



ECNG Limited Partnership and PremStar Energy Canada Limited Partnership

Gas Code of Conduct Regulation
Compliance Plans

August 30, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-098: ECNG Limited Partnership
PremStar Energy Canada Limited Partnership
Gas Code of Conduct Regulation Compliance Plans
Application Nos. 1372775 and 1372777

August 30, 2005

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

ECNG LIMITED PARTNERSHIP AND PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP GAS CODE OF CONDUCT REGULATION COMPLIANCE PLANS

Decision 2005-098
Application Nos. 1372775
and 1372777

1 INTRODUCTION

ECNG Limited Partnership (ECNG LP) is an Alberta limited partnership and is an indirect wholly-owned subsidiary of AltaGas Income Trust. ECNG LP had entered into a commercial transaction pursuant to which, among other things, it would acquire substantially all of the assets of ECNG Inc. (the Commercial Transaction). As a consequence, ECNG would be assigned a small number of Alberta wholesale natural gas supply contracts (the Contracts).

AltaGas Utilities Inc. (AUI) is a default supplier and gas distributor within the meaning of the *Gas Utilities Act* and is also an indirect wholly-owned subsidiary of AltaGas Income Trust. Due to the relationship between ECNG LP and AUI, upon the completion of the Commercial Transaction, ECNG LP would become an affiliated retailer of AUI within the meaning of the *Gas Utilities Act Code of Conduct Regulation* (the Gas Regulation) and as such, would be subject to its provisions.

On September 7, 2004, in Application No. 1359872, ECNG LP, applied to the Alberta Energy and Utilities Board (Board) for approval to honour the Contracts in the absence of an approved compliance plan. ECNG LP also applied for an exemption from the requirement for the partnership to submit a compliance plan to the Board for approval as required by Section 30(1) of the Gas Regulation. The requested exemption was for the period from September 30, 2004 (the proposed closing date of the Commercial Transaction) until December 31, 2004.

On September 8, 2004, AUI also applied to the Board, in Application No. 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.

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 an affiliated retailer of AUI, PremStar was also required to prepare a compliance plan under the Gas Regulation. PremStar was subsequently added to the ECNG LP application.

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 certain conditions, and directed ECNG LP and

PremStar to develop and submit their compliance plans to the Board for review and approval no later than December 1, 2004.

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 the same conditions, and directed AUI to develop and submit its compliance plan to the Board for review and approval no later than December 1, 2004.

In letters dated December 1, 2004, ECNG LP and PremStar filed their initial compliance plans for approval by the Board.

The Board considered the compliance plans 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. ECNG LP and PremStar provided staff of the Utilities Branch Audit and Compliance Group (Board staff) with initial drafts of their compliance plans. Following review of the initial drafts, comments were provided to ECNG LP and PremStar by Board staff. These Board staff comments were reflective of Board policy and expectations for compliance plans of this nature.

ECNG LP and PremStar provided the final version of their compliance plans to the Board on August 17, 2005, which were then reviewed by the Board. A copy of the final version of the ECNG LP compliance plan is reproduced in Appendix 1 to this Decision and a copy of the final version of the PremStar compliance plan is reproduced in Appendix 2 to this Decision.

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

2 BACKGROUND

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

The plans indicate that ECNG LP and PremStar will be operated in a manner that is consistent with the Gas Regulation. In this regard, they provide 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
- ECNG LP and PremStar 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 plans indicate that ECNG LP and PremStar and their 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 plans.

The compliance plans are enhanced by training sessions designed to convey to staff the requirements of the plans, and to indicate to whom they should address questions, if any, about the plans. In addition, all staff affected by the plans, whether employees of ECNG LP or PremStar, or of their agents or contractors, are required to sign an acknowledgement that they have read the plans, that they understand their requirements and that they agree to be bound by the requirements. Finally, shortly after the end of each calendar year, all staff who are subject to the provisions of the plans are required to sign an acknowledgement that they have actually complied with the requirements of the plans 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 ECNG LP and PremStar modeled their compliance plans on the Gas Code of Conduct Regulation. The policies outlined in the plans 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 plans address each of the requirements of the Gas Regulation.

3.2 Public Disclosure

The Board notes that ECNG LP and PremStar intend to publish the approved compliance plans on their websites and that the plans include instructions on how to direct questions or comments regarding the plans to ECNG LP and PremStar and to the Board.

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

4 ORDER

For the reasons set out in this Decision, the Board approves the ECNG LP compliance plan, as attached to this Decision as [Appendix 1](#) and the PremStar compliance plan, as attached to this Decision as [Appendix 2](#).

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 – ECNG LIMITED PARTNERSHIP COMPLIANCE PLAN

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



ECNG LP Final Gas
Code of Conduct Reg

(Consists of 21 pages)

APPENDIX 2 – PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP COMPLIANCE PLAN

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



Premstar Final Gas
Code of Conduct Reg

(Consists of 21 pages)

**ECNG LIMITED PARTNERSHIP
GAS CODE OF CONDUCT REGULATION
COMPLIANCE PLAN**

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**ECNG LIMITED PARTNERSHIP
GAS CODE OF CONDUCT REGULATION COMPLIANCE PLAN**

I. INTRODUCTION

(A) PURPOSE OF ECNG LIMITED PARTNERSHIP COMPLIANCE PLAN

ECNG Limited Partnership is a partnership registered in Alberta that will provide Retail Services to Alberta energy consumers. ECNG is an affiliate of AltaGas Utilities Inc., a natural gas distribution company, as both ECNG and AUI are indirect wholly-owned subsidiaries of AltaGas Income Trust.

As a retailer in Alberta and as an affiliate of AUI, ECNG is required pursuant to the Gas Utilities Act (Alberta) Code of Conduct Regulation to file and obtain approval of this Compliance Plan from the Alberta Energy and Utilities Board.

ECNG will be operated in a manner that is consistent with the GCCR, which mandates:

- (a) Equality of treatment of Customers by ECNG ;
- (b) Confidentiality of Customer Information;
- (c) Prevention of any unfair competitive advantage to affiliates of owners of gas distribution systems;
- (d) The maintenance of separate records and accounts by the owner of a gas distribution system and its affiliated Retailer;
- (e) The development of a Compliance Plan and ongoing compliance reports; and
- (f) Compliance Audits.

This Compliance Plan sets out the systems, policies and mechanisms that ECNG will rely upon to ensure that the operations of ECNG, as an affiliate of AUI, are conducted in a manner that is consistent with the requirements of the GCCR. The Compliance Plan will apply to all ECNG Personnel.

ECNG will not condone, encourage, or support any activity or behaviour on the part of ECNG Personnel that is inconsistent with the requirements of the Compliance Plan or the GCCR, and is committed to implementing immediate and comprehensive responses to any such activity or behaviour upon becoming aware of it.

This Compliance Plan will become effective on the date that the Compliance Plan is approved by the Board.

