



AltaGas Utilities Inc.

Gas Code of Conduct Regulation
Compliance Plan

August 30, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-097: AltaGas Utilities Inc.
Gas Code of Conduct Regulation Compliance Plan
Application No. 1372823

August 30, 2005

Published by

Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: (403) 297-8311
Fax: (403) 297-7040

Web site: www.eub.gov.ab.ca

Contents

| | | |
|----------|---|----------|
| 1 | INTRODUCTION..... | 1 |
| 2 | BACKGROUND | 2 |
| 3 | VIEWS OF THE BOARD..... | 3 |
| | 3.1 Use of the Gas Code of Conduct Regulation as Template..... | 3 |
| | 3.2 Public Disclosure | 3 |
| 4 | ORDER | 4 |
| | APPENDIX 1 – ALTAGAS UTILITIES INC. COMPLIANCE PLAN | 5 |

ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

ALTAGAS UTILITIES INC. GAS CODE OF CONDUCT REGULATION COMPLIANCE PLAN

Decision 2005-097
Application No. 1372823

1 INTRODUCTION

On September 8, 2004, AltaGas Utilities Inc. (AUI) applied to the Alberta Energy and Utilities Board (Board) in Application 1359886 for an exemption from the requirement to submit a compliance plan to the Board for approval as required by Section 30(1) of the *Gas Utilities Act Code of Conduct Regulation* (the Gas Regulation). The requested exemption was for the period from September 30, 2004 until December 31, 2004.

AUI is a gas distributor and default supplier within the meaning of the Gas Utilities Act and is an indirect wholly-owned subsidiary of AltaGas Income Trust. As a default supply provider, AUI is required to prepare and obtain approval of a compliance plan from the Board if it has an affiliated retailer within the meaning of the Regulation.

ECNG Limited Partnership (ECNG LP), an Alberta limited partnership, had recently entered into a commercial transaction pursuant to which, among other things, it would be assigned a small number of Alberta wholesale natural gas supply contracts. Following the completion of the commercial transaction, ECNG LP, which is also an indirect wholly-owned subsidiary of AltaGas Income Trust, would become an affiliated retailer of AUI within the meaning of the Gas Regulation.

Subsequently, AltaGas Income Trust acquired PremStar Energy Canada Limited Partnership (PremStar), which is a limited partnership registered in Alberta that will provide retail gas services to Alberta energy consumers. PremStar is also an indirect wholly-owned subsidiary of AltaGas Income Trust, and would become an affiliated retailer of AUI within the meaning of the Gas Regulation when it commenced operations.

As affiliated retailers of AUI, ECNG LP and PremStar were also required to prepare compliance plans under the Regulation. ECNG LP applied for a similar exemption, and PremStar was subsequently added to that application.

The Board dealt with the AUI application in [Decision 2004-085](#), in which it granted the applicant's request for a temporary exemption, subject to certain conditions, and directed AUI to develop and submit its compliance plan to the Board for review and approval no later than December 1, 2004.

The Board dealt with the ECNG LP and PremStar application in [Decision 2004-084](#), which was issued concurrently with [Decision 2004-085](#). In [Decision 2004-084](#), the Board granted the request for a temporary exemption, subject to the same conditions, and directed the affiliated retailers to develop and submit their compliance plans to the Board for review and approval no later than December 1, 2004.

In a letter dated December 1, 2004, AUI filed its initial compliance plan for approval by the Board.

The Board considered the compliance plan in a collaborative manner by way of an iterative, consultative process, which was outlined in a letter issued by the Board on December 3, 2003. AUI provided staff of the Utilities Branch Audit and Compliance Group (Board staff) with an initial draft of the compliance plan. Following review of the initial draft, comments were provided to AUI by Board staff. These Board staff comments were reflective of Board policy and expectations for compliance plans of this nature.

AUI provided the final version of its compliance plan to the Board on August 17, 2005, which was then reviewed by the Board. A copy of the final version of the compliance plan is reproduced in Appendix 1 to this Decision.

For purposes of this Decision, therefore, the Board considers that the proceeding closed on August 17, 2005.

2 BACKGROUND

The AUI compliance plan is modeled on the requirements of the Gas Regulation. The plan sets out the systems, policies and mechanisms that AUI will rely upon to ensure that the operations of AUI are conducted in a manner that is consistent with the requirements of the Gas Regulation. The compliance plan will apply to all AUI personnel and to all AUI agents or contractors and their staff.

The plan indicates that AUI will be operated in a manner that is consistent with the Gas Regulation. In this regard, it provides policies and mechanisms to govern the following activities:

- Equality of treatment of customers
- Preservation of the confidentiality of customer information
- Equality of treatment of retailers
- AUI business practices
- Prevention of unfair competitive advantage to affiliates
- Maintenance of separate records and accounts
- Development of a compliance plan, and related reporting and monitoring
- Compliance audits

The compliance plan indicates that AUI and its agents and contractors shall conduct activities in a manner so as to comply with and ensure compliance with the requirements of both the Gas Regulation and the compliance plan.

The compliance plan is enhanced by training sessions designed to convey to staff the requirements of the plan, and to indicate to whom they should address questions, if any, about the plan. In addition, all staff affected by the plan, whether employees of AUI or of its agents or contractors, are required to sign an acknowledgement that they have read the plan, that they understand its requirements and that they agree to be bound by its requirements. Finally, shortly

after the end of each calendar year, all staff who are subject to the provisions of the plan are required to sign an acknowledgement that they have actually complied with the requirements of the plan during the preceding year.

3 VIEWS OF THE BOARD

3.1 Use of the Gas Code of Conduct Regulation as Template

The Board notes that AUI modeled the compliance plan on the Gas Code of Conduct Regulation. The policies outlined in the plan address the requirements laid out in the Gas Regulation. These policies are supplemented by mechanisms designed to ensure that the policies are actually followed in practice. The Board is satisfied that the compliance plan addresses each of the requirements of the Gas Regulation.

