the Code or to apply for an exemption from the application of the provision. ATCO filed four letters in response to the December 1, 2009 letter giving an update as required.

5. ATCO submitted in the response letters that based on the Commission's broad interpretation of section 3.3.1 – sharing of employees, all ATCO employees meet at least one of the criteria of section 3.3.1, therefore no employee can provide any services to affiliates without contravening the Code. ATCO submitted that it had three options to address the non-compliance, with only the latter of the three options listed below being acceptable:

- Apply to amend the Code,
- Apply for an exemption from the Code or,
- Apply to modify its Plans to include a definition of a "Shared Employee."

¹ Decision 2003-040: ATCO Group, Affiliate Transactions and Code of Conduct Proceeding Part B: Code of Conduct (Application No. 1237673) (Released: May 22, 2003).

6. ATCO stated in its letters that it would file amended Plans and the amendments would include a definition for a “Shared Employee.” This new definition would limit shared employees to senior management. ATCO submitted that it believed that members of senior management are the only employees who could potentially influence the provision of services to affiliates to the detriment of customers.

7. Subsequent to ATCO’s filing of the four response letters, ATCO filed four applications in late December 2009 requesting approval for amended versions of the ATCO Plans. The amendments addressed not only the issue of shared employees, but also included numerous other changes.

8. On April 20, 2010, the Commission issued information requests to each of the utilities of the ATCO Group. On May 21, 2010, each utility responded to the Commission’s information requests.

2 COMMISSION FINDINGS

2.1 Sharing of Employees

9. As stated in paragraphs 2 and 3 above, Decision 2003-040 approved the ATCO Code, establishing the standards and conditions for transactions and activities among the ATCO Group. Section 3.3.1 of the current Code reads:

A Utility may share employees on a Cost Recovery Basis with an Affiliate provided that the employees to be shared:

- (a) do not have access to Confidential Information;
- (b) do not routinely participate in making decisions with respect to the provision of Utility Services or how Utility Services are delivered;
- (c) do not routinely deal with or have direct contact with customers of the Utility; and
- (d) are not, subject to the provisions of section 3.1.4 hereof, routinely involved in operating, planning or managing the business of the Utility.

10. The Commission notes that the meaning of this provision was clarified by the EUB in correspondence dated October 5, 2007² which stated that “...Sharing of Employees as intended by the Code and Compliance Plan includes not only ATCO employees with secondary employment with an affiliate but also includes all ATCO employees who perform any work on behalf of an affiliate, whether through a service agreement or by way of an occasional service or emergency service... .”

11. ATCO Electric Ltd., in its response to Information Request AUC-AE-4 (b), stated that it did not want to amend its Code because the requirements for sharing of employees could be met using its proposed Plan revisions while remaining consistent with the spirit and intent of the Code. ATCO Electric Ltd. explained that all employees meet at least one of the criteria contained

² Application No. 1517888: ATCO Gas, a division of ATCO Gas and Pipelines Ltd. - 2007 Second Quarter Exception Report Filing.

in section 3.3.1 of the Code and therefore no employee would be able to provide services through a services agreement, occasional service or emergency service.

12. The Commission does not accept the approach advocated by ATCO Electric Ltd. and the other utilities of the ATCO Group. It is the Code which outlines the principles, obligations and defined terms applicable to affiliate transactions and activities. The Plans describe and detail how a company will comply with the Code. Each serves a distinct function and one cannot be substituted for the other. Sharing of employees is a fundamental provision of the Code and can only be amended or defined by an application to amend the Code.

13. The Commission recognizes that other utilities, namely AltaGas Utilities Inc., AltaLink Management Ltd., ENMAX Power Corporation, EPCOR Energy Alberta Inc., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., each have an inter-affiliate code of conduct containing the same provision as section 3.3.1. - sharing of employees, and each utility has compliance plan mechanisms similar to those in the ATCO Plans.

14. In March 2008, the AUC issued Regulatory Audit Report 2008-001 for ATCO Electric Ltd., ATCO Gas, a division of ATCO Gas and Pipelines Ltd., ENMAX Power Corporation, EPCOR Distribution & Transmission Inc. and FortisAlberta Inc. The objective of the audit was to determine each utility's compliance with its inter-affiliate code of conduct for the year ended December 31, 2006. The report noted that none of the five utilities used the measures in their compliance plans relating to shared employees in section 3.3.1 of their respective codes of conduct and each utility contravened its code of conduct. The report recommended that utilities consider the EUB's 2007³ interpretation of sharing of employees.

15. The Commission also notes that EPCOR Distribution and Transmission Inc. stated the following in its 2007 annual compliance report regarding the broader interpretation of sharing of employees provided by the EUB:

EPCOR submits respectfully that the broader definition of "Sharing of Employees" beyond the instances where Utility employees have secondary employment with a non- Utility Affiliate (or the converse) to include those instances where Utility employees perform work on services (other than Utility Services) provided by the Utility to Affiliates (shared, occasional or emergency), is simply not workable.⁴

16. The Commission observes that AltaGas Utilities Inc. applied for and received an exemption to section 3.3.1 of its code of conduct in Decision 2010-085⁵ for two minor instances of non-compliance. AltaGas Utilities Inc. had argued that section 3.3.1 of the code was unduly restrictive, essentially preventing all employees from participating in a number of inter-affiliate services. AltaGas Utilities Inc. has indicated in its 2009 annual compliance report⁶ that it now

³ Application No. 1517888, *ibid.*

⁴ Application No. 1569975, EPCOR Distribution & Transmission Inc., 2007 Inter-Affiliate Code of Conduct Annual Report (Filed April 30, 2008).

⁵ Decision 2010-085: AltaGas Utilities Inc., Inter-Affiliate Code of Conduct Exemptions (Application No. 1605520, Proceeding ID. 340) (Released: March 1, 2010).

⁶ Application No. 1606144, Proceeding ID. 683: AltaGas Utilities Inc., 2009 Inter-Affiliate Code of Conduct Compliance Report (Filed April 29, 2010).

has another situation in which it is non-compliant with section 3.3.1 and is considering another exemption request.

17. ENMAX Power Corporation in its 2009 annual inter-affiliate compliance report also acknowledged its non-compliance with section 3.3.1 of the code of conduct.⁷

18. In light of the foregoing, ATCO's compliance with section 3.3.1 of its Code is clearly an issue which affects all utility codes of conduct. The Commission will therefore review the issue of sharing of employees through a consultative process. This review will consider the number and types of employees that are affected by the Code. The Commission will issue a bulletin outlining the consultative process shortly.

19. As a result, the Commission denies all proposed amendments that relate to the sharing of employees in the ATCO Plans because these are deferred to the consultative process. During the period of the consultative process, the Commission will suspend the requirement that ATCO and the other affected utilities comply with section 3.3.1 of their respective inter-affiliate codes of conduct.

2.2 Materiality Threshold

20. ATCO also proposed a number of amendments to its Plans related to a materiality threshold of \$250,000 introduced in section 2.1(y) of the applied-for Plans. The Commission finds that ATCO's proposed definition of materiality in its Plans has the effect of narrowing the intended scope and application of the Code, in effect, amending it in a potentially significant way. As discussed in paragraph 12 of this Decision, any change to the Code must result from an amendment to the Code itself. As a result the Commission denies the proposed materiality thresholds in ATCO's Plans. The Commission considers the proposal for a materiality threshold to be an issue that may affect all other utilities that have a code of conduct. Therefore, this issue will be included in the consultative process referred to in paragraph 18 of this Decision.

2.3 Definition of Additional New Terms

21. ATCO proposed a definition for "Management Team" and "Compliance Plan-Initiated Inquiry" which are new terms used in the applied-for Plans.