This Compliance Plan describes certain obligations and responsibilities of specified AltaGas management personnel. Notwithstanding this, and without otherwise reducing or eliminating the obligation and responsibility of the specified AltaGas 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 AltaGas management personnel to other ECNG Personnel.

Copies of the Compliance Plan are available on the AltaGas website at www.altagas.ca and on the ECNG website at www.ECNG.ca. Questions or comments concerning the Compliance Plan should be directed to the Compliance Officer, AltaGas at 403-691-7575 or compliance.officer@altagas.ca or to the EUB Utilities Branch, Audit and Compliance Group at 403-297-3590 or eub.utl@gov.ab.ca.

II. DEFINITIONS

In this Compliance Plan,

"**AltaGas**" means AltaGas Ltd., the administrator of ECNG;

"**Auditor**" means an independent auditor appointed by ECNG, and approved by the Board pursuant to Part 4 of the GCCR;

"**AUI**" means AltaGas Utilities Inc.;

"**AUI Customer**" means a Customer who receives Regulated Services from AUI;

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

"**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 the compliance plan of ECNG as approved by the Board pursuant to the GCCR;

"**Compliance Plan Committee**" means the committee of senior AltaGas management personnel responsible for overseeing, implementing and monitoring the Compliance Plan, and any necessary changes to the Compliance Plan, as required, which is chaired by the Compliance Officer and includes the following individuals:

- Senior Vice President Finance and Chief Financial Officer;
- Vice President Corporate Resources;
- Divisional Vice President Gas Services and Energy Marketing; and
- Director, Information Technology;

"**Compliance Officer**" means the Vice President, General Counsel and Corporate Secretary of AltaGas;

"**Compliance Plan Committee Report**" means the report prepared quarterly by the Compliance Officer, containing the reports provided at, and minutes of, the quarterly meeting of the Compliance Plan Committee;

"**Compliance Plan Contravention Investigation Report**" means the report prepared by the Compliance Officer containing details of any alleged ECNG contravention of the Compliance

Plan or the GCCR as reported by a Person, directly or indirectly, to the Compliance Officer which shall include but not be limited to, the following information:

- (a) Date of the alleged contravention;
- (b) Date of the report of the alleged contravention to a supervisor or senior manager of AltaGas, or ECNG;
- (c) Date of the report of the alleged contravention to the Compliance Officer;
- (d) Description of the alleged contravention;
- (e) Person reporting the alleged contravention;
- (f) The relevant section of the Compliance Plan that applies to the issues raised by the alleged contravention; and
- (g) Conclusions of the Compliance Officer regarding the alleged contravention and the date upon which these conclusions were arrived at;

"Compliance Plan Contravention Report" means the report that summarizes the details of any ECNG contravention of the Compliance Plan or the GCCR that is prepared by the Compliance Officer that shall include the contents of the Compliance Plan Contravention Investigation Report and the measures undertaken by ECNG to address any contravention and prevent similar contraventions from occurring in the future;

"Customer" means a consumer of gas in Alberta who takes delivery of the gas at its place of consumption by means of the gas distribution system of a gas distributor;

"Customer Information" means information that is not available to the public and that is uniquely associated with a Customer, could be used to identify a Customer, or is provided by a Customer to ECNG, and includes but is not limited to ECNG Customer Information;

"ECNG" means ECNG Limited Partnership, an affiliated retailer of AUI;

"ECNG Customer" means a Customer of ECNG who receives Retail Services;

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

"ECNG Personnel" means the employees of AltaGas who, in their capacity as an employee of AltaGas, provide Retail Services or other services on behalf of ECNG or other individuals, including agents and contractors, not employed by AltaGas that perform functions for, or undertake tasks on behalf of ECNG who are designated as ECNG Personnel in accordance with this Compliance Plan;

"ECNG Personnel List" means the list of ECNG Personnel prepared by the Compliance Officer;

"Electronic Customer Information Repository" means a separate password protected electronic repository that contains Customer Information, and has the equivalent standard of

security protocol of other data repositories created and maintained by the Person that has primary control and operation of the electronic repository;

"Electronic Customer Information Repository Description" means a document that includes the following information relating to each Electronic Customer Information Repository:

- (a) Name, being a description of the name of the Electronic Customer Information Repository;
- (b) Description, being a summary of the nature of the Electronic Customer Information Repository and its general purpose;
- (c) Owner, being a description of the beneficial owner or licensee of the Electronic Customer Information Repository;
- (d) Customer Base Served, being a description of the ECNG Customers that are served by the Electronic Customer Information Repository;
- (e) Data Type, being a notation of whether the Electronic Customer Information Repository contains Customer Information and/or Aggregated Customer Information;
- (f) Format, being a notation of whether the data in the Electronic Customer Information Repository is stored in a file or database format;
- (g) Accessible By, being a list of the ECNG Personnel who shall have access to the Electronic Customer Information Repository; and
- (h) Compliance Requirements, being a list of the provisions of the Compliance Plan that apply to the Electronic Customer Information Repository;

"Electronic Customer Information Repository List" means a list of the Electronic Customer Information Repositories maintained and operated by ECNG;

"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, expressed in terms of money;

"Gas Services" means the services associated with providing gas to a person in Alberta;

"GCCR" means the Gas Code of Conduct Regulation made under the authority of the GUA;

"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;

"Regulated Services" means Gas Services that are provided by AUI or the access to which or the use of which is controlled by AUI pursuant to a tariff approved by the Board;

"Retail Services" means unregulated Gas Services provided by a Retailer;

"Retailer" means a person who sells or provides unregulated Gas Services directly to a Person.

III. CONDUCT OF ECNG LIMITED PARTNERSHIP

(A) BEHAVIOUR OF ECNG (GCCR SECTION 3)

ECNG Policy 1: ECNG Personnel shall conduct their activities in a manner so as to comply with and ensure compliance with the GCCR and this Compliance Plan.

Mechanism 1: Only ECNG Personnel shall perform functions for or undertake tasks on behalf of ECNG that are necessary for ECNG to provide Retail Services. The Compliance Officer shall designate the ECNG Personnel on the ECNG Personnel List and shall maintain and update the ECNG Personnel List on an ongoing basis.

Mechanism 2: ECNG Personnel will be informed of the applicable requirements of the GCCR and the applicable requirements of the Compliance Plan by being required to: (a) read the Compliance Plan and (b) attend a training session, or alternatively review a videotape of a previously held training session, designed to address the applicable sections of the Compliance Plan. The timing of completion of this requirement will be within 3 months of the approval of this Compliance Plan by the Board.

Mechanism 3: ECNG Personnel will be informed of their obligation to immediately seek answers to all questions regarding the Compliance Plan and its impact on the specific role they perform in the provision of services to ECNG from their immediate supervisor in the first instance. If there remains any doubt or confusion regarding an answer provided to a question the supervisor shall escalate the inquiry to a member of the Compliance Plan Committee. If there remains any doubt or confusion regarding an answer to a question, the member of the Compliance Plan Committee shall refer the matter to the Compliance Officer.