3.2 Public Disclosure

The Board notes that AUI intends to publish the approved compliance plan on its website and that the plan includes instructions on how to direct questions or comments regarding the plan to AUI and to the Board.

The Board considers that publishing the approved compliance plan will provide interested parties with an adequate opportunity to fully understand the plan once it has been approved, and to provide comment on it while it is in operation. In addition, there will be an independent audit process following the first full year of operation of the compliance plan. These activities will, in the Board's view, provide all interested parties with the opportunity to assess the effectiveness of the plan and recommend any necessary changes.

4 ORDER

For the reasons set out in this Decision, the Board approves the AUI compliance plan, as attached to this Decision as [Appendix 1](#).

Dated in Calgary, Alberta on August 30, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

B. T. McManus, Q.C.
Presiding Member

(original signed by)

J. I. Douglas, FCA
Member

(original signed by)

T. McGee
Member

APPENDIX 1 – ALTAGAS UTILITIES INC. COMPLIANCE PLAN

[\(Click here to return to Order\)](#)



AltaGas Utilities Inc.
Final Gas Code of Cor

(Consists of 26 pages)



**Gas Utilities Act
Code of Conduct Regulation
Compliance Plan**

August 2005



TABLE OF CONTENTS

I. INTRODUCTION.....4
(A) Purpose of AltaGas Utilities Inc. Compliance Plan..... 4

II. DEFINITIONS5

III. CONDUCT OF AUI7
(A) Behaviour of AUI (Regulation Section 3)..... 7

IV. EQUALITY OF TREATMENT FOR CUSTOMERS8
(A) Tying Prohibited (Regulation Section 4)..... 8
(B) Transfer of Customers (Regulation Section 5) 8
(C) Representations (Regulation Section 6)..... 8
(D) Meetings by AUI with Retailers and Customers (Regulation Section 8)..... 9

V. CONFIDENTIALITY OF CUSTOMER INFORMATION 10
(A) Confidentiality Rule (Regulation Section 9)..... 10
(B) Disclosure of Customer Information With Consent (Regulation Sections 10 and 12) 10
(C) Disclosure to Two or More Retailers (Regulation Section 11)..... 10
(D) Historical Gas Consumption (Regulation Section 13) 11
(E) Aggregated Customer Information (Regulation Section 14)..... 11

VI. EQUALITY OF TREATMENT OF RETAILERS..... 12
(A) Equal Treatment (Regulation Section 15) 12
(B) Equal Notice of Changes (Regulation Section 16) 12

VII. BUSINESS PRACTICE OF AUI 13
(A) Conditions of Access to Written Communications with Retailers (Regulation Section 17) 13
(B) Prohibitions (Regulation Section 18) 13

VIII. PREVENTING UNFAIR COMPETITIVE ADVANTAGE 14
(A) Efficiency Without Unfair Competition (Regulation Section 19)..... 14
(B) Non-disclosure of Customer Information for Marketing or Sales Purposes (Regulation Section 20) 14
(C) Joint Acquisitions, Research, and Dispositions (Regulation Section 22) 15
(D) Goods and Services Transactions to be at Fair Market Value (Regulation Section 23) 15
(E) Financial Transactions (Regulation Section 24)..... 16

IX. SEPARATE RECORDS AND ACCOUNTS..... 17
(A) Records and Accounts (Regulation Section 26)..... 17
(B) Written Financial Transactions (Regulation Section 27)..... 17
(C) Transaction Records (Regulation Section 28)..... 17



| | | |
|--------------------|---|-----------|
| (D) | Maintaining Records (Regulation Section 29) | 18 |
| X. | COMPLIANCE PLANS AND REPORTS | 19 |
| (A) | Compliance Plan (Regulation Sections 30 and 32) | 19 |
| (B) | Quarterly and Annual Compliance Reports (Regulation Section 33) | 21 |
| (C) | Public Notice of Complaints (Regulation Section 34) | 21 |
| XI. | COMPLIANCE AUDIT | 22 |
| (A) | Appointment of Auditor (Regulation Section 37) | 22 |
| XII. | EXCEPTIONS | 23 |
| (A) | Emergency Exceptions (Regulation Section 42) | 23 |
| APPENDIX A: | COMPLIANCE ACKNOWLEDGEMENT | 24 |
| APPENDIX B: | COMPLIANCE ACKNOWLEDGEMENT | 25 |
| APPENDIX C: | COMPLIANCE ACKNOWLEDGEMENT | 26 |



I. INTRODUCTION

(A) PURPOSE OF ALTAGAS UTILITIES INC. COMPLIANCE PLAN

AltaGas Utilities Inc. ("AUI" or the "Company") is a gas distributor and default supply provider under the *Gas Utilities Act* R.S.A. 2000, and performs regulated gas services as defined in the *Code of Conduct Regulation (Gas Utilities Act)* 183/2003 G-5 (the "Regulation"). ECNG Limited Partnership ("ECNG") and PremStar Energy Canada Limited Partnership ("PremStar") are affiliates of AUI and perform certain unregulated Retail Gas Services in the province of Alberta. Under the Regulation, ECNG and PremStar are affiliated retailers of AUI and AUI is required to file a Compliance Plan with the Alberta Energy and Utilities Board (the "Board"). ECNG and PremStar are the only affiliated retailers of AUI.

This Compliance Plan sets out the systems, policies and mechanisms AUI will use to comply with the Regulation. This Compliance Plan will become effective on the date it is approved by the Board.