22. The Code uses the term management team but does not specifically define it. ATCO Electric Ltd.'s proposed definition for management team is as follows: "means identified members of ATCO Electric's management as defined by the President." This term is used in several areas of the Plans, and is notably used in defining senior management for the purposes of defining shared employees. The Commission finds it preferable to address the issues of defining terms in the Code itself rather than putting a definition in the Plans. The Commission denies the inclusion of this definition and all related changes.

23. ATCO's proposed term "Compliance Plan-Initiated Inquiry" is a new term used in the Plans in sections 8.2.1 – compliance officer acknowledgement and 8.2.2 – disposition. It replaces the undefined term inquiry which is used in both the Code and the Plans. ATCO defines this term as "means any instance of Plan non-compliance that is identified by the CPC [Compliance Plan

⁷ Application No. 1606160, Proceeding ID. 683: ENMAX Power Corporation, 2009 Inter-Affiliate Code of Conduct Compliance Report (Filed April 29, 2008).

Committee] to be treated as an inquiry under the Code.” The Commission finds it preferable to address the issues of defining terms in the Code itself rather than putting a definition in the Plans. The Commission denies all amendments related to the use of the term “Compliance Plan-Initiated Inquiry.”

2.4 Physical Separation

24. ATCO applied for an exception whereby internal auditors would be excluded in the measurements under section 3.2.2 which provides for physical separation of staff. The Commission finds that ATCO’s proposed exception for internal auditors narrows the scope of the Code provisions, therefore denies the proposed exception in ATCO’s Plans. The Commission will, however, consider this matter in the consultative process because it appears that such a provision would be relevant to other utilities that have an inter-affiliate code of conduct compliance plan.

2.5 Other Amendments to the ATCO Plans

25. The Commission is of the view that a number of the proposed amendments are of an administrative nature or are minor wording changes. The Commission approves these changes. For greater clarity, the approved changes to the ATCO Plans are reflected in [Appendix 1](#) which is a copy of ATCO Electric Ltd.’s approved Plan.

26. The Commission directs ATCO to incorporate the changes that are approved as per Appendix 1 in the Plans and to post the revised Plans to the respective utility websites by November 1, 2010.

3 ORDER

27. The Commission orders that:

- (1) ATCO Electric Ltd. shall incorporate the approved changes listed in Appendix 1 and post an updated copy of its compliance plan containing the approved changes on its utility website by November 1, 2010.
- (2) ATCO Gas, a division of ATCO Gas and Pipelines Ltd., shall incorporate the approved changes listed in Appendix 1 and post an updated copy of its compliance plan containing the approved changes on its utility website by November 1, 2010.
- (3) ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd., shall incorporate the approved changes listed in Appendix 1 and post an updated copy of its compliance plan containing the approved changes on its utility website by November 1, 2010.
- (4) CU Water Ltd. shall incorporate the approved changes listed in Appendix 1 and post an updated copy of its compliance plan containing the approved changes on its utility website by November 1, 2010.

Dated on October 4, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Anne Michaud
Panel Chair

(original signed by)

Carolyn Dahl Rees
Vice-Chair

(original signed by)

Mark Kolesar
Commissioner

APPENDIX 1 – ATCO ELECTRIC APPROVED COMPLIANCE PLAN

[\(return to text\)](#)



Appendix 1 - ATCO
Electric Ltd Approved

(consists of 29 pages)

APPENDIX 2 – SUMMARY OF COMMISSION DIRECTIONS

This section is provided for the convenience of readers. In the event of any difference between the Directions in this section and those in the main body of the Decision, the wording in the main body of the Decision shall prevail.

1. The Commission directs ATCO to incorporate the changes that are approved as per Appendix 1 in the Plans and to post the revised Plans to the respective utility websites by November 1, 2010. Paragraph 26

ATCO ELECTRIC
INTER-AFFILIATE CODE OF CONDUCT
COMPLIANCE PLAN

Amended as of October 4, 2010

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1 PURPOSE AND OBJECTIVES OF THE COMPLIANCE PLAN

The purpose of this [Plan](#) is to detail the measures, policies, procedures and monitoring mechanisms that ATCO Electric will employ to ensure its full compliance with the provisions of the [Code](#) by ATCO Electric, its directors, officers, employees, consultants, contractors and agents, and by [Affiliates](#) of ATCO Electric with respect to the interactions of the [Affiliates](#) with ATCO Electric.

This [Compliance Plan](#) describes certain obligations and responsibilities of specified ATCO Electric management personnel. Notwithstanding this, and without otherwise reducing or eliminating the obligation and responsibility of the specified ATCO Electric management personnel to ensure any specific requirements of this [Compliance Plan](#) are satisfied, it is understood that all or a portion of the tasks described in this [Compliance Plan](#) may be delegated by the specified ATCO Electric management personnel to other ATCO Electric personnel.

Questions or comments concerning the [Compliance Plan](#) should be directed to the ATCO Electric [Compliance Officer](#):

Dennis A. DeChamplain
Phone: (780) 420-7434
Fax: (780) 420-7120
Email: dennis.dechamplain@atcoelectric.com

Copies of the [Code](#) and this [Compliance Plan](#) are available at www.atcoelectric.com. The numbering used in this [Compliance Plan](#) is consistent with the numbering used in the [Code](#).

2 GENERAL PROVISIONS

2.1 Definitions

In this [Compliance Plan](#), the following capitalized words and phrases shall have the following meanings:

- (a) “**ABCA**” means the *Business Corporations Act*, R.S.A.2000 c. B-9.
- (b) “**Affiliate**” means with respect to ATCO Electric:
 - (i) an “affiliate” as defined in the [ABCA](#) or [CBCA](#);
 - (ii) a unit or division within ATCO Electric or any [Body Corporate](#) referred to in clause (b) (i) above;
 - (iii) a partnership, joint venture, or [Person](#) in which ATCO Electric or any [Body Corporate](#) referred to in clause (b) (i) above has a controlling interest or that is otherwise subject to the control of ATCO Electric or such [Body Corporate](#);

- (iv) any partnership, joint venture, or **Person** deemed by the **AUC** to be an **Affiliate** of ATCO Electric for the purposes of the **Code**; and
- (v) an agent or other **Person** acting on behalf of any **Body Corporate**, operating division, partnership, joint venture or **Person** referred to in clauses (b) (i) to (iv) above.
- (c) **“Affiliated Party Transactions Summary”** unless otherwise directed by the **AUC**, means in respect of any period of time, a summary overview of each type of business transaction or service, other than **Major Transactions** or **Utility Services**, performed by an **Affiliate** for ATCO Electric or by ATCO Electric for an **Affiliate**, which summary shall contain a general description of the transactions and services, the parties involved and the approximate aggregate value of each type of transaction or service during the said period.
- (d) **“ATCO”** means ATCO Ltd.
- (e) **“ATCO Affiliates”** means any entity to which the **Code** applies pursuant to Section 2.3 of the **Code**.
- (f) **“AUC”** means the Alberta Utilities Commission.
- (g) **“Body Corporate”** means a “body corporate” as defined in the **ABCA** or **CBCA**.
- (h) **“CBCA”** means the *Canada Business Corporations Act*.
- (i) **“Code”** means the ATCO Group Inter-Affiliate Code of Conduct.
- (j) **“Common Director”** means a member of the Board of Directors of ATCO Electric who is also a member of the Board of Directors of an **Affiliate** of ATCO Electric.
- (k) **“Common Officer”** means an officer of ATCO Electric who is also an officer of a **Non-Utility Affiliate** of ATCO Electric.
- (l) **“Compliance Officer”** shall have the meaning ascribed thereto in Section 7.3 of the **Code**.
- (m) **“Compliance Plan”** shall mean the document to be prepared and updated by ATCO Electric pursuant to Section 7.5 of the **Code**.
- (n) **“Compliance Plan Committee” (CPC)** shall mean a committee which shall meet at least quarterly, comprised of at least the following:
- President, ATCO Electric
 - Controller, ATCO Electric
 - Senior Manager, Human Resources, ATCO Electric
 - Manager, Affiliate Compliance