Mechanism 4: ECNG Personnel will be required to execute an acknowledgement in the form of Appendix A acknowledging he/she has read this Compliance Plan and understands the obligations of ECNG, and his/her personal obligations, under the Compliance Plan. If the Compliance Plan is amended, the amended provisions will be provided to the ECNG Personnel to whom the amendment applies within 60 days of the date of the amendment coming into force and a supplementary acknowledgement will be obtained within this 60 day period.

Mechanism 5: Within 30 days after the end of each calendar year, all ECNG Personnel whose names appear on the ECNG Personnel List on December 31 of the prior calendar year, will be required to review this Compliance Plan and execute a confirmation in the form of Appendix B confirming that he/she has undertaken the required review of the Compliance Plan and has acted in accordance with the requirements of this Compliance Plan during the prior calendar year.

Mechanism 6: The Compliance Plan will be posted on the AltaGas and ECNG websites for viewing by the public and ECNG Personnel upon the approval of the Compliance Plan by the Board;

Mechanism 7: The Compliance Officer will review the contents of the AltaGas website and the ECNG website on a quarterly basis to confirm the Compliance Plan posted by AltaGas and ECNG is current and accurate. A record of this review shall be maintained by the Compliance Officer.

Mechanism 8: Adherence to the Compliance Plan and the GCCR by ECNG Personnel will be an important consideration taken into account by ECNG in its assessment of the performance of ECNG Personnel. Breach of the Compliance Plan by ECNG Personnel may result in disciplinary action, up to and including termination of employment or contract with AltaGas or ECNG.

Mechanism 9: Employees who are added to the ECNG Personnel List will be informed of the applicable requirements of the GCCR and the applicable requirements of the Compliance Plan by being required to: (a) read the Compliance Plan and (b) attend a training session, or alternatively review a videotape of a previously held training session, designed to address the applicable sections of the Compliance Plan within 30 days of being added to the ECNG Personnel List.

IV. EQUALITY OF TREATMENT FOR CUSTOMERS

(A) TYING PROHIBITED (GCCR SECTION 4)

ECNG Policy 1: ECNG Personnel shall not require or induce Customers to purchase any goods or services from ECNG, or any other Retailer, by making or appearing to make the provision of Regulated Services conditional on those purchases.

Mechanism 1: The Compliance Officer will each month review the standard form of ECNG's billing envelope, its contents, and bill that will be distributed to ECNG Customers to ensure that they do not contain language that requires or induces ECNG Customers to purchase any goods or services from ECNG or any other Retailer by making or appearing to make the provision of Regulated Services conditional on those purchases and will keep a written record of this review.

Mechanism 2: The Divisional Vice President shall keep a copy of all ECNG consumer awareness and education materials and other ECNG communications that will be distributed to ECNG Customers, through the ECNG billing envelope or otherwise, and the Compliance Officer will at least quarterly review the content of such materials and communications and will keep a written record of this review.

(B) TRANSFER OF CUSTOMERS (GCCR SECTION 5)

Section 5 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

(C) REPRESENTATIONS (GCCR SECTION 6)

ECNG Policy 1: ECNG Personnel shall not represent or imply in any way in communications with ECNG Customers or in communications with the public that present or

future customers of ECNG 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 under ECNG Policy 1 in Section IV. (A).

Mechanism 2: Same as Mechanism 2 under ECNG Policy 1 in Section IV. (A).

(D) ADVERTISING (GCCR SECTION 7)

ECNG Policy 1: Unless the Board advises ECNG, in writing, that it has made a determination that the name and logo used by ECNG and the names and logos used by AUI clearly indicate they are separate entities, the Compliance Plan Committee shall ensure that ECNG includes the conspicuous statements described in section 7 of the GCCR in any internet text or written material published or sent that markets Retail Services.

Mechanism 1: Same as Mechanism 1 under ECNG Policy 1 in Section IV. (A).

Mechanism 2: Same as Mechanism 2 under ECNG Policy 1 in Section IV. (A).

(E) MEETINGS BY AUI WITH RETAILERS AND CUSTOMERS (GCCR SECTION 8)

Section 8 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

V. CONFIDENTIALITY OF CUSTOMER INFORMATION

(A) CONFIDENTIALITY RULE, DISCLOSURE OF CUSTOMER INFORMATION, AND DISCLOSURE TO TWO OR MORE RETAILERS AND CONDITIONS ON DISCLOSURE (GCCR SECTIONS 9,10, 11 AND12)

ECNG Policy 1: ECNG Personnel shall protect the confidentiality and security of Customer Information and shall not, without written customer consent, disclose ECNG Customer Information to any Person other than an individual whose name appears on the ECNG Personnel List or as permitted under the GCCR.

Mechanism 1: Only ECNG Personnel shall perform functions for or undertake tasks on behalf of ECNG that are necessary for ECNG to provide Retail Services. The Compliance Officer shall designate the ECNG Personnel on the ECNG Personnel List and shall maintain and update the ECNG Personnel List on an ongoing basis.

Mechanism 2: ECNG Information in the form of electronic data will be maintained and stored only in an Electronic Customer Information Repository accessible only by ECNG Personnel. ECNG Customer Information shall also be accessible to ECNG Personnel outside of their work premises through a secure password protected electronic connection to the Electronic Customer Information Repository.

Mechanism 3: On at least a quarterly basis, the Director Information Technology of AltaGas shall undertake a review of each Electronic Customer Information Repository maintained by ECNG that contains ECNG Customer Information and confirm that only ECNG Personnel have electronic access to any Electronic Customer Information Repository maintained by ECNG that contains ECNG Customer Information. The Director Information Technology of AltaGas shall prepare a report summarizing the process undertaken to complete the review and the results of the review and provide a copy of this report to the Compliance Officer. If the report indicates that individuals other than ECNG Personnel have obtained electronic access to any Electronic Customer Information Repository maintained by ECNG that contains ECNG Customer Information, the Compliance Officer shall prepare a Compliance Plan Contravention Report.

Mechanism 4: The Director Information Technology will prepare or update, if necessary, the Electronic Customer Information Repository Description for each Electronic Customer Information Repository maintained by ECNG, on a quarterly basis, and provide any updated Electronic Customer Information Repository Description and updated Electronic Customer Information Repository List to the Compliance Officer.

Mechanism 5: The Compliance Officer will be required on a quarterly basis to approve, in writing, the content of the accessibility field in each Electronic Customer Information Repository Description associated with an Electronic Customer Information Repository maintained by ECNG to ensure the access rights are consistent with the access granted under the Compliance Plan, and will maintain a written record of such approvals.