This Compliance Plan will apply to all AUI Personnel, and AUI Agents and Contractors. This Compliance Plan describes certain obligations and responsibilities of specified AUI management personnel; however, all or a portion of the tasks described in this Compliance Plan may be delegated by the specified AUI management personnel to other AUI personnel.

Compliance by AUI with this Compliance Plan does not release AUI from complying with the Regulation.

Questions or comments concerning the Compliance Plan should be directed to the Compliance Officer, AUI at 780-980-7309, or the EUB Utilities Branch, Audit & Compliance Group at 403-297-3590 or by e-mail at eub.utl@gov.ab.ca.



II. DEFINITIONS

In this Compliance Plan,

“Affiliated Retailer” means ECNG and PremStar;

“Aggregated Customer Information” means information that is received or compiled by AUI to enable it to provide Regulated Services and which is not available to the public but is sufficiently aggregated by AUI so that the information is no longer uniquely associated with a Customer and cannot be used to identify a Customer;

“Auditor” means an independent auditor appointed by AUI, and approved by the Board pursuant to Part 4 of the Regulation;

“AUI” or the “Company” means AltaGas Utilities Inc. and its officers, directors, employees, and servants;

“AUI Agents and Contractors” means Persons contracted by AUI to perform functions for, or undertake tasks on behalf of AUI that are necessary for AUI to provide Regulated Services and require access to Customer Information and their employees and servants;

“AUI Call Centre” means the department whose responsibility is to interface with Customers regarding the provision of Regulated Services;

“Board” means the Alberta Energy and Utilities Board;

“CICA Handbook” means the handbook published by the Canadian Institute of Chartered Accountants, as amended from time to time;

“Compliance Plan” means this AUI compliance plan as approved by the Board, made under the authority of the GUA Code of Conduct Regulation;

“Compliance Plan Committee” means a committee comprised of at least the following:

- President, AUI
- Director, Administrative Services, AUI
- Director, Controller, AUI
- Director, Operations, AUI
- Compliance Officer, AUI (if not one of the above)
- Manager, Business Development, AUI
- Manager, Regulatory Affairs, AUI;



“**Customer**” means a person purchasing natural gas for that person’s own use within AUI’s approved service area;

“**Customer Information**” means information that is not available to the public and that is uniquely associated with a Customer, and could be used to identify a Customer, or is provided by a Customer to AUI;

“**ECNG**” means ECNG Limited Partnership and its officers, directors, servants, and employees;

“**Fair Market Value**” means the price available in an open and unrestricted market between informed and prudent parties, acting at arm’s length and under no compulsion to act;

“**Gas Services**” has the meaning prescribed in the Regulation;

“**GUA**” means the *Gas Utilities Act*;

“**Person**” includes an individual or a corporation and the heirs, executors, administrators or other legal representatives of a person;

“**PremStar**” means PremStar Energy Canada Limited Partnership and its officers, directors, servants, and employees;

“**Regulated Services**” means Gas Distribution Service and other regulated Gas Services, including the role of Default Supply Provider as defined in the GUA;

“**Retailer**” means a person who sells or provides Retail Gas Services directly to a person;

“**Retail Gas Services**” means unregulated Gas Services provided by a Retailer directly to Customers;

“**Terms and Conditions**” means the AUI Terms and Conditions of Service and Rate Schedules, as approved by the Board.



III. CONDUCT OF AUI

(A) BEHAVIOUR OF AUI (REGULATION SECTION 3)

AUI Policy 1: AUI and AUI Agents and Contractors shall conduct activities in a manner so as to comply with and ensure compliance with the Regulation and this Compliance Plan.

Mechanism 1: Only AUI and AUI Agents and Contractors shall perform functions for or undertake tasks on behalf of AUI that are necessary to provide Regulated Services.

Mechanism 2: AUI will ensure an acceptable understanding of the requirements of the Compliance Plan by: (a) providing access to copies of the Compliance Plan for mandatory reading and, (b) providing training sessions designed to address the applicable sections of the Compliance Plan.

Mechanism 3: Direct communication regarding the Compliance Plan and its impact on the specific roles performed in the Company will be encouraged. Supervisors have the responsibility to keep all staff informed about the Compliance Plan. If supervisors cannot answer specific questions, the questions will be referred to the Compliance Officer.

Mechanism 4: Upon commencement of employment with AUI, acknowledgements in the form of Appendix A will be executed by all employees of AUI. Upon entering into a contract with AUI, acknowledgements in the form of Appendix A will be executed by AUI Agents and Contractors. Acknowledgements, in the form of Appendix B, will be executed by all employees of AUI and AUI Agents and Contractors on an annual basis thereafter. Acknowledgements, in the form of Appendix C, will be executed by AUI Human Resources to confirm that any employee who has ceased employment with AUI was notified of the confidentiality requirement specified in Section 21 of the Regulation.

Mechanism 5: The Compliance Plan and Regulation will be posted on the AUI website for viewing by the public after receiving Board approval. The Compliance Officer will maintain printed copies of related web pages and attachments, including the versions existing both before and after any amendments are made.

Mechanism 6: Breach of the Compliance Plan by individuals may result in disciplinary action, up to and including termination of employment or contract with AUI.

Mechanism 7: The Compliance Officer shall provide a copy of the Compliance Plan, and any future amendments, as soon as it has been approved by the Board to all Affiliated Retailers.



IV. EQUALITY OF TREATMENT FOR CUSTOMERS

(A) TYING PROHIBITED (REGULATION SECTION 4)

AUI Policy 1: AUI and AUI Agents and Contractors shall not require or induce customers to purchase any goods or services from any Retailer, by making or appearing to make the provision of Regulated Services conditional on those purchases.

Mechanism 1: AUI consumer awareness and education materials and other AUI communications that will be distributed to the public or to Customers must be first reviewed and approved in writing by the Manager, Regulatory Affairs for compliance with the Regulation. The Compliance Officer will maintain a record of this written approval.