- [Compliance Officer](#), ATCO Electric.
- (o) **“Compliance Report”** shall have the meaning ascribed thereto in Section 7.6 of the [Code](#). Quarterly, ATCO Electric will provide an exception report only if there is a matter that ought to be brought to the attention of the [AUC](#).
- (p) **“Compliance Training Material”** means the material developed by the [Compliance Officer](#) prior to the end of each calendar year which will be used to ensure that all directors, officers, employees, consultants, contractors and agents of ATCO Electric are familiar with the provisions of the [Code](#), and this [Plan](#). At a minimum, the material will include instructions on:
- impartial application of the ATCO Electric tariff
 - equal access to [Utility Services](#)
 - avoiding undue influence of customers with respect to [Affiliates](#)
 - ensuring [Affiliate](#) compliance with the [Code](#)
 - appropriate use of the ATCO Electric name, logo, or other distinguishing characteristics
 - confidentiality of [Utility](#) information
 - treatment of [Confidential Information](#) related to customers
 - process for forwarding disputes, complaints or inquiries to the [Compliance Officer](#)
- (q) **“Confidential Information”** means any information relating to a specific customer or potential customer of ATCO Electric, which information ATCO Electric has obtained or compiled in the process of providing current or prospective [Utility Services](#) and which is not otherwise available to the public.
- (r) **“Cost Recovery Basis”** with respect to:
- (i) the use by one [Affiliate](#) of another [Affiliate’s](#) personnel, means the fully burdened costs of such personnel for the time period they are used by the [Affiliate](#), including salary, benefits, vacation, materials, disbursements and all applicable overheads;
 - (ii) the use by one [Affiliate](#) of another [Affiliate’s](#) equipment, means an allocated share of capital and operating costs appropriate for the time period utilized by the [Affiliate](#);
 - (iii) the use by ATCO Electric of an [Affiliate’s](#) services, means the complete costs of providing the service, determined in a manner acceptable to ATCO Electric, acting prudently;
 - (iv) the use by an [Affiliate](#) of ATCO Electric’s services, means the complete costs of providing the service, determined in a manner acceptable to ATCO Electric, acting prudently; and
 - (v) the transfer of equipment, plant inventory, spare parts or similar assets between Utilities, means the net book value of the transferred assets.

- (s) **“Fair Market Value”** means the price reached in an open and unrestricted market between informed and prudent parties, acting at arms length and under no compulsion to act.
- (t) **“For Profit Affiliate Service”** means any service, provided on a for-profit basis:
- (i) by ATCO Electric to a [Non-Utility Affiliate](#), other than a [Utility Service](#); or
 - (ii) by a [Non-Utility Affiliate](#) to ATCO Electric.
- (u) **“Information Services”** means any computer systems, computer services, databases, electronic storage services or electronic communication media utilized by ATCO Electric relating to ATCO Electric customers or ATCO Electric operations.
- (v) **“Major Transaction”** means a transaction or series of related transactions within a calendar year between ATCO Electric and an [Affiliate](#) relating to the sale or purchase of an asset(s) or to the provision of a service or a similar group of services, other than [Utility Services](#), which has an aggregate value within that calendar year of \$500,000 or more.
- (w) **“Non-Utility Affiliate”** means an [Affiliate](#) that is not a [Utility](#).
- (x) **“Occasional Services”** shall have the meaning ascribed thereto in [Section 3.3.6](#) of the [Code](#).
- (y) **“Operational Efficiencies”** means the use of common facilities (such as shared warehousing or field offices), combined purchasing power or the use of other cost saving procedures, individual assets or groups of assets used in [Utility](#) operations (such as equipment, plant inventory, spare parts or similar assets).
- (z) **“Person”** means a “person” as defined in the [ABCA](#) or [CBCA](#).
- (aa) **“Services Agreement”** means an agreement entered into between ATCO Electric and one or more [Affiliates](#) for the provision of [Shared Services](#) or [For Profit Affiliate Services](#) and shall provide for the following matters as appropriate in the circumstances:
- (i) the type, quantity and quality of service;
 - (ii) pricing, allocation or cost recovery provisions;
 - (iii) confidentiality arrangements;
 - (iv) the apportionment of risk;

- (v) dispute resolution provisions; and
 - (vi) a representation by ATCO Electric and each [Affiliate](#) party to the agreement that the agreement complies with the [Code](#).
- (bb) **“Shared Service”** means any service, other than a [Utility Service](#) or a [For Profit Affiliate Service](#), provided on a [Cost Recovery Basis](#) by ATCO Electric to an [Affiliate](#) or by an [Affiliate](#) to ATCO Electric.
- (cc) **“Subsidiary”** shall have the meaning ascribed thereto in Section 2 (4) of the [ABCA](#).
- (dd) **“Utility”** means any [Body Corporate](#) or any unit or division thereof, that provides a [Utility Service](#) and falls within the definition of:
- (i) “electric utility” under the *Electric Utilities Act*, S.A. 2003, c. E-5.1;
 - (ii) “gas utility” under the *Gas Utilities Act*, R.S.A. 2000, c. G-5; or
 - (iii) “public utility” under the *Public Utilities Board Act*, R.S.A. 2000, c. P-45.
- (ee) **“Utility Service”** means a service, the terms and conditions of which are regulated by the [AUC](#), and includes services for which an individual rate, joint rate, toll, fare, charge or schedule of them, have been approved by the [AUC](#).

2.2 Interpretation

Headings are for convenience only and shall not affect the interpretation of this [Plan](#). Words importing the singular include the plural and vice versa. A reference to a statute, document or a provision of a document includes an amendment or supplement to, or a replacement of, that statute, document or that provision of that document.

2.3 To Whom this [Plan](#) Applies

All directors, officers, employees, consultants, contractors and agents of ATCO Electric are obligated to comply with this [Plan](#) and all directors, officers, employees, consultants, contractors and agents of [Affiliates](#) of ATCO Electric are obligated to comply with this [Plan](#) to the extent they interact with ATCO Electric.

2.4 Coming into Force

This [Plan](#) comes into force on approval by the [AUC](#).

2.5 Amendments to this [Plan](#)

This [Plan](#) may be reviewed and amended from time to time by the [AUC](#) on its own initiative, or pursuant to a request by any party to whom this [Plan](#) applies or by an interested party.

2.6 Retained for Numbering Consistency

2.7 Authority of the AUC

Upon approval of this Plan by the AUC, such approval does not detract from, reduce or modify in any way, the powers of the AUC to deny, vary, approve with conditions, or overturn, the terms of any transaction or arrangement between ATCO Electric and one or more Affiliates that may be done in compliance with this Plan. Compliance with this Plan does not eliminate the requirement for specific AUC approvals or filings where required by statute or by AUC decisions, orders or directions.

3 GOVERNANCE AND SEPARATION OF UTILITY BUSINESSES

3.1 Governance

3.1.1 Separate Operations

Policy: ATCO Electric business and affairs will be managed separately from the business and affairs of its Non-Utility Affiliates, except as required to fulfill corporate governance, policy, and strategic direction responsibilities of Canadian Utilities and ATCO.

Compliance Measures

1. The Compliance Officer will maintain an up-to-date list of the Common Directors and Common Officers of ATCO Electric, (the “List of Directors and Officers”).
2. On an annual basis, the Compliance Officer will provide Compliance Training Material to the Common Directors and Common Officers of ATCO Electric. Within 90 days of the end of each calendar year, the Compliance Officer will seek and obtain written acknowledgement from all individuals identified as the Common Officers (excluding directors and officers who are involved in day-to-day management of ATCO Electric and who sign the Officers Certificate under section 3.1.5) that they have received the Compliance Training Material, that they are familiar with the requirements of the Code and the Plan, and that their role in managing the business and affairs of ATCO Electric have been limited to providing corporate governance, policy, and strategic direction (the “Common Officers’ Code Acknowledgement”). This acknowledgement will also confirm that the individuals identified as the Common Officers are familiar with the provisions of the Code (including Section 3.1.5) and the Plan, and have acted in a manner which preserves the form, and the spirit and intent of the Code, and this Plan.