Mechanism 6: Arrangements for the off-site storage of ECNG Customer Information in locations that are not premises of ECNG, will be made only by ECNG Personnel or AltaGas personnel who have responsibility for arranging off-site storage. The off-site storage facility must have security features that will allow ECNG to restrict access to the off-site storage only to individuals whose names appear on the ECNG Personnel List and employees of the off-site storage facility.

ECNG Policy 2: ECNG Personnel shall not, except as set forth in this policy, be permitted access to AUI Customer Information. Excepted from this policy are ECNG Personnel who require AUI Customer Information to provide gas management services or other services for AUI as approved by the Board ("Gas Management Services"). ECNG Personnel who have access to AUI Customer Information for this purpose shall utilize such information solely for the purpose of providing Gas Management Services and for no other purpose.

Mechanism 1: The ECNG Personnel List will be maintained and updated quarterly by the Compliance Officer.

Mechanism 2: ECNG Personnel who obtain or receive AUI Customer Information shall not make use of the AUI Customer Information except to provide Gas Management Services and shall forthwith report any use of AUI Customer Information unrelated to Gas Management Services to his/her supervisor. The supervisor shall ensure such use of AUI Customer Information unrelated to Gas Management Services is communicated to the Compliance Officer, who shall

prepare a Compliance Plan Contravention Report and immediately provide the Compliance Plan Contravention Report to the Compliance Plan Committee.

Mechanism 3: ECNG Personnel who become aware of any ECNG Personnel using AUI Customer Information for purposes other than Gas Management Services shall forthwith report such occurrence to his/her supervisor. The supervisor shall ensure the occurrence is communicated to the Compliance Officer, who shall prepare a Compliance Plan Contravention Report and immediately provide the Compliance Plan Contravention Report to the Compliance Plan Committee.

ECNG Policy 3: Other than as permitted pursuant to ECNG Policy 2 V. (A). above, ECNG Personnel who have direct interaction with AUI Customers shall not access an Electronic Customer Information Repository containing AUI Customer Information at any time during which he/she is providing services to ECNG.

Mechanism 1: The Compliance Officer shall on a quarterly basis circulate a written notice to all ECNG Personnel reminding them of this requirement.

ECNG Policy 4: ECNG Personnel are the only individuals that shall have authority to authorize the release of Customer Information to a Person.

Mechanism 1: The Compliance Officer shall maintain the ECNG Personnel List and seek to ensure compliance with the ECNG Code of Conduct such that only individuals whose names appear on the ECNG Personnel List shall engage in the release of Customer Information in response to a written request of a ECNG Customer to do so.

ECNG Policy 5: ECNG will respond to requests for Customer Information from all Customers and Retailers under the same terms and conditions, including the timing of the release and the format of the information released.

Mechanism 1: ECNG Personnel will receive specific direction and oversight from the Divisional Vice President Gas Services and Energy Marketing regarding the scrutiny of the content of the form of consent required by the GCCR for ECNG to release Customer Information. ECNG will only accept an electronic or written consent and will not accept a verbal consent from a Customer to release his/her Customer Information.

Mechanism 2: The Divisional Vice President Gas Services and Energy Marketing will ensure a paper or electronic copy of each written consent form is retained by ECNG for a period of six years from the date on the consent form. The Divisional Vice President Gas Services and Energy Marketing will maintain a database of information related to customer consents that will track the following information:

- (a) The date the consent to disclose Customer Information was received by ECNG;
- (b) The Customer Information that is authorized to be disclosed by the Customer;

- (c) The period of time that the Customer consent to release Customer Information is in effect;
- (d) Whether the consent of the Customer authorizes the Customer Information to be released to one, some, or all Retailers, and if the consent is limited to one or some Retailers, the name(s) of the Retailer(s);
- (e) The date the Customer Information is released by ECNG to a Retailer, or Retailers; and
- (f) The ECNG Personnel List.

ECNG Policy 6: ECNG will maintain separate work premises from those work premises occupied by AUI. ECNG work premises shall not be considered AUI work premises as a result of ECNG Personnel providing Gas Management Services to AUI as permitted herein.

Mechanism 1: On a quarterly basis, the Compliance Officer shall undertake a review of the ECNG work premises to confirm that ECNG premises are separate from AUI premises.

(B) AGGREGATED CUSTOMER INFORMATION (GCCR SECTION 14)

Section 14 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

VI. EQUALITY OF TREATMENT OF RETAILERS

(A) EQUAL TREATMENT (GCCR SECTION 15)

Section 15 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

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

Section 16 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

VII. BUSINESS PRACTICE OF ECNG LIMITED PARTNERSHIP

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

Section 17 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

(B) PROHIBITIONS (GCCR SECTION 18)

Section 18 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

VIII. PREVENTING UNFAIR COMPETITIVE ADVANTAGE

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

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

Mechanism 1: Any cost-sharing arrangement between AUI and ECNG, with the exception of an arrangement otherwise approved by the Board, shall specify the percentage allocation of costs between AUI and ECNG, include a description of the justification for the allocation, and will require the prior written approval of one of the:

President and Chief Executive Officer; or
Senior Vice President Finance and Chief Financial Officer; or
Vice President General Counsel and Corporate Secretary; or
Divisional Vice President Gas Services and Energy Marketing.

A record of the written approval will be maintained by the Senior Vice President Finance and Chief Financial Officer for a period of no less than six years from the date the written approval is granted.

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

ECNG Policy 1: ECNG Personnel shall protect the confidentiality and security of Customer Information and shall not disclose Customer Information to any Person other than an individual whose name appears on the ECNG Personnel List;

Mechanism 1: Same as Mechanism 1 under ECNG Policy 1 in Section V.(A).

Mechanism 2: Same as Mechanism 2 under ECNG Policy 1 in Section V.(A).

Mechanism 3: Same as Mechanism 3 under ECNG Policy 1 in Section V.(A).

Mechanism 4: Same as Mechanism 4 under ECNG Policy 1 in Section V.(A).

Mechanism 5: Same as Mechanism 5 under ECNG Policy 1 in Section V.(A).

Mechanism 6: Same as Mechanism 6 under ECNG Policy 1 in Section V.(A).

ECNG Policy 2: ECNG Personnel who have direct interaction with AUI Customers shall not access an Electronic Customer Information Repository containing AUI Customer Information at any time during which he/she is providing services to ECNG, except as set forth in ECNG Policy 2 V. (A).

Mechanism 1: Same as Mechanism 1 under ECNG Policy 2 in Section V.(A).

Mechanism 2: Same as Mechanism 2 under ECNG Policy 2 in Section V.(A).

Mechanism 3: Same as Mechanism 3 under ECNG Policy 2 in Section V.(A).

(C) ECNG CUSTOMER INFORMATION FROM EMPLOYEES AND OTHERS (GCCR SECTION 21)

ECNG Policy 1: ECNG Personnel shall report to the Compliance Officer the identity of any Person whose name is not on the ECNG Personnel List, who seeks to obtain ECNG Customer Information by indicating that he/she has authority to receive ECNG Customer Information from ECNG Personnel when he/she does not in fact have such authority.