Mechanism 2: Any AUI Call Centre scripting and/or written communication directives must be first reviewed and approved in writing by the Manager, Regulatory Affairs for compliance with the Regulation. The Compliance Officer will maintain a record of this written approval.

Mechanism 3: The Manager, Regulatory Affairs, will test semi-annually the information provided by the AUI Call Centre to AUI Customers and the public by submitting a minimum of ten (10) telephone inquiries to the AUI Call Centre with a view to determining if the information provided by the AUI Call Centre is consistent with any scripting or written communication directives being utilized by the AUI Call Centre. The Manager, Regulatory Affairs will submit a written report to the Compliance Plan Committee describing the results of the testing and provide the report to the Compliance Officer, who shall maintain a copy on record.

(B) TRANSFER OF CUSTOMERS (REGULATION SECTION 5)

AUI Policy 1: AUI shall not transfer a Customer to any Retailer without written consent of the Customer.

(C) REPRESENTATIONS (REGULATION SECTION 6)

AUI Policy 1: AUI and AUI Agents and Contractors shall not represent or imply in any communications with Customers or in communications with the public that present or future customers of an Affiliated Retailer will receive treatment from AUI that is different from the treatment received by present or future Customers of other Retailers.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.IV(A).

Mechanism 2: Same as Mechanism 2 in AUI Policy 1, s.IV(A).

Mechanism 3: Same as Mechanism 3 in AUI Policy 1, s.IV(A).



(D) MEETINGS BY AUI WITH RETAILERS AND CUSTOMERS (REGULATION SECTION 8)

AUI Policy 1: AUI shall make reasonable efforts to be equally accessible to all Retailers and to attend joint meetings with the Retailer and the Retailer's Customers.

Mechanism 1: The Manager, Regulatory Affairs will maintain a log of any request made to AUI by a Retailer for attendance at any meeting.



V. CONFIDENTIALITY OF CUSTOMER INFORMATION

(A) CONFIDENTIALITY RULE (REGULATION SECTION 9)

AUI Policy 1: AUI shall protect the confidentiality of Customer Information and shall not disclose Customer Information to any Person other than as provided for in the Regulation, this Compliance Plan, and the Terms and Conditions.

Mechanism 1: Same as Mechanism 4 in AUI Policy 1, s.III(A).

(B) DISCLOSURE OF CUSTOMER INFORMATION WITH CONSENT (REGULATION SECTIONS 10 AND 12)

AUI Policy 1: Neither AUI nor AUI Agents and Contractors may disclose Customer Information to any Retailer without consent of the Person that is the subject of the information, other than as provided for in the Regulations.

Mechanism 1: Upon request by a Retailer to disclose Customer Information, AUI will require the Retailer to provide a copy of a written consent of the Customer on a stand alone basis or as part of a Retailer agency agreement before AUI will disclose Customer Information to that Retailer. When proper written consent is received, AUI will within seven (7) days disclose the requested Customer Information to the designated party. With the introduction of a new Retailer to AUI's service area, the Manager, Regulatory Affairs will review a sample of the Retailer's consent form to ensure the content and format of the Retailer's form complies with the Regulation and applicable law before authorizing the release of any Customer Information to that Retailer. The Compliance Officer will maintain copies of each Customer's consent.

Mechanism 2: Upon request by a Customer to disclose Customer Information, AUI will require the Customer to provide AUI with written consent before AUI will disclose Customer Information to a Retailer. AUI will require the Customer to complete a standardized consent form developed by AUI. The Manager, Regulatory Affairs will review the format of the form to ensure it complies with the Regulation. The Compliance Officer will maintain copies of each Customer's consent.

AUI Policy 2: Neither AUI nor AUI Agents and Contractors may inform any other Person that Customer Information has been requested or was disclosed.

Mechanism 1: Copies of each Customer's consent will be maintained by the Compliance Officer in a secure environment accessible only to AUI employees and authorized personnel.

(C) DISCLOSURE TO TWO OR MORE RETAILERS (REGULATION SECTION 11)

AUI Policy 1: If a Customer authorizes that the Customer Information is to be disclosed by AUI to two or more Retailers, AUI shall, when possible, disclose the Customer Information to those



Retailers at the same time and in the same manner. The timing depends on the method of information transmission (e.g. E-mail, facsimile, courier), recognizing that AUI cannot guarantee the Retailer's ability to receive the transmission (e.g. computer malfunction, phone service interruption, Internet service disruption). Where it is reasonable to do so, the method of information transmission would be one that is common for all Retailers identified by the Customer.

Mechanism 1: Same as Mechanism 1 in AUI Policy 2, s.V(B).

Mechanism 2: The Compliance Officer will maintain a record of Customer Information transmissions for a minimum period of six (6) years.

(D) HISTORICAL GAS CONSUMPTION (REGULATION SECTION 13)

AUI Policy 1: If a Customer authorizes that the Customer's historical gas consumption be disclosed, AUI shall provide the applicant the historical information, within fifteen (15) days, in accordance with the Regulation.

Mechanism 1: The Compliance Officer will maintain a record of all such requests for historical information and the date on which AUI provides the applicant the historical information for a minimum period of six (6) years.

(E) AGGREGATED CUSTOMER INFORMATION (REGULATION SECTION 14)

AUI Policy 1: AUI will make available Aggregated Customer Information to all Retailers under the same terms and conditions.

Mechanism 1: At least twenty-four (24) hours before Aggregated Customer Information is made available by AUI to a Retailer, AUI will distribute an email notice to all Retailers listed on the Government of Alberta Customer Choice website and place a notice on the AUI website containing a clear description of the Aggregated Customer Information available, the AUI charge for providing the Aggregated Customer Information, the terms of payment required, and the timeframe within which the Aggregated Customer Information will be provided following receipt of payment. AUI shall maintain such notice on its website for a minimum of thirty (30) days.