3. On an annual basis the Board of Directors of ATCO Electric will pass the Directors' Resolution contained in [Schedule "C"](#) to this [Plan](#).
4. The [CPC](#) will review the acknowledgements and resolution prior to filing the annual [Compliance Report](#). The minutes of the [CPC's](#) meeting at which the acknowledgements and resolutions are reviewed will reflect the results of the review.
5. If any instances of non-compliance with this policy are identified by the [CPC](#), they will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.1.2 Retained for Numbering Consistency

3.1.3 Separate Management

Policy: ATCO Electric will have a separate [management team](#) and separate officers from its [Non-Utility Affiliates](#), but may share [management team members](#) or officers with other [Affiliated Utilities](#).

Compliance Measures

1. Prior to amending the membership of the ATCO Electric management team, or changing ATCO Electric's officers with any [person](#) who may be perceived as having participated in the management of any [Affiliate](#), the President will provide a notice verbally or in writing to the [Compliance Officer](#). The [Compliance Officer](#) will document verbal notices. If the [Compliance Officer](#) does not identify a concern with adherence to this policy within five working days of receiving the notice, the President may proceed with the change. If the [Compliance Officer](#) does identify a potential concern with adherence to this policy, he will advise the President within five working days, and initiate an inquiry under the [Code](#) ([Section 8](#) of this [Plan](#)).
2. The [Compliance Officer](#) will maintain an up-to-date list of ATCO Electric [management team](#) members and officers, (the "ATCO Electric [Management Team](#) and Officers' List").
3. At each meeting of the [CPC](#), the "ATCO Electric [Management Team](#) and Officers' List" will be compared to the current [management team](#) members and officers of ATCO Electric's [Non-Utility Affiliates](#), and the minutes of the meeting will reflect the outcome of this comparison.
4. Any conflicts with this policy identified as a result of this review will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.1.4 Retained for Numbering Consistency

3.1.5 Guiding Principle

Policy: No individual shall act both as a director, officer, or member of a **management team** of ATCO Electric and as a director, officer or member of a **management team** of an **Affiliate** of ATCO Electric unless the individual is able to carry out his/her responsibilities in a manner that preserves the form, and the spirit and intent, of the **Code** and this **Plan**.

Compliance Measures

1. The **Compliance Officer** will maintain an up-to-date listing of directors, officers, or members of the **management team** of ATCO Electric who act as directors, officers, or members of the **management team** of an **Affiliate** of ATCO Electric, (the “ATCO Electric **Management Team List**”).
2. All such officers, or members of the **management team** of ATCO Electric who also act as officers, or members of the **management team** of an **Affiliate** of ATCO Electric will, on commencement of such dual responsibilities, provide a signed certificate to the **Compliance Officer** that stipulates that he/she is aware of the provisions of Section 3.1.5 of the **Code**, and that he/she will carry out his/her responsibilities in a manner which will preserve the form, and the spirit and intent of the **Code**, (the “Dual Responsibilities Certificate”).
3. Within 60 days of the end of each calendar year, all such officers, or members of the **management team** of ATCO Electric who also act as officers, or members of the **management team** of an **Affiliate** will provide a signed certificate to the **Compliance Officer** that stipulates that he/she carried out his/her responsibilities in a manner which preserved the form, and the spirit and intent of the **Code** (the “Officer’s Certificate”).
4. On an annual basis the Board of Directors of ATCO Electric will pass the Directors’ Resolution contained in **Schedule “C”** to this **Plan**.
5. The **Compliance Officer** will maintain a record of the above certificates and resolutions. Any failure to provide a certificate or resolution, or the provision of a certificate or resolution which does not demonstrate adherence to the **Code** will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

3.2 Degree of Separation

3.2.1 Accounting Separation

Policy: ATCO Electric shall have separate financial records and books of accounts from all **Affiliates**.

Compliance Measures

1. The Controller will ensure the accounts and records of ATCO Electric are kept separate from the accounts and records of all [Affiliates](#).
2. The Controller will provide a signed certificate in the form attached as [Schedule “B”](#) to this [Plan](#) attesting to the accounting separation from all [Affiliates](#) and the maintenance of separate financial records and books of accounts, (the “Financial Records Certificate”), to the [Compliance Officer](#) within 60 days of the end of each calendar year.
3. The [Compliance Officer](#) will maintain a record of the above certificate. Any failure to provide a certificate or the provision of a certificate which does not demonstrate adherence to the [Code](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.2.2 Physical Separation

Policy: ATCO Electric shall be located in separate buildings, or shall otherwise be physically separated from all [Non-Utility Affiliates](#) through the use of appropriate security-controlled access.

Compliance Measures

1. In situations where ATCO Electric is located in the same building as a [Non-Utility Affiliate](#), ATCO Electric will institute appropriate security-controlled access through the use of receptionists, keyed locks, or card-key access.
2. The [Compliance Officer](#), ATCO Electric will provide a signed certificate in the form attached as [Schedule “B”](#) to this [Plan](#) attesting to the physical separation of ATCO Electric from all [Non-Utility Affiliates](#), (the “Physical Separation Certificate”), within 60 days of the end of each calendar year.
3. The [Compliance Officer](#) will maintain a record of the above certificate. Any failure to provide a certificate or the provision of a certificate which does not demonstrate adherence to the [Code](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.2.3 Separation of [Information Services](#)

Policy: Where ATCO Electric shares [Information Services](#) with an [Affiliate](#) all [Confidential Information](#) will be protected from unauthorized access by the [Affiliate](#).

Compliance Measures

1. Prior to sharing [Information Services](#) with an [Affiliate](#), owners of computer systems containing [Confidential Information](#) must provide approval in writing. On an annual basis the [Compliance Officer](#) will receive a list of users with

- approved access to computer systems containing **Confidential Information**, (the “Shared Information Systems Access List”).
2. The **Compliance Officer** will annually review the Shared Information Systems Access List for all **Information Services** shared with any **Affiliate**. The **Compliance Officer** will annually review with the owners of systems containing **Confidential Information**, the list of **Affiliates** that have access to their system.
 3. The **Compliance Officer** will annually review the data management and data access protocols and contractual provisions regarding the breach of any access protocols to ensure they are appropriate.
 4. The **Compliance Officer** will provide a signed certificate in the form attached as **Schedule “B”** to this **Plan** (the “Shared Access Compliance Certificate”), within 60 days of the end of each calendar year. The certificate attests that all **Information Services** shared with an **Affiliate** were reviewed and that all access by **Affiliates** to **Information Services** is in accordance with section 3.2.3 of the **Code**.
 5. The **Compliance Officer** will maintain a record of the approvals and certificate. Any failure to provide the approvals or certificate as described in paragraph 1 and 3 above, or the provision of the approvals or certificate which do not demonstrate adherence to the **Code** will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

3.2.4 Financial Transactions with **Affiliates**

Policy: Any loan, investment, or other financial support provided by ATCO Electric to a **Non-Utility Affiliate is to be provided on terms no more favorable than what that **Non-Utility Affiliate** would be able to obtain as a stand-alone entity from the capital markets.**

Compliance Measures

1. The Controller will review all loans, investments, or other financial support provided to a **Non-Utility Affiliate** to ensure compliance with **section 3.2.4** of the **Code** and **Plan**.
2. The Controller will provide a signed certificate in the form attached to this **Plan** as **Schedule “B”** attesting that any loans, investments, or other financial support provided to a **Non-Utility Affiliate** have been provided on terms no more favourable than what the **Non-Utility Affiliate** would be able to obtain as a stand-alone entity (the “Financial Arrangements Certificate”). The certificate will be provided to the **Compliance Officer** within 60 days of the end of each calendar year.
3. The **Compliance Officer** will maintain a record of the above certificate. Any failure to provide a certificate or the provision of a certificate which does not

demonstrate adherence to the [Code](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.3 Resource Sharing

3.3.1 Sharing of Employees

Policy: ATCO Electric will share employees with Affiliates on a Cost Recovery Basis if the conditions described in Section 3.3.1 of the Code are met.