Mechanism 1: The Compliance Officer shall document all such reports received in writing, or any other form, and investigate all reports to determine if any ECNG Customer Information was improperly sought or received. These reports shall be included in the quarterly Compliance Plan Committee Report.

Mechanism 2: Upon termination of their employment with AltaGas (voluntary or otherwise) ECNG Personnel shall be informed of their obligation to continue to protect the confidentiality of Customer Information.

(D) JOINT ACQUISITIONS, RESEARCH, AND DISPOSITIONS (GCCR SECTION 22)

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

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer shall account for all joint acquisitions, research, and disposition in accordance with this ECNG policy and shall be responsible for recording, at the time of the transaction, an entry in the records and accounts of AUI and ECNG of any joint purchases or acquisitions, the rationale for such joint purchase or acquisition, and the basis for the allocation of the economic benefits or costs between AUI and ECNG. These records and accounts will be made available by ECNG to the Auditor.

Mechanism 2: All joint acquisitions by AUI and ECNG, with the exception of a joint acquisition otherwise approved by the Board, shall be reported by the Senior Vice President Finance and Chief Financial Officer to the Compliance Plan Committee at the first quarterly meeting following the joint acquisition.

(E) GOODS AND SERVICES TRANSACTIONS TO BE AT FAIR MARKET VALUE (GCCR SECTION 23)

ECNG Policy 1: All transactions involving the sale, lease, exchange, transfer or other disposition of goods or services between AUI and ECNG shall be at Fair Market Value.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer 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 ECNG policy and shall be responsible for recording at the time of the transaction in the records and

accounts of AUI and ECNG 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 ECNG to the Auditor.

Mechanism 2: All transactions involving the sale, lease, exchange, transfer or other disposition of goods or services between AUI and ECNG, with the exception of a sale, lease, exchange, transfer or other disposition of goods or services between AUI and ECNG otherwise approved by the Board, shall be reported by the Senior Vice President Finance and Chief Financial Officer to the Compliance Plan Committee at the first quarterly meeting following the joint acquisition.

(F) FINANCIAL TRANSACTIONS (GCCR SECTION 24)

Section 24 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

(G) ACCESS TO PUBLICLY AVAILABLE INFORMATION (GCCR SECTION 25)

Section 25 of the GCCR does not impose requirements or restrictions applicable to Retailers, including ECNG.

IX. SEPARATE RECORDS AND ACCOUNTS

(A) RECORDS AND ACCOUNTS (GCCR SECTION 26)

ECNG Policy 1: AUI and ECNG shall have separate records and accounts.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer will ensure the accounts and records of AUI and ECNG 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 GCCR;
- (b) That the accounts comply with any guidelines or uniform system of record keeping required by the Board and generally accepted accounting principles.

(B) WRITTEN FINANCIAL TRANSACTIONS (GCCR SECTION 27)

ECNG Policy 1: All financial transactions between AUI and ECNG shall be in writing and shall be approved in advance by the Senior Vice President Finance and Chief Financial Officer.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer will ensure that all financial transactions recorded in the accounts and records of AUI and ECNG are supported by written documentation describing and confirming the transaction.

Mechanism 2: The written documentation of financial transactions between AUI and ECNG will be made available by ECNG to the Auditor.

Mechanism 3: All financial transactions between AUI and ECNG, with the exception of financial transactions approved by the Board, shall be reported by the Senior Vice

President Finance and Chief Financial Officer to the Compliance Plan Committee at the first quarterly Compliance Plan Committee meeting following the financial transaction.

(C) TRANSACTION RECORDS (GCCR SECTION 28)

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

ECNG Policy 2: Transactions between AUI and ECNG that involve goods or services sold, leased, exchanged, given, or otherwise disposed of between AUI and ECNG in an amount greater than an annual amount of \$500,000, including transactions approved by the Board, shall be documented by an agreement in writing and the valuation of the transaction shall reflect Fair Market Value.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer will maintain a written record of all goods and services sold, leased, exchanged, given or otherwise disposed of between AUI and ECNG which will include the value of the transaction expressed in terms of money.

Mechanism 2: If any transactions between AUI and ECNG exceed \$500,000 annually, the Senior Vice President Finance and Chief Financial Officer will obtain written evidence of Fair Market Value from an independent third party that has no financial interest in AUI or ECNG and provide this evidence to the Compliance Plan Committee for its review and approval, unless the transaction has been otherwise approved by the Board, prior to the transaction being completed. These records will be made available by ECNG to the Auditor.

(D) MAINTAINING RECORDS (GCCR SECTION 29)

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

Mechanism 1: The Compliance Officer and the Senior Vice President Finance and Chief Financial Officer will jointly be responsible for making the necessary arrangements to maintain and store all records that must be maintained by ECNG for the required period.

Mechanism 2: The records, accounts, financial transactions, reports and plans of ECNG that must be maintained for the required period and which contain ECNG Customer Information in the form of electronic or physical records will be accessible physically and/or through a password protected data system only by ECNG Personnel in secure work premises or at an off-site storage facility. The off-site storage facility must have security features that will allow ECNG to restrict access to the off-site storage only to individuals whose names appear on the ECNG Personnel List, and employees of the off-site storage facility.

X. COMPLIANCE PLANS AND REPORTS

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

ECNG Policy 1: All ECNG Personnel shall conduct their activities in a manner that is in compliance with the GCCR and the Compliance Plan.

Mechanism 1: Same as Mechanism 1 under ECNG Policy 1 in Section III.(A).

Mechanism 2: Same as Mechanism 2 under ECNG Policy 1 in Section III.(A).

Mechanism 3: Same as Mechanism 3 under ECNG Policy 1 in Section III.(A).

Mechanism 4: Same as Mechanism 4 under ECNG Policy 1 in Section III.(A).

Mechanism 5: Same as Mechanism 5 under ECNG Policy 1 in Section III.(A).

Mechanism 6: Same as Mechanism 6 under ECNG Policy 1 in Section III.(A).

Mechanism 7: Same as Mechanism 7 under ECNG Policy 1 in Section III.(A).

Mechanism 8: Same as Mechanism 8 under ECNG Policy 1 in Section III.(A).

ECNG Policy 2: ECNG Personnel who become aware of circumstances that they believe may constitute a contravention of the Compliance Plan or the GCCR, shall forthwith report this information to the Compliance Officer.

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

Mechanism 1: The ECNG website will provide information to the public describing how to report an alleged contravention of the GCCR to ECNG or the Board.

Mechanism 2: Reports from the public of matters that may constitute a contravention of the Compliance Plan or the GCCR will be addressed by the Compliance Officer.