Mechanism 2: The Compliance Officer will review and provide written approval for the wording to be used in the email and AUI website notices specified above under Mechanism 1. The Compliance Officer will maintain records of the Aggregated Customer Information provided to all Retailers, including approvals, for a minimum period of six (6) years. The Compliance Officer will maintain printed copies of related web pages and attachments, including the versions both before and after any amendments are made.

Mechanism 3: The Compliance Officer will review any aggregated Customer Information before it is released to ensure that it has been aggregated to such a degree that the information of an individual Customer or Retailer cannot be readily identified.



VI. EQUALITY OF TREATMENT OF RETAILERS

(A) EQUAL TREATMENT (REGULATION SECTION 15)

AUI Policy 1: Unless otherwise permitted by the GUA, or the regulations made under the GUA, AUI shall not, in its Terms and Conditions:

- (a) Give preferential treatment to an Affiliated Retailer, or to customers of an Affiliated Retailer; or,
- (b) Discriminate against any Retailer or Customers of any Retailer.

Mechanism 1: The Acknowledgement, in the form of Appendix B, will be executed by responsible managers and will indicate that no preferential treatment was given to affiliates of AUI or customers of affiliates and no discrimination against any Retailer or against the customers of any Retailer occurred.

Mechanism 2: The AUI Terms and Conditions must be approved by the Board and will be posted on the AUI website.

(B) EQUAL NOTICE OF CHANGES (REGULATION SECTION 16)

AUI Policy 1: Changes by AUI to its Regulated Services or Terms and Conditions, shall be communicated to Retailers at the same time.

Mechanism 1: Applications and other public submissions made to the Board with respect to AUI's Regulated Services or Terms and Conditions are filed in a manner consistent with Board direction.

Mechanism 2: Changes to AUI's Regulated Services or Terms and Conditions will be posted to AUI's website within ten (10) working days of receiving Board approval. The Compliance Officer will maintain printed copies of related web pages and attachments, including the versions existing both before and after any amendments are made.



VII. BUSINESS PRACTICE OF AUI

(A) CONDITIONS OF ACCESS TO WRITTEN COMMUNICATIONS WITH RETAILERS (REGULATION SECTION 17)

AUI Policy 1: AUI shall not permit a Retailer access to AUI written communications, including billing envelopes, for sales or marketing purposes.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.IV(A).

(B) PROHIBITIONS (REGULATION SECTION 18)

AUI Policy 1: AUI shall not:

- (a) Give information about Retail Gas Services in a manner that encourages a Customer to contact one Retailer in preference to other Retailers;
- (b) Solicit business on behalf of a Retailer;
- (c) Give the appearance that AUI speaks on behalf of a Retailer or that a Retailer speaks on AUI's behalf; or,
- (d) Give advice or assistance about a Retailer, except to refer a Customer to a source where the Customer may obtain the current list of licensed Retailers maintained in accordance with the *Fair Trading Act* and the regulations under that Act.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.IV(A).

Mechanism 2: Same as Mechanism 2 in AUI Policy 1, s.IV(A).

AUI Policy 2: AUI shall not provide on its website any links to web pages of Retailers:

Mechanism 1: Any direct link from the AUI website to any other website will be approved, in writing, by the Manager, Regulatory Affairs before the link is established. A record of such approval shall be maintained by the Compliance Officer. Exceptions will be made only with written approval from the Board. The Compliance Officer will maintain printed copies of related web pages and attachments, including the versions both before and after any amendments are made.

AUI Policy 3: If a Customer requests information about Retail Gas Services from AUI, AUI shall refer the Customer to a source where the Customer may obtain the current list of licensed Retailers maintained in accordance with the Fair Trading Act and regulations under that Act.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.IV(A).

Mechanism 2: Same as Mechanism 2 in AUI Policy 1, s.IV(A).



VIII. PREVENTING UNFAIR COMPETITIVE ADVANTAGE

(A) EFFICIENCY WITHOUT UNFAIR COMPETITION (REGULATION SECTION 19)

AUI Policy 1: All sharing of costs between AUI and an Affiliated Retailer, if any, shall reflect the appropriate allocation and recording of the economic benefits or costs between AUI and the Affiliated Retailer and shall be tracked in separate records and accounts maintained by AUI and the Affiliated Retailer.

Mechanism 1: Any cost-sharing arrangement between AUI and an Affiliated Retailer, with the exception of an arrangement otherwise approved by the Board, shall specify the percentage allocation of costs between AUI and the Affiliated Retailer, including a description of the justification for the allocation, and will require the prior written approval of the Director, Controller. A record of the written approval will be maintained by the Director, Controller for a period of no less than six (6) years from the date the written approval is granted.

(B) NON-DISCLOSURE OF CUSTOMER INFORMATION FOR MARKETING OR SALES PURPOSES (REGULATION SECTION 20)

AUI Policy 1: An Affiliated Retailer shall not, under any circumstances, be permitted access to Customer Information or enter any secure AUI work premises other than as provided for in the Regulation, this Compliance Plan, and the Terms and Conditions.

Mechanism 1: The Compliance Officer shall ensure that no security access or information relating to AUI premises will be provided to an Affiliated Retailer. Semi-annually, the Compliance officer will review an access/authorization list of all individuals permitted access to AUI's customer information system to ensure no unauthorized individuals are granted access to Customer Information on the customer information system. The Compliance Officer will report the results of the review at the next quarterly Compliance Plan Committee meeting.

Mechanism 2: The Compliance Officer will ensure that an Affiliated Retailer is not permitted unauthorized access to AUI premises. Semi-annually, the Compliance Officer will review the list of all visitors to AUI's head office to ensure no unauthorized personnel gained access to AUI's premises. The Compliance Officer will report the results of the review at the next quarterly Compliance Plan Committee meeting.