Compliance Measures

1. ATCO Electric employees may not be shared with an Affiliate without the written permission of the appropriate Vice-President of ATCO Electric, (the “Shared Employee Permission Record”), who will provide the signed permission to the ATCO Electric Human Resources Manager.
2. The ATCO Electric Human Resources Manager will retain the written permission on file, and provide a quarterly report to the Compliance Officer on all instances of sharing ATCO Electric employees with Affiliates which have occurred, or continued during the reporting period, (the “Shared Employees Report”). The report will identify if the required Vice-President approval was in place before the sharing took place.
3. The CPC will review the “Shared Employees Report” on a quarterly basis. The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the CPC for changes to the manner in which employees are shared with Affiliates.
4. Any recommendations by the CPC for changes to the manner in which employees are shared with Affiliates will be treated as an inquiry under the Code (see [Section 8](#) of this [Plan](#)). Any instances of employees being shared with [Affiliates](#) without the signed permission of the appropriate Vice-President will be treated as an inquiry under the Code (see [Section 8](#) of this [Plan](#)).

3.3.2 Transferring of Employees

Policy: Where an employee is being transferred from ATCO Electric to an [Affiliate](#), the appropriate Vice-President will identify whether or not the employee had access to [Confidential Information](#), and if it is determined that the employee did have such access, the Vice-President will obtain the necessary confidentiality agreement prior to the transfer of the employee.

Compliance Measures

1. All employees who transfer from ATCO Electric to an [Affiliate](#) will sign a confidentiality agreement prior to the transfer. The employee’s supervisor will

- obtain the necessary signed confidentiality agreement prior to the transfer of the employee, and will provide the signed agreement to Human Resources.
2. Human Resources will retain the confidentiality agreement, and provide a quarterly report, (the “Transferred Employees Report”), to the [Compliance Officer](#) on all instances of ATCO Electric employees transferring to [Affiliates](#) which have occurred during the reporting period, indicating whether the required signed confidentiality agreement was in place before the transfer took place.
 3. The [CPC](#) will review the “Transferred Employees Report” on a quarterly basis. The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the [CPC](#) for changes to the manner in which employees are transferred to [Affiliates](#).
 4. Any recommendations by the [CPC](#) for changes to the manner in which employees transfer to [Affiliates](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)). Any instances of employees with access to [Confidential Information](#) being transferred to an [Affiliate](#) in the absence of a signed confidentiality agreement will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.3.3 Sharing of Assets

Policy: The plant, assets and equipment of ATCO Electric shall be separated in ownership and separated physically from the plant, assets and equipment of other [Non-Utility Affiliates](#). [Utility Affiliates](#) may share ownership and may physically share office space, equipment, rights-of-way and other assets on a [Cost Recovery Basis](#).

Compliance Measures

1. The Controller will maintain an inventory of all plant, assets and equipment shared with [Affiliates](#).
2. The Controller will ensure that no plant, assets and equipment are shared with [Non-Utility Affiliates](#).
3. The Controller will provide a signed certificate in the form attached to this [Plan](#) as [Schedule “B”](#), and an annual report of all plant, assets and equipment shared with [Utility Affiliates](#), (the “Shared Assets Report”). The “Shared Assets Report” will identify the methods used to ensure that such sharing is done on a [Cost Recovery Basis](#), the percentage of costs borne by each party and that these percentages were appropriate. The certificate and “Shared Assets Report” will be provided to the [Compliance Officer](#) within 60 days of the end of each calendar year.
4. The [CPC](#) will review the “Shared Assets Report” within 90 days of the end of each calendar year. The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the [CPC](#)

for changes to the methods used to ensure that plant, assets and equipment are shared with [Utility Affiliates](#) on a [Cost Recovery Basis](#).

5. Any recommendations by the [CPC](#) for changes to the methods used to ensure that plant, assets and equipment are shared with [Utility Affiliates](#) on a [Cost Recovery Basis](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

3.3.4 Shared Services Permitted

Policy: ATCO Electric may obtain [Shared Services](#) from, or provide [Shared Services](#) to, an [Affiliate](#) where it is prudent to do so, provided that each of ATCO Electric and the [Affiliates](#) bear its proportionate share of costs.

Compliance Measures

1. All new or revised [Shared Services](#) will be documented by a [Services Agreement](#).
2. Prior to receiving a new or revised [Shared Service](#), the [Services Agreement](#) will be prepared by the appropriate ATCO Electric employee and presented to the [CPC](#) for review and approval. A business case identifying that it is prudent to obtain the [Shared Services](#) will be prepared if the annual value of the [Shared Services](#) is estimated to be greater than \$50,000. The business case will be presented to the [CPC](#) for review and approval.
3. Prior to providing a [Shared Service](#), the [Services Agreement](#) will be prepared by the appropriate ATCO Electric employee and presented to the [CPC](#) for review and approval.
4. The [Compliance Officer](#) will maintain an inventory of all [Shared Services](#) obtained from, or provided to an [Affiliate](#).
5. The [Shared Services](#) will be annually reviewed by ATCO Electric's representatives prior to year end and by the [CPC](#) within 90 days of the end of each calendar year. The results of the review will be reflected in the minutes of the [CPC's](#) meeting. Any [Shared Service](#) which no longer meets the test of continued prudence will be revised or terminated in accordance with the terms of the [Services Agreement](#).

3.3.5 Retained for Numbering Consistency

3.3.6 Occasional Services Permitted

Policy: ATCO Electric may receive, or provide, one-off, infrequent, or [Occasional Services](#) to, or from, an [Affiliate](#) on a [Cost Recovery Basis](#), documented by way of a work order, purchase order, or similar instrument, where the [Occasional Services](#) are not material as to value, frequency, or use of resources.

Compliance Measures

1. The Controller will ensure that all **Occasional Services** provided to, or received by an **Affiliate** are provided on a **Cost Recovery Basis**, and are documented by way of an approved work order, purchase order, or similar instrument.
2. The Controller will provide a signed certificate in the form attached to this **Plan** as **Schedule “B”**, and an annual report of **Occasional Services** provided by ATCO Electric to an **Affiliate** and vice versa (the “**Occasional Services Report**”). The “**Occasional Services Report**” will indicate whether the services have been provided on a **Cost Recovery Basis** and have been properly documented. The certificate and “**Occasional Services Report**” will be provided to the **Compliance Officer** within 90 days of the end of each calendar year.
3. The **CPC** will review the “**Occasional Services Report**” prior to filing the annual **Compliance Report**. The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the **CPC** for changes to the provision, receipt and documentation of **Occasional Services**.
4. Any recommendations by the **CPC** for changes to the provision, receipt and documentation of **Occasional Services**, will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

3.3.7 Emergency Services Permitted

Policy: In the event of an emergency, ATCO Electric may receive, or provide, services and resources to, or from, an Affiliate on a Cost Recovery Basis.