Mechanism 3: Upon ECNG receiving a complaint, the Compliance Officer will log the complaint and forthwith investigate the matter to determine if any contravention of the Compliance Plan or GCCR did occur. Upon completion of the investigation, the Compliance Officer will document the circumstances of alleged contravention in the Compliance Plan Contravention Investigation Report. The Compliance Officer will endeavour to resolve any complaint of alleged violation of the GCCR or the Compliance Plan with the member of the public that lodged the complaint within 20 days of ECNG receiving the complaint. The Compliance Officer will keep a log of complaints received.

Mechanism 4: If it is established that a contravention of the GCCR or the Compliance Plan has occurred, the Compliance Officer will prepare a Compliance Plan Contravention Report and immediately provide the Compliance Plan Contravention Report to the Compliance Plan Committee.

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

Mechanism 6: Adherence to the Compliance Plan will be overseen and monitored by the Compliance Plan Committee by way of a quarterly meeting to:

- (a) Receive and review the updated ECNG Personnel List and any updated Electronic Customer Information Repository descriptions relating to Electronic Customer Information Repositories maintained by ECNG;
- (b) Receive and review reports of any current AltaGas employee whose name is not on the ECNG Personnel List who has sought or received Customer Information from any present or former officer, employee, agent, or contractor of ECNG and provide any appropriate directions;
- (c) Receive and review all Compliance Plan Contravention Investigation Reports prepared since the last quarterly meeting by the Compliance Officer and provide any appropriate directions;
- (d) Receive and review all Compliance Plan Contravention Reports prepared since the last quarterly meeting by the Compliance Officer and provide any appropriate directions;
- (e) Receive and review a report of all ECNG consumer awareness and education materials and other ECNG communications approved, since the last quarterly meeting of the Compliance Plan Committee, for distribution to the public pursuant to the Compliance Plan and provide any appropriate directions;
- (f) Receive and review reports from the Senior Vice President Finance and Chief Financial Officer regarding any joint acquisitions by AUI and ECNG made since the last quarterly meeting;
- (g) Receive and review reports from the Senior Vice President Finance and Chief Financial Officer involving any sale, lease, exchange, transfer, or other disposition of goods or services between AUI and ECNG made since the last quarterly meeting;
- (h) Receive and review reports from the Senior Vice President Finance and Chief Financial Officer describing any financial transactions between AUI and ECNG made since the last quarterly meeting;
- (i) Receive and review reports from the Compliance Officer of any action taken by ECNG or ECNG Personnel in response to an emergency that threatens public safety or the safety of ECNG Personnel;
- (j) Consider any necessary changes to the Compliance Plan that reflect changed circumstances or improved practices.

The Compliance Officer will maintain minutes of the Compliance Plan Committee meetings, which shall have appended to them copies of the Compliance Plan

Investigation Reports and the Compliance Plan Contravention Reports that were received and reviewed by the Compliance Plan Committee.

Mechanism 7: The Compliance Officer and the Vice President Corporate Resources shall report to the Chief Executive Officer and shall not have a direct reporting relationship to the Divisional Vice President Gas Services and Energy Marketing.

Mechanism 8: The Compliance Plan Committee shall be accountable for:

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

Mechanism 9: The Compliance Plan Committee shall be responsible for ensuring that the ECNG Personnel are informed that the Auditor has the authority to receive from ECNG Personnel, and they shall provide to the Auditor, free and unfettered access to appropriate ECNG Personnel, including the information systems of ECNG, to complete the compliance audit requirements of the GCCR and the Compliance Plan in a timely and efficient manner.

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

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

Mechanism 1: If there are complaints of non-compliance with the GCCR or the Compliance Plan by ECNG, or if it is determined that ECNG did not comply with the GCCR or the Compliance Plan, a report of the minutes of the Compliance Plan Committee meetings related to these matters will be provided to the Board of Directors of AltaGas and the Board by the Compliance Officer within 60 days following the end of the quarter in which such complaint was received for each of the first three quarters of a calendar year or within 90 days following the end of the fourth quarter if such complaint was received in the fourth quarter.

Mechanism 2: Within 90 days following the end of each calendar year, ECNG will send to the Board, an annual compliance report, approved by the Board of Directors of AltaGas.

Mechanism 3: A Compliance Plan Committee Report will be provided to the Board of Directors of AltaGas by the Compliance Officer on a quarterly basis, within 60 days following the end of each of the first three quarters of a calendar year and within 90 days following the end of the fourth quarter.

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

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

Mechanism 1: Once per twelve month period commencing no later than 60 days after approval of the ECNG Compliance Plan, ECNG will include a text message directly on the Customer's bill, giving notice to the Customer that complaints about contraventions of the GCCR may be made to the Board and that the Board is independent of ECNG. This notice shall be approved by the Board prior to being placed by ECNG.

(D) NO RELEASE FROM OBLIGATIONS UNDER REGULATION (GCCR SECTION 36)

ECNG Policy 1: Compliance by ECNG with the Compliance Plan does not release ECNG Personnel from complying with the GCCR.

XI. COMPLIANCE AUDIT

(A) APPOINTMENT OF AUDITOR (ECCR SECTION 38, GCCR SECTION 37)

ECNG Policy 1: ECNG Personnel shall be required by ECNG to fully co-operate with the Auditor appointed by ECNG to perform an audit, composed of an independent examination of ECNG operations for the purpose of expressing an opinion on the compliance by ECNG with the GCCR and the Compliance Plan.

Mechanism 1: Employees of the Auditor shall provide reasonable proof to ECNG Personnel of their identity prior to requesting access to ECNG Customer Information.

Mechanism 2: ECNG shall afford the Auditor with complete and unfettered access to the records, information, and information systems of ECNG and to ECNG Personnel for the purpose of the Auditor completing its Audit.

Mechanism 3: ECNG 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 GCCR.

XII. EXCEPTIONS

(A) EMERGENCY EXCEPTIONS (GCCR SECTION 42)

ECNG Policy 1: Any action taken by ECNG or ECNG Personnel in response to an emergency that threatens public safety, the safety of ECNG Personnel, does not contravene the Compliance Plan or the GCCR.

Mechanism 1: Any action taken by ECNG or ECNG Personnel in response to an emergency that threatens public safety, the safety of ECNG Personnel, or any other Person 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 10 days of the date of the breach and to the Compliance Plan Committee at the next quarterly meeting of the Compliance Plan Committee.

**APPENDIX A:
ECNG LIMITED PARTNERSHIP COMPLIANCE PLAN
COMPLIANCE ACKNOWLEDGEMENT**

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

ECNG Limited Partnership ("ECNG"), a partnership registered in Alberta, is committed to conducting its affairs in accordance with all applicable laws that govern ECNG's operations. The Compliance Plan was developed as part of that commitment. ECNG Personnel are required to, fully and completely in all circumstances, comply with the policies and mechanisms contained in this Compliance Plan.