AUI Policy 2: AUI Agents and Contractors shall protect the confidentiality and security of Customer Information and shall not disclose Customer Information to any Person other than as provided for in the Regulation, this Compliance Plan and the Terms and Conditions.

Mechanism 1: Contracts with AUI Agents and Contractors will contain provisions related to the non-disclosure of the Confidential Information.



Mechanism 2: The Acknowledgement, in the form of Appendix B, will be executed by AUI Agents and Contractors, and will indicate that they have acted in a manner that is in accordance with the policies and mechanisms contained in this Compliance Plan.

(C) JOINT ACQUISITIONS, RESEARCH, AND DISPOSITIONS (REGULATION SECTION 22)

AUI Policy 1: The accounting for all joint acquisitions of products and/or services by AUI and an Affiliated Retailer, if any, shall reflect an appropriate allocation and recording of the economic benefits or costs between AUI and the Affiliated Retailer in a manner that is consistent with the benefits or costs attributable to AUI and the Affiliated Retailer.

Mechanism 1: The Director, Controller shall ensure that all joint acquisitions, research, and dispositions are accounted for in accordance with this AUI policy. The Director, Controller shall be responsible for recording, at the time of the transaction, an entry in the records and accounts of AUI of any joint purchases or acquisitions, the rationale for such joint purchase or acquisition, and the basis for the allocation of the economic benefit or costs between AUI and an Affiliate Retailer. Records and accounts will be made available by AUI to the Auditor.

Mechanism 2: All joint acquisitions by AUI and an Affiliated Retailer, with the exception of a joint acquisition otherwise approved by the Board, shall be reported to the Compliance Plan Committee.

(D) GOODS AND SERVICES TRANSACTIONS TO BE AT FAIR MARKET VALUE (REGULATION SECTION 23)

AUI Policy 1: All transactions involving the sale, lease, exchange, transfer or other disposition of goods or services between AUI and an Affiliated Retailer, if any, shall be at Fair Market Value or at such value set by regulation by a municipal, provincial, or federal government authority.

Mechanism 1: The Director, Controller shall approve the valuation of all sales, leases, exchanges, transfers or other dispositions of goods or services at Fair Market Value in accordance with this AUI policy and shall be responsible for recording at the time of the transaction in the records and accounts of AUI all sales, leases, exchanges, transfers or other dispositions of goods or services and the rationale supporting the valuation. These records and accounts will be made available by AUI to the Auditor.

Mechanism 2: All transactions involving the sale, lease, exchange, transfer or other disposition of goods or services between AUI and an Affiliated Retailer, with the exception of a sale, lease, exchange, transfer or other disposition of goods or services between AUI and an Affiliated Retailer otherwise approved by the Board, shall be reported to the Compliance Plan Committee immediately afterwards.



(E) FINANCIAL TRANSACTIONS (REGULATION SECTION 24)

AUI Policy 1: AUI shall not engage in providing loans, guarantees, security or other financial support to an Affiliated Retailer.

Mechanism 1: The Director, Controller will ensure that the operations of AUI are not supported in any form through loans, guarantees, security, or other financial transactions provided by AUI to an Affiliated Retailer. The Director, Controller must notify the Compliance Officer of any breach of this Policy. If the Director, Controller and Compliance Officer are same Person, the Director, Controller must notify the Compliance Plan Committee of any breach of this policy.



IX. SEPARATE RECORDS AND ACCOUNTS

(A) RECORDS AND ACCOUNTS (REGULATION SECTION 26)

AUI Policy 1: AUI shall have separate records and accounts from an Affiliated Retailer.

Mechanism 1: The Director, Controller of AUI will ensure the accounts and records of AUI and an Affiliated Retailer are kept separate from each other and

- (a) Sufficient records and accounts are maintained to enable an audit to be conducted under Part 4 of the Regulation;
- (b) That the accounts comply with any guidelines or uniform system of record keeping required by the Board and generally accepted accounting principles.

Mechanism 2: Quarterly, the Director, Controller will report to the Compliance Plan Committee whether AUI has adhered to this policy.

(B) WRITTEN FINANCIAL TRANSACTIONS (REGULATION SECTION 27)

AUI Policy 1: All financial transactions between AUI and an Affiliated Retailer, if any, shall be in writing.

Mechanism 1: The Director, Controller will ensure that all financial transactions between AUI and an Affiliated Retailer are recorded in the accounts and records of AUI and are supported by written documentation describing and confirming the transaction.

Mechanism 2: The written documentation of financial transactions between AUI and an Affiliated Retailer will be available for review by the Auditor.

Mechanism 3: Quarterly, the Director, Controller will provide a report to the Compliance Plan Committee of all transactions between AUI and any Affiliated Retailer with respect to whether AUI has adhered to this policy.

(C) TRANSACTION RECORDS (REGULATION SECTION 28)

AUI Policy 1: AUI shall maintain a written record of all goods and services sold, leased, exchanged, given or otherwise disposed of between AUI and an Affiliated Retailer, if any, which shall include the value of the transaction expressed in terms of money.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.IX(B).

Mechanism 2: Same as Mechanism 2 in AUI Policy 1, s.IX(B).

Mechanism 3: Same as Mechanism 3 in AUI Policy 1, s.IX(B).



AUI Policy 2: All transactions for goods or services between AUI and an Affiliated Retailer, when the total cost of those transactions exceeds \$500,000 annually, if any, shall be documented by an agreement and supported by written evidence of Fair Market Value.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.IX(B).

Mechanism 2: Same as Mechanism 2 in AUI Policy 1, s.IX(B).