Compliance Measures

1. The Controller will ensure that all emergency services and resources provided to, or received by an **Affiliate** in the event of an emergency are provided on a **Cost Recovery Basis**.
2. The Controller will provide a signed certificate in the form attached to this **Plan** as **Schedule “B”**, and an annual report of Emergency Services provided by ATCO Electric to an **Affiliate** and vice versa (the “**Emergency Services Report**”). The “**Emergency Services Report**” will indicate whether the services have been provided on a **Cost Recovery Basis** and have been properly documented. The certificate and “**Emergency Services Report**” will be provided to the **Compliance Officer** within 90 days of the end of each calendar year.
3. The **CPC** will review the “**Emergency Services Report**” prior to filing the annual **Compliance Report**. The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the **CPC** for changes to the provision, receipt and documentation of Emergency Services.

4. Any recommendations by the **CPC** for changes to the provision, receipt and documentation of Emergency Services, will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

4 TRANSFER PRICING

4.1 For Profit Affiliate Services

Policy: ATCO Electric may, when it determines it is prudent to do so in operating its **Utility** business, obtain or provide **For Profit Affiliate Services** to an **Affiliate**, subject to the provisions of Sections 4.2 and 4.3 of the **Code**.

Compliance Measures

1. All existing, new or revised **For Profit Affiliate Services** will be documented by a **Services Agreement**, duly executed by ATCO Electric employees with the appropriate signing authority.
2. Prior to implementing a new or revised **For Profit Affiliate Service** to receive services from an **Affiliate** the **Services Agreement** will be reviewed and approved by the **CPC**. A business case identifying that it is prudent to obtain the **For Profit Affiliate Service** will be prepared if the annual value of the **For Profit Affiliate Service** is estimated to be greater than \$50,000. The business case must contain adequate evidence (on a net present value basis appropriate to the life cycle or operating cycle of the services involved) to conclude that the decision to out-source is the lowest cost option for customers, and that the **For Profit Affiliate Services** have been acquired at a price which is no more than **Fair Market Value**. **Fair Market Value** will be determined in a manner consistent with Section 4.5 of the **Code**. The business case will be presented to the **CPC** for review and approval.
3. Prior to implementing a new or revised **For Profit Affiliate Service** to provide services to an **Affiliate**, the **Services Agreement**, and a description of the process used to determine that the **For Profit Affiliate Service** is to be provided at a price which is no less than **Fair Market Value** will be reviewed and approved by the **CPC**. **Fair Market Value** will be determined in a manner consistent with Section 4.5 of the **Code**.
4. The **Compliance Officer** will maintain an inventory of all **For Profit Affiliate Services** obtained from, or provided to an **Affiliate**. On a quarterly basis, the **Compliance Officer** will prepare a report describing all **For Profit Affiliate Services** obtained from, or provided to an **Affiliate** and will maintain a record of the above reports.
5. The **For Profit Affiliate Services** between ATCO Electric and an **Affiliate** will be annually reviewed by ATCO Electric's representatives prior to year end and by the **CPC** within 90 days of the end of each calendar year. The results of the review will be reflected in the minutes of the **CPC's** meeting. Any **For Profit**

Affiliate Service which no longer meets the test of continued prudence will be revised or terminated in accordance with the terms of the **Service Agreement**.

6. Failure to provide a report described in item 4 above will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**)

4.2 Pricing **For Profit Affiliate Services**

4.2.1 Retained for Numbering Consistency

4.2.2 Retained for Numbering Consistency

4.3 Retained for Numbering Consistency

4.4 Asset Transfers

Policy: Assets transferred, mortgaged, leased or otherwise disposed of by ATCO Electric to an **Affiliate** or by an **Affiliate** to ATCO Electric will be at **Fair Market Value**, subject to the provisions of Section 4.6 of the **Code**.

Compliance Measures

1. The Controller will approve any asset transfers, mortgages, leases, or other dispositions by ATCO Electric to an **Affiliate**, or by an **Affiliate** to ATCO Electric, and will ensure that such asset transfers are at **Fair Market Value**, subject to the provisions of Section 4.6 of the **Code**.
2. The Controller will provide a signed certificate in the form attached to this **Plan** as **Schedule "B"**, and an annual report detailing any asset transfers between ATCO Electric and **Affiliates** (the "Asset Transfers Report"). The "Asset Transfers Report" will describe the manner in which the asset transfers were determined to be at **Fair Market Value**, subject to the provisions of Section 4.6 of the **Code**. The certificate and "Asset Transfers Report" will be provided to the **Compliance Officer** within 60 days of the end of each calendar year.
3. Within 90 days of the end of each calendar year, the **CPC** will review the "Asset Transfers Report". The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the **CPC** for changes to the methods used to ensure that asset transfers are at **Fair Market Value**, subject to the provisions of Section 4.6 of the **Code**.
4. Any recommendations by the **CPC** for changes to the methods used to ensure that asset transfers between ATCO Electric and **Affiliates** are priced at **Fair Market Value**, subject to the provisions of Section 4.6 of the **Code**, will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

4.5 Retained for Numbering Consistency

4.6 Asset Transfers Between Utilities for **Operational Efficiencies**

Policy: ATCO Electric may obtain **Operational Efficiencies** through the use of common facilities, combined purchasing power or other cost saving procedures by transferring individual assets or groups of assets used in **Utility** operations between ATCO Electric and **Utility Affiliates** on a **Cost Recovery Basis**.

Compliance Measures

1. The appropriate Vice Presidents will approve asset transfers for **operational efficiencies**. The Controller will ensure that the transfer of individual assets or groups of assets used in **Utility** operations between ATCO Electric and **Utility Affiliates** will be done on a **Cost Recovery Basis**.
2. The Controller will provide a signed certificate in the form attached to this **Plan** as **Schedule “B”**, and an annual report detailing any arrangements for obtaining **Operational Efficiencies** between ATCO Electric and **Utility Affiliates** (the “Asset Transfers Report”). The “Asset Transfers Report” will describe the manner in which the asset transfers were determined to be on a **Cost Recovery Basis**. The certificate and “Asset Transfers Report” will be provided to the **Compliance Officer** within 60 days of the end of each calendar year.
3. Within 90 days of the end of each calendar year, the **CPC** will review the “Asset Transfers Report”. The minutes of the meeting at which the report is reviewed and approved will reflect the results of the review, including any recommendations by the **CPC** for changes to the methods used to ensure that asset transfers are on a **Cost Recovery Basis**.
4. Any recommendations by the **CPC** for changes to the methods used to ensure that asset transfers between ATCO Electric and **Affiliates** are valued on a **Cost Recovery Basis** will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

5 EQUAL TREATMENT WITH RESPECT TO **UTILITY SERVICES**

5.1 Impartial Application of Tariff

Policy: ATCO Electric shall apply and enforce all tariff provisions related to **Utility Services** impartially, in the same timeframe, and without preference in relation to its **Affiliate** and all other customers or prospective customers.

See the Compliance Measures in **Section 7.2** of this **Plan**.

5.2 Equal Access

Policy: ATCO Electric shall not favour any **Affiliate** with respect to access to information concerning **Utility Services** or with respect to the obtaining of, or the scheduling of, **Utility Services**. Requests by an **Affiliate** or an **Affiliate's** customers for access to **Utility Services** shall be processed and provided in the same manner as would be processed or provided for other customers of ATCO Electric.

See the Compliance Measures in [Section 7.2](#) of this [Plan](#).

5.3 No Undue Influence

Policy: ATCO Electric shall not condition or otherwise tie the receipt of **Utility Services** to a requirement that a customer must also deal with an **Affiliate**. ATCO Electric shall ensure that its employees do not explicitly or by implication, suggest that an advantage will accrue to a customer in dealing with ATCO Electric if the customer also deals with an **Affiliate** of ATCO Electric.

See the Compliance Measures in [Section 7.2](#) of this [Plan](#).

5.4 **Affiliate** Activities

Policy: ATCO Electric shall take reasonable steps to ensure that an **Affiliate** does not imply in its marketing material or otherwise, favoured treatment or preferential access to **Utility Services**.