The undersigned ECNG Personnel hereby acknowledges that he/she has received and read a copy of this Compliance Plan and understands both the obligations of ECNG and his/her personal obligations, as described in this Compliance Plan, and undertakes to conduct himself/herself in a manner that is in accordance with the policies and mechanisms contained in this Compliance Plan.

The undersigned ECNG Personnel hereby acknowledges that he/she will not seek preferential treatment for ECNG from AUI.

The undersigned ECNG Personnel acknowledge that it is his/her obligation and right to ask questions and seek clarification regarding the contents of this Compliance Plan from his/her supervisor if there is any uncertainty or question respecting his/her understanding of the policies and mechanisms described in this Compliance Plan.

Acknowledged and accepted this ___ day of _____, 2005.

Name

Name Printed

**APPENDIX B:
ECNG LIMITED PARTNERSHIP COMPLIANCE PLAN
COMPLIANCE CONFIRMATION**

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

ECNG Limited Partnership ("ECNG"), a partnership registered in Alberta, is committed to conducting its affairs in accordance with all applicable laws that govern ECNG's operations. The ECNG Compliance Plan was developed as part of that commitment.

ECNG Personnel are required to, fully and completely in all circumstances, comply with the policies and mechanisms contained in the ECNG Compliance Plan.

ECNG Agent or Contractor Personnel are required to, fully and completely in all circumstances, comply with the policies and mechanisms contained in the ECNG Compliance Plan.

The undersigned ECNG Personnel hereby confirms that he/she has reviewed the terms of this Compliance Plan within the past 30 days and further confirms he/she has complied with the requirements of the ECNG Compliance Plan over the past calendar year, or portion thereof during which he/she was a member of the group of ECNG Personnel. If this is not the case, this signatory shall describe all instances of non-compliance, in writing, in the area provided below or provide further documentation that contains a detailed description of any non-compliance.

Written description of any non-compliance (attach additional pages if necessary):

Acknowledged and accepted this ___ day of _____, 2005.

Name

Name Printed

**PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP
GAS CODE OF CONDUCT REGULATION
COMPLIANCE PLAN**

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**PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP
GAS CODE OF CONDUCT REGULATION COMPLIANCE PLAN**

I. INTRODUCTION

(A) PURPOSE OF PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP COMPLIANCE PLAN

Premstar Energy Canada Limited Partnership is a partnership registered in Alberta that will provide Retail Services to Alberta energy consumers. Premstar is an affiliate of AltaGas Utilities Inc., a natural gas distribution company, as both PREMSTAR and AUI are indirect wholly-owned subsidiaries of AltaGas Income Trust.

As a retailer in Alberta and as an affiliate of AUI, PREMSTAR is required pursuant to the Gas Utilities Act (Alberta) Code of Conduct Regulation to file and obtain approval of this Compliance Plan from the Alberta Energy and Utilities Board.

PREMSTAR will be operated in a manner that is consistent with the GCCR, which mandates:

- (a) Equality of treatment of Customers by PREMSTAR ;
- (b) Confidentiality of Customer Information;
- (c) Prevention of any unfair competitive advantage to affiliates of owners of gas distribution systems;
- (d) The maintenance of separate records and accounts by the owner of a gas distribution system and its affiliated Retailer;
- (e) The development of a Compliance Plan and ongoing compliance reports; and
- (f) Compliance Audits.

This Compliance Plan sets out the systems, policies and mechanisms that PREMSTAR will rely upon to ensure that the operations of PREMSTAR, as an affiliate of AUI, are conducted in a manner that is consistent with the requirements of the GCCR. The Compliance Plan will apply to all PREMSTAR Personnel.

PREMSTAR will not condone, encourage, or support any activity or behaviour on the part of PREMSTAR Personnel that is inconsistent with the requirements of the Compliance Plan or the GCCR, and is committed to implementing immediate and comprehensive responses to any such activity or behaviour upon becoming aware of it.

This Compliance Plan will become effective on the date that the Compliance Plan is approved by the Board.

This Compliance Plan describes certain obligations and responsibilities of specified AltaGas management personnel. Notwithstanding this, and without otherwise reducing or eliminating the obligation and responsibility of the specified AltaGas 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 AltaGas management personnel to other PREMSTAR Personnel.

Copies of the Compliance Plan are available on the AltaGas website at www.altagas.ca and on the PREMSTAR website at www.PREMSTAR.ca. Questions or comments concerning the Compliance Plan should be directed to the Compliance Officer, AltaGas at 403-691-7575 or compliance.officer@altagas.ca or to the EUB Utilities Branch, Audit and Compliance Group at 403-297-3590 or eub.utl@gov.ab.ca.

II. DEFINITIONS

In this Compliance Plan,

"**AltaGas**" means AltaGas Ltd., the administrator of PREMSTAR;

"**Auditor**" means an independent auditor appointed by PREMSTAR, and approved by the Board pursuant to Part 4 of the GCCR;

"**AUI**" means AltaGas Utilities Inc.;

"**AUI Customer**" means a Customer who receives Regulated Services from AUI;

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

"**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 the compliance plan of PREMSTAR as approved by the Board pursuant to the GCCR;

"**Compliance Plan Committee**" means the committee of senior AltaGas management personnel responsible for overseeing, implementing and monitoring the Compliance Plan, and any necessary changes to the Compliance Plan, as required, which is chaired by the Compliance Officer and includes the following individuals:

- Senior Vice President Finance and Chief Financial Officer;
- Vice President Corporate Resources;
- Divisional Vice President Gas Services and Energy Marketing; and
- Director, Information Technology;

"**Compliance Officer**" means the Vice President, General Counsel and Corporate Secretary of AltaGas;

"**Compliance Plan Committee Report**" means the report prepared quarterly by the Compliance Officer, containing the reports provided at, and minutes of, the quarterly meeting of the Compliance Plan Committee;

"Compliance Plan Contravention Investigation Report" means the report prepared by the Compliance Officer containing details of any alleged PREMSTAR contravention of the Compliance Plan or the GCCR as reported by a Person, directly or indirectly, to the Compliance Officer which shall include but not be limited to, the following information:

- (a) Date of the alleged contravention;
- (b) Date of the report of the alleged contravention to a supervisor or senior manager of AltaGas, or PREMSTAR;
- (c) Date of the report of the alleged contravention to the Compliance Officer;
- (d) Description of the alleged contravention;
- (e) Person reporting the alleged contravention;
- (f) The relevant section of the Compliance Plan that applies to the issues raised by the alleged contravention; and
- (g) Conclusions of the Compliance Officer regarding the alleged contravention and the date upon which these conclusions were arrived at;

"Compliance Plan Contravention Report" means the report that summarizes the details of any PREMSTAR contravention of the Compliance Plan or the GCCR that is prepared by the Compliance Officer that shall include the contents of the Compliance Plan Contravention Investigation Report and the measures undertaken by PREMSTAR to address any contravention and prevent similar contraventions from occurring in the future;

"Customer" means a consumer of gas in Alberta who takes delivery of the gas at its place of consumption by means of the gas distribution system of a gas distributor;

"Customer Information" means information that is not available to the public and that is uniquely associated with a Customer, could be used to identify a Customer, or is provided by a Customer to PREMSTAR, and includes but is not limited to PREMSTAR Customer Information;

"Electronic Customer Information Repository" means a separate password protected electronic repository that contains Customer Information, and has the equivalent standard of security protocol of other data repositories created and maintained by the Person that has primary control and operation of the electronic repository;

"Electronic Customer Information Repository Description" means a document that includes the following information relating to each Electronic Customer Information Repository:

- (a) Name, being a description of the name of the Electronic Customer Information Repository;
- (b) Description, being a summary of the nature of the Electronic Customer Information Repository and its general purpose;
- (c) Owner, being a description of the beneficial owner or licensee of the Electronic Customer Information Repository;

- (d) Customer Base Served, being a description of the PREMSTAR Customers that are served by the Electronic Customer Information Repository;
- (e) Data Type, being a notation of whether the Electronic Customer Information Repository contains Customer Information and/or Aggregated Customer Information;
- (f) Format, being a notation of whether the data in the Electronic Customer Information Repository is stored in a file or database format;
- (g) Accessible By, being a list of the PREMSTAR Personnel who shall have access to the Electronic Customer Information Repository; and
- (h) Compliance Requirements, being a list of the provisions of the Compliance Plan that apply to the Electronic Customer Information Repository;

"Electronic Customer Information Repository List" means a list of the Electronic Customer Information Repositories maintained and operated by PREMSTAR;

"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, expressed in terms of money;

"Gas Services" means the services associated with providing gas to a person in Alberta;

"GCCR" means the Gas Code of Conduct Regulation made under the authority of the GUA;

"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, an affiliated retailer of AUI;

"PREMSTAR Customer" means a Customer of PREMSTAR who receives Retail Services;

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

"PREMSTAR Personnel" means the employees of AltaGas who, in their capacity as an employee of AltaGas, provide Retail Services or other services on behalf of PREMSTAR or other individuals, including agents and contractors, not employed by AltaGas that perform functions for, or undertake tasks on behalf of PREMSTAR who are designated as PREMSTAR Personnel in accordance with this Compliance Plan;

"PREMSTAR Personnel List" means the list of PREMSTAR Personnel prepared by the Compliance Officer;

"**Regulated Services**" means Gas Services that are provided by AUI or the access to which or the use of which is controlled by AUI pursuant to a tariff approved by the Board;

"**Retail Services**" means unregulated Gas Services provided by a Retailer;

"**Retailer**" means a person who sells or provides unregulated Gas Services directly to a Person.

III. CONDUCT OF PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP

(A) BEHAVIOUR OF PREMSTAR (GCCR SECTION 3)

PREMSTAR Policy 1: PREMSTAR Personnel shall conduct their activities in a manner so as to comply with and ensure compliance with the GCCR and this Compliance Plan.

Mechanism 1: Only PREMSTAR Personnel shall perform functions for or undertake tasks on behalf of PREMSTAR that are necessary for PREMSTAR to provide Retail Services. The Compliance Officer shall designate the PREMSTAR Personnel on the PREMSTAR Personnel List and shall maintain and update the PREMSTAR Personnel List on an ongoing basis.

Mechanism 2: PREMSTAR Personnel will be informed of the applicable requirements of the GCCR and the applicable requirements of the Compliance Plan by being required to: (a) read the Compliance Plan and (b) attend a training session, or alternatively review a videotape of a previously held training session, designed to address the applicable sections of the Compliance Plan. The timing of completion of this requirement will be within 3 months of the approval of this Compliance Plan by the Board.

Mechanism 3: PREMSTAR Personnel will be informed of their obligation to immediately seek answers to all questions regarding the Compliance Plan and its impact on the specific role they perform in the provision of services to PREMSTAR from their immediate supervisor in the first instance. If there remains any doubt or confusion regarding an answer provided to a question the supervisor shall escalate the inquiry to a member of the Compliance Plan Committee. If there remains any doubt or confusion regarding an answer to a question, the member of the Compliance Plan Committee shall refer the matter to the Compliance Officer.

Mechanism 4: PREMSTAR Personnel will be required to execute an acknowledgement in the form of Appendix A acknowledging he/she has read this Compliance Plan and understands the obligations of PREMSTAR, and his/her personal obligations, under the Compliance Plan. If the Compliance Plan is amended, the amended provisions will be provided to the PREMSTAR Personnel to whom the amendment applies within 60 days of the date of the amendment coming into force and a supplementary acknowledgement will be obtained within this 60 day period.

Mechanism 5: Within 30 days after the end of each calendar year, all PREMSTAR Personnel whose names appear on the PREMSTAR Personnel List on December 31 of the prior calendar year, will be required to review this Compliance Plan and execute a confirmation in the form of Appendix B confirming that he/she has undertaken

the required review of the Compliance Plan and has acted in accordance with the requirements of this Compliance Plan during the prior calendar year.

Mechanism 6: The Compliance Plan will be posted on the AltaGas and PREMSTAR websites for viewing by the public and PREMSTAR Personnel upon the approval of the Compliance Plan by the Board;

Mechanism 7: The Compliance Officer will review the contents of the AltaGas website and the PREMSTAR website on a quarterly basis to confirm the Compliance Plan posted by AltaGas and PREMSTAR is current and accurate. A record of this review shall be maintained by the Compliance Officer.

Mechanism 8: Adherence to the Compliance Plan and the GCCR by PREMSTAR Personnel will be an important consideration taken into account by PREMSTAR in its assessment of the performance of PREMSTAR Personnel. Breach of the Compliance Plan by PREMSTAR Personnel may result in disciplinary action, up to and including termination of employment or contract with AltaGas or PREMSTAR.

Mechanism 9: Employees who are added to the PREMSTAR Personnel List will be informed of the applicable requirements of the GCCR and the applicable requirements of the Compliance Plan by being required to: (a) read the Compliance Plan and (b) attend a training session, or alternatively review a videotape of a previously held training session, designed to address the applicable sections of the Compliance Plan within 30 days of being added to the PREMSTAR Personnel List.

IV. EQUALITY OF TREATMENT FOR CUSTOMERS

(A) TYING PROHIBITED (GCCR SECTION 4)

PREMSTAR Policy 1: PREMSTAR Personnel shall not require or induce Customers to purchase any goods or services from PREMSTAR, or any other Retailer, by making or appearing to make the provision of Regulated Services conditional on those purchases.

Mechanism 1: The Compliance Officer will each month review the standard form of PREMSTAR's billing envelope, its contents, and bill that will be distributed to PREMSTAR Customers to ensure