Mechanism 3: Same as Mechanism 3 in AUI Policy 1, s.IX(B).

Mechanism 4: The Director, Controller will provide the Compliance Plan Committee with written evidence of Fair Market Value confirming whether AUI has adhered to this policy.

(D) MAINTAINING RECORDS (REGULATION SECTION 29)

AUI Policy 1: AUI shall maintain the records, accounts, financial transactions, reports and plans required by the Regulation and the Compliance Plan for a period of at least six (6) years.

Mechanism 1: The Compliance Officer will arrange for the safekeeping of all records that must be maintained by AUI for the required period.



X. COMPLIANCE PLANS AND REPORTS

(A) COMPLIANCE PLAN (REGULATION SECTIONS 30 AND 32)

AUI Policy 1: AUI and AUI Agents and Contractors shall conduct their activities in a manner that is in compliance with the Regulation, and this Compliance Plan.

Mechanism 1: Same as Mechanism 1 in AUI Policy 1, s.III(A).

Mechanism 2: Same as Mechanism 2 in AUI Policy 1, s.III(A).

Mechanism 3: Same as Mechanism 3 in AUI Policy 1, s.III(A).

Mechanism 4: Same as Mechanism 4 in AUI Policy 1, s.III(A).

Mechanism 5: Same as Mechanism 5 in AUI Policy 1, s.III(A).

Mechanism 6: Same as Mechanism 6 in AUI Policy 1, s.III(A).

Mechanism 7: Same as Mechanism 7 in AUI Policy 1, s.III(A).

AUI Policy 2: AUI personnel or AUI Agents and Contractors personnel who become aware of circumstances that they believe may constitute a contravention of the Compliance Plan or the Regulation, shall forthwith report this information to their supervisor. The applicable manager or supervisor shall consider the information reported and determine if the report has merit. If the supervisor believes the reported circumstances may constitute a contravention of the Compliance Plan the supervisor shall forthwith report this information to the Compliance Officer.

AUI Policy 3: All complaints of alleged contraventions of the Compliance Plan or Regulation received by AUI from the public shall be referred to the Compliance Officer who shall acknowledge receipt of the complaint, in writing, within 5 working days of AUI receiving the complaint.

Mechanism 1: Reports from the public of matters that may constitute a contravention of the Compliance Plan or Regulation will be forwarded to and addressed by the Compliance Officer. Information for the public describing how to report an alleged contravention of the Regulation to AUI or the Board will be provided on AUI's website.

Mechanism 2: Upon AUI receiving a complaint, the Compliance Officer will forthwith investigate the matter to determine if any contravention of the Compliance Plan or Regulation did occur. Upon completion of the investigation, the Compliance Officer will document the circumstances of alleged contravention. The Compliance Officer will endeavour to resolve any complaint of alleged violation of the Compliance Plan or Regulation with the member of the public that lodged the complaint within 20 days of AUI receiving the complaint.



Mechanism 3: If it is established that a contravention of the Compliance Plan or Regulation has occurred, it will immediately be reported to the Compliance Plan Committee.

Mechanism 4: Adherence to the Compliance Plan or Regulation will be overseen and monitored by the Compliance Plan Committee and reported to the Board of Directors of AUI on a quarterly basis. The quarterly reports may include:

- (a) A review of all alleged contraventions of the Compliance Plan and Regulation since the last quarterly meeting and any appropriate directions and resolutions for actual contraventions;
- (b) A review of any joint acquisitions by AUI and an Affiliated Retailer made since the last quarterly report;
- (c) A review of any sale, lease, exchange, transfer, or other disposition of goods or services between AUI and an Affiliated Retailer made since the last quarterly report;
- (d) A review of all financial transactions between AUI and an Affiliated Retailer made since the last quarterly report;
- (e) A consideration of any necessary changes to the Compliance Plan that reflect changed circumstances or improved practices;
- (f) A review of any emergency exceptions that have occurred since the last quarterly report;
- (g) A review of any unauthorized access to Customer Information and AUI premises that have occurred since the last quarterly report.

Mechanism 5: The Compliance Officer is accountable for the development of the Compliance Plan.

Mechanism 6: The Compliance Plan Committee shall meet at least quarterly and be accountable for:

- (a) Identifying proposed enhancements or improvements to the Compliance Plan and approving changes to the Compliance Plan, where appropriate;
- (b) Enforcing adherence to and ensuring compliance with the Compliance Plan and Regulation; and,
- (c) Providing direction to individual members of the Compliance Plan Committee in implementing and monitoring the Compliance Plan.



Mechanism 7: The Compliance Plan Committee shall provide a copy of meeting minutes and other reports it has received to the Board of Directors of AUI.

Mechanism 8: The Compliance Plan Committee shall be responsible for ensuring that AUI personnel and AUI Agents and Contractors personnel are informed that the Auditor has the authority to receive from AUI personnel and AUI Agents and Contractors personnel, and they shall provide to the Auditor, free and unfettered access to appropriate AUI personnel or AUI Agents and Contractors personnel, including the information systems of AUI and the AUI Agents or Contractors to complete the compliance audit requirements of the Regulation and the Compliance Plan in a timely and efficient manner.

(B) QUARTERLY AND ANNUAL COMPLIANCE REPORTS (REGULATION SECTION 33)

AUI Policy 1: The Board of Directors of AUI shall be informed, on no less than a quarterly basis, of any alleged and actual contraventions of the Compliance Plan or Regulation and the action taken to remedy any non-compliance.

Mechanism 1: Within 30 days following the end of each calendar year, AUI will send to the Board, an annual compliance report, approved by the Board of Directors of AUI. Included in the annual compliance report shall be Compliance Plan Committee meeting minutes regarding matters of complaints or determination of non-compliance with the Regulation or the Compliance Plan.