See the Compliance Measures in [Section 7.2](#) of this [Plan](#).

5.5 Name and Logo

Policy: ATCO Electric shall take reasonable steps to ensure that an **Affiliate** does not use ATCO Electric's name, logo or other distinguishing characteristics in a manner which would mislead consumers as to the distinction or lack of distinction between ATCO Electric and the **Affiliate**.

See the Compliance Measures in [Section 7.2](#) of this [Plan](#).

5.6 Retained for Numbering Consistency

6 CONFIDENTIALITY OF INFORMATION

6.1 **Utility** Information

Policy: Subject to Section 6.2 of the **Code**, ATCO Electric shall not provide **Non-Utility Affiliates** with information relating to the planning, operations, finances or strategy of ATCO Electric or an Affiliated **Utility** before such information is publicly available.

See the Compliance Measures in Section 7.2 of this Plan.

6.2 Management Exception

Policy: Officers of ATCO Electric who are also officers of an **Affiliate** as permitted pursuant to Section 3.1.4 of the **Code** may disclose, subject to the provisions of Section 3.1.5 of the **Code**, ATCO Electric's planning, operational, financial and strategic information to the **Affiliate** to fulfill their responsibilities with respect to corporate governance, policy and strategic direction of an Affiliated group of businesses, but only to the extent necessary and not for any other purpose.

See the Compliance Measures in Section 3.1 of this Plan.

6.3 No Release of Confidential Information

Policy: ATCO Electric shall not release to an **Affiliate Confidential Information** relating to a customer or prospective customer, without receiving the prior written consent of the customer or prospective customer, unless such **Confidential Information** may be disclosed in connection with an inquiry described in Section 6.3 of the **Code**. **Confidential Information** to be disclosed in connection with an inquiry described in Section 6.3 of the **Code** must be approved by the **Compliance Officer** prior to being released.

Compliance Measures

1. Approval will be obtained from a customer, or prospective customer, in writing, indicating their consent to share **Confidential Information** relating to the customer or prospective customer with an **Affiliate** before the information is shared, unless such **Confidential Information** may be disclosed to an **Affiliate** in connection with a disclosure required under Section 6.3 of the **Code**.
2. Written consent received from a customer or prospective customer will be provided by management to the **Compliance Officer**, who will verify that the information has not yet been shared and will maintain the consent documentation on file as a record of the approval. Management can then release the information.
3. If **Confidential Information** is to be disclosed to an **Affiliate** in connection with a disclosure required under Section 6.3 of the **Code**, the **Compliance Officer** will verify the circumstances and, if appropriate, will provide an authorization in writing prior to the information being released.

4. Management will provide a signed certificate in the form attached as [Schedule “B”](#) to this [Plan](#) attesting that they have not released [Confidential Information](#) related to a customer or prospective customer without receiving the prior written consent of the customer or prospective customer, (the “Protection of [Confidential Information](#) Certificate”), to the [Compliance Officer](#) within 60 days of the end of each calendar year.
5. The [Compliance Officer](#) will maintain a record of the above certificates. Any failure to provide a certificate as described in paragraph 4 above or the provision of a certificate which does not demonstrate adherence to the [Code](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

6.4 Aggregated [Confidential Information](#)

Policy: ATCO Electric may disclose [Confidential Information](#) when aggregated with the [Confidential Information](#) of other customers in such a manner that an individual customer’s [Confidential Information](#) can not be identified, provided that ATCO Electric shall not disclose such aggregated customer information to an [Affiliate](#) prior to making such information publicly available.

Compliance Measures

1. If management proposes to disclose aggregated [Confidential Information](#) to an [Affiliate](#), the [Compliance Officer](#) will verify the aggregated information and, if appropriate, will provide an authorization in writing prior to the information being released. Management can then release the information.
2. The [Compliance Officer](#) will verify that the information has not been released to an [Affiliate](#) before being released to the public and will maintain a record of the approval on file.
3. Management will provide a signed certificate in the form attached as [Schedule “B”](#) to this [Plan](#) attesting that they have not released aggregated [Confidential Information](#) to an [Affiliate](#) prior to making such information publicly available, (the “Aggregated [Confidential Information](#) Certificate”), to the [Compliance Officer](#) within 60 days of the end of each calendar year.
4. The [Compliance Officer](#) will maintain a record of the above certificates. Any failure to provide a certificate as described in paragraph 3 above or the provision of a certificate which does not demonstrate adherence to the [Code](#) will be treated as an inquiry under the [Code](#) (see [Section 8](#) of this [Plan](#)).

7 COMPLIANCE MEASURES

7.1 Responsibility for Compliance

Policy: ATCO Electric shall be responsible for ensuring compliance with the **Code** on the part of its directors, employees, consultants, contractors and agents, and by **Affiliates** of ATCO Electric.

See the Compliance Measures in [Section 7.2](#) of this [Plan](#).

7.2 Communication of **Code** and **Compliance Plan**

Policy: ATCO Electric will communicate the contents of the **Code** and the **Compliance Plan**, and any modifications to them from time to time to each of its directors, officers, employees, consultants, contractors, agents and **Affiliates**, and make the **Code** and the **Compliance Plan** available on the ATCO Electric web site.

Compliance Measures

1. Each director, officer, employee, consultant, contractor, agent and **Affiliate** of ATCO Electric will receive a copy of the **Code** on commencement of their relationship with ATCO Electric.
2. For ATCO Electric's employees (excluding the **Common Directors** and **Common Officers** of ATCO Electric), a signed acknowledgement that the employee has received, and is familiar with, the **Code** and this **Compliance Plan**, (the "Code Acknowledgement Documentation"), will be obtained on the commencement of employment with ATCO Electric. The acknowledgement will be maintained by Human Resources.
3. For ATCO Electric's consultants, contractors, and agents, the responsible ATCO Electric employee will provide a copy of the **Code** to the affected party, and will obtain a written acknowledgement from the consultant, contractor, or agent that they have received a copy of the **Code**, are familiar with its contents and will abide by its requirements.
4. The **Compliance Officer** will provide copies of the **Code** and this **Compliance Plan** to all **Affiliates** of ATCO Electric on an annual basis, addressed to a senior officer of the **Affiliate**.
5. On an annual basis, and within 90 days of the end of each calendar year, each ATCO Electric employee (excluding the **Common Directors** and **Common Officers** of ATCO Electric) will confirm (through written acknowledgement) that they have received the current **Compliance Training Material**, a current copy of the **Code** and this **Compliance Plan**, are aware of their contents, agree to abide by their requirements and have abided by the **Code** in the previous year (the "Code Acknowledgement Documentation"). The written acknowledgements will be maintained by Human Resources.
6. The Human Resources Senior Manager will provide a report to the **CPC** (the "Employee Code Acknowledgements Report"), identifying whether all ATCO Electric employees have completed the "Code Acknowledgement

Documentation”. The **CPC** will review the “Employee Code Acknowledgements Report” prior to filing the annual **Compliance Report**.

7. The **Compliance Officer** will post the **Code** and the **Compliance Plan** on the ATCO Electric web site.

7.3 Retained for Numbering Consistency

7.4 Responsibilities of the **Compliance Officer**

Policy: The ATCO Electric **Compliance Officer** will discharge the responsibilities detailed in Section 7.4 of the **Code**.

Compliance Measures

1. The responsibilities of the **Compliance Officer** are described in Section 7.4 of the **Code** as amended from time to time.
2. Within 90 days of the end of each calendar year, the **Compliance Officer** will prepare a report for review by the **CPC** detailing the manner in which he/she has discharged the above responsibilities, (the “**Compliance Officer’s Report**”). The report will be prepared in a manner consistent with Section 7.4 of the **Code**. The records required to be maintained by the **Compliance Officer** pursuant to Section 7.4 of the **Code** will be retained for a period of six years in a manner sufficient to support a third party audit of the state of compliance with the **Code**.
3. The **CPC** will review the “**Compliance Officer’s Report**” prior to filing the annual **Compliance Report**. The results of the review, and any recommendations by the **CPC** for improvements to the manner in which the **Compliance Officer** discharges the above responsibilities, will be detailed in the minutes of the meeting.
4. Any recommendations by the **CPC** for changes to the manner in which the **Compliance Officer** discharges the above responsibilities will be treated as an inquiry under the **Code** (see **Section 8** of this **Plan**).

7.5 The **Compliance Plan**

Policy: ATCO Electric will prepare a **Compliance Plan**, review it at least annually, and update it as necessary.

Compliance Measures

1. A copy of ATCO Electric’s current **Compliance Plan**, indicating the date of its last review will be filed with the **AUC** as Section (a) of the annual **Compliance Report**.

7.6 The **Compliance Report**

Policy: ATCO Electric will prepare a **Compliance Report** in accordance with Section 7.6 of the **Code**, and file it with the **AUC** within 120 days of the fiscal year end of ATCO Electric. The **Compliance Report** will be posted on ATCO Electric's web site, and interested parties will be advised promptly when the **Compliance Report** has been posted on the web site.

Compliance Measures

1. The **Compliance Report** will meet the requirements of section 7.6 of the **Code** as amended from time to time.

7.7 Retained for Numbering Consistency

7.8 Retained for Numbering Consistency

8 DISPUTES, COMPLAINTS AND INQUIRIES

8.1 Filing with the **Compliance Officer**

Policy: The **Compliance Officer** will keep a record of all written (or e-mailed) disputes, complaints or inquiries from within ATCO Electric or from external parties respecting the application of, or alleged non-compliance with, the **Code**. The identity of the party making the dispute, complaint, or inquiry will be kept confidential.

Compliance Measures

1. The **Compliance Officer** will maintain the necessary records of disputes, complaints, or inquiries.
2. The **Compliance Officer** will ensure that appropriate instructions for sending disputes, complaints, or inquiries to the **Compliance Officer** are posted on the ATCO Electric website.
3. The **Compliance Officer** will ensure that a description of how the **Compliance Officer** will investigate disputes, complaints or inquiries (in a manner consistent with the **Code**) is posted on the ATCO Electric website.

8.2 Processing by **Utility**

8.2.1 **Compliance Officer** Acknowledgement

Policy: The **Compliance Officer** shall acknowledge all disputes, complaints or inquiries in writing (which includes e-mail) within five working days of receipt.

Compliance Measures

See [Section 8.1](#)

8.2.2 Disposition

Policy: The **Compliance Officer** shall respond to the dispute, complaint or inquiry within 21 working days of its receipt. The response shall include a description of the dispute, complaint or inquiry and the initial response of ATCO Electric to the issues identified in the submission. ATCO Electric's final disposition of the dispute, complaint or inquiry shall be completed as expeditiously as possible in the circumstances, and in any event within 60 days of receipt of the dispute, complaint or inquiry, except where the party making the submission otherwise agrees.

Compliance Measures

See [Section 8.1](#).

8.3 Referral to the AUC

Policy: The **Compliance Officer** shall ensure that instructions on how to refer disputes to the AUC are contained on the ATCO Electric website

Compliance Measures

1. Instructions for referring disputes to the AUC will be posted on the ATCO Electric website.

9 RETAINED FOR NUMBERING CONSISTENCY

9.1 Retained for Numbering Consistency

9.2 Retained for Numbering Consistency

10 EFFECTIVE DATE OF THE COMPLIANCE PLAN

This amended [Plan](#) is effective as of November 1, 2010.

11 SCHEDULE A – OFFICER’S CERTIFICATE

To: The [Alberta Utilities Commission](#)

I, _____ of the City of _____, in the Province of Alberta, acting in my position as an officer of ATCO Electric and not in my personal capacity, to the best of my knowledge do hereby certify as follows:

1. My position is _____, and as such I have personal knowledge of, or have conducted due inquiry of individuals who have personal knowledge of, the facts and matters herein stated.
2. Capitalized terms used herein (which are not otherwise defined herein) shall have the meanings ascribed thereto in the ATCO Group Inter-Affiliate Code of Conduct (the [Code](#)).
3. I have read the [Code](#), the [Compliance Plan](#) of ATCO Electric dated _____ and the [Compliance Report](#) of ATCO Electric dated _____.
4. The form and contents of the [Compliance Report](#) comply with the requirements of the [Code](#) and the matters reported therein are fully and accurately described.
5. I am not aware of any material non-compliance with the provisions of the [Code](#) by any director, officer, employee, consultant, contractor or agent of ATCO Electric, or by any [Affiliate](#) of ATCO Electric (including any director, officer, employee, consultant, contractor or agent of the [Affiliate](#)) with respect to any interaction between an [Affiliate](#) and ATCO Electric that is not fully and accurately described in the [Compliance Report](#).

Name: _____

Title: _____

Signature: _____

Date: _____

12 SCHEDULE B – COMPLIANCE REPORT

To: The ATCO Electric [Compliance Officer](#) and ATCO Electric [Compliance Plan Committee](#)

I, _____ of the City of _____, in the Province of Alberta, acting in my position for ATCO Electric and not in my personal capacity, to the best of my knowledge do hereby certify as follows:

1. Section _____ of the ATCO Electric [Compliance Plan](#) requires me to provide this Compliance Certificate for _____ on or before _____.
2. My position with ATCO Electric is _____ and as such I have conducted due inquiry of individuals who have personal knowledge of the facts and matters herein stated.
3. For the period of _____ to _____, ATCO Electric has been in compliance with the requirements of Section _____ of the [Code](#).

Signature: _____

Name: _____

Title: _____

Date: _____

13 SCHEDULE C – DIRECTORS’ RESOLUTION

[ATCO Electric Ltd.] (the "Corporation")

WHEREAS the Corporation is subject to the oversight by the Alberta Utilities Commission, successor to the Alberta Energy and Utilities Board ("**AUC**"),

AND WHEREAS the **AUC** has imposed an Inter-Affiliate Code of Conduct on the Corporation, pursuant to Decision 2003-040 dated May 22, 2003 (the "**Code of Conduct**");

AND WHEREAS the **AUC** approved a **Compliance Plan** in respect of the Code of Conduct dated October 4, 2010 (the "**Compliance Plan**");

AND WHEREAS the **Compliance Plan** requires annual confirmation on behalf of the Corporation that the **Compliance Plan** has been carried out by the Corporation and its Directors;

AND WHEREAS the Board of Directors of the Corporation has been advised by the management of the Corporation, including the **Compliance Officer**, as to the measures taken in respect of compliance, as well as having reviewed incidents relating to possible non-compliance, if any;

AND WHEREAS the Board of Directors has been provided with certificates of compliance for the calendar year by the appropriate officers of the Corporation.

BE IT RESOLVED THAT

1. the Board of Directors of the Corporation hereby confirms that it is aware of the Code of Conduct and related **Compliance Plan** and that, subject to the obligations and duties imposed on Directors under applicable statutory and common laws, the Corporation and the Board of Directors of the Corporation have complied with Sections 3.1.1 and 3.1.5 of the Code of Conduct and the **Compliance Plan** in respect thereof; and
2. the Board of Directors of the Corporation hereby authorizes and directs the **Compliance Officer** to so certify on behalf of the Corporation, the Corporation's compliance with the Code of Conduct for the calendar year and to execute all such documents, certificates, instruments or notices as may be required to give effect to the foregoing, including a certified copy of this resolution (collectively, the "**Documents**") to be in such form as the **Compliance Officer**, deems necessary or appropriate, such determination to be conclusively evidenced by the execution and filing or delivery of such Documents.