(C) PUBLIC NOTICE OF COMPLAINTS (REGULATION SECTION 34)

AUI Policy 1: AUI shall give notice to the public that complaints about contraventions of the Regulation may be made to the Board.

Mechanism 1: Once per twelve month period commencing no later than 60 days after approval of this Compliance Plan, AUI will include a text message directly on the Customer's bill, giving notice to the Customer that complaints about contraventions of the Regulation may be made to the Board and that the Board is independent of AUI. The original notice and any subsequent amendments thereto shall be approved by the Board before being used by AUI. The Compliance Officer will maintain records of these notices shown on AUI's bills.



XI. COMPLIANCE AUDIT

(A) APPOINTMENT OF AUDITOR (REGULATION SECTION 37)

AUI Policy 1: AUI shall appoint an Auditor to perform an audit, composed of an independent examination of AUI's operations for the purpose of expressing an opinion on the compliance by AUI with the Compliance Plan and Regulation.

Mechanism 1: Employees of the Auditor shall provide proof to AUI of their identity prior to requesting access to Customer Information and the order or other legal basis in writing upon which they request such access.

Mechanism 2: Subject to Mechanism 1, AUI and AUI Agents and Contractors shall afford the Auditor with necessary access to the records, information, and information systems of AUI for the purpose of the Auditor completing its Audit pursuant to the Regulation.

Mechanism 3: AUI and AUI Agents and Contractors will cooperate with the Auditor and the Board to accommodate any need for direct interaction between the Auditor and the Board that the Auditor or the Board may require during the course of the audit to fulfil its obligations under the Regulation.



XII. EXCEPTIONS

(A) EMERGENCY EXCEPTIONS (REGULATION SECTION 42)

AUI Policy 1: Any action taken by AUI in response to an emergency that threatens public safety, the safety of AUI's officers, employees, Agents and Contractors, the physical integrity of AUI's facilities or system reliability does not contravene the Compliance Plan or the Regulation.

Mechanism 1: Any action taken by AUI, AUI personnel, AUI Agents and Contractors, or AUI Agents and Contractors personnel in response to an emergency that threatens the safety of AUI personnel or AUI Agents and Contractors personnel, or any other Person and that results in a breach of this Compliance Plan will be forthwith reported in writing to the Compliance Officer, who shall report such occurrence to the Board within ten (10) working days of the date of the breach and to the Compliance Plan Committee at the next meeting of the Compliance Plan Committee.



APPENDIX A: COMPLIANCE ACKNOWLEDGEMENT

Note: Terms utilized in this Compliance Acknowledgement are defined in the Definitions Section II. of the AUI Compliance Plan.

AltaGas Utilities Inc. (AUI) is committed to conducting its affairs in accordance with all applicable laws that govern its operations. AUI has developed this Compliance Plan as part of that commitment.

The undersigned hereby acknowledges the receipt and review of a current copy of this Compliance Plan and understands both the obligations of AUI and the personal obligations, as described in this Compliance Plan, and undertakes to act in a manner that is in accordance with the policies and mechanisms contained in this Compliance Plan.

The undersigned hereby agrees and acknowledges not to give preferential treatment to affiliates of AUI or customers of affiliates of AUI and will not act in a manner that would discriminate against any Retailer or against any customers of any Retailer.

The undersigned hereby acknowledges the obligation and right to ask questions and seek clarification regarding the contents of this Compliance Plan from their supervisor if there is any uncertainty or question respecting the understanding of the policies and mechanisms described in this Compliance Plan.

Acknowledged and accepted this _____ day of _____, 20__.

Signature

Print Name



APPENDIX B: COMPLIANCE ACKNOWLEDGEMENT

Note: Terms utilized in this Compliance Acknowledgement are defined in the Definitions Section II. of the AUI Compliance Plan.

AltaGas Utilities Inc. (AUI) is committed to conducting its affairs in accordance with all applicable laws that govern its operations. AUI has developed this Compliance Plan as part of that commitment.

The undersigned hereby acknowledges the receipt and review of a current copy of this Compliance Plan and understands both the obligations of AUI and the personal obligations, as described in this Compliance Plan, undertakes to act in a manner that is in accordance with the policies and mechanisms contained in this Compliance Plan, and in the previous year has acted in a manner that is in accordance with the policies and mechanisms contained in this Compliance Plan.

The undersigned hereby agrees and acknowledges not to give preferential treatment to affiliates of AUI or customers of affiliates of AUI and will not act in a manner that would discriminate against any Retailer or against any customers of any Retailer. The undersigned hereby agrees and acknowledges to have not given preferential treatment to affiliates of AUI or customers of affiliates of AUI and to have not acted in a manner that would discriminate against any Retailer or against any customers of any Retailer in the previous year.

The undersigned hereby acknowledges the obligation and right to ask questions and seek clarification regarding the contents of this Compliance Plan from their supervisor if there is any uncertainty or question respecting the understanding of the policies and mechanisms described in this Compliance Plan.

Acknowledged and accepted this _____ day of _____, 20__.

Signature

Print Name



APPENDIX C: COMPLIANCE ACKNOWLEDGEMENT

Note: Terms utilized in this Compliance Acknowledgement are defined in the Definitions Section II. of the AUI Compliance Plan.

AltaGas Utilities Inc. (AUI) is committed to conducting its affairs in accordance with all applicable laws that govern its operations. AUI has developed this Compliance Plan as part of that commitment.

The undersigned, a human resources employee of AUI, hereby agrees and acknowledges that _____ (print name), who is now a past employee of AUI, was provided notification either verbally or in writing, of their continuing obligation to protect the confidentiality of Customer Information as referenced in the *Gas Utilities Act* Code of Conduct Regulation, Section 21.

Acknowledged and accepted this _____ day of _____, 20__.

Signature

Print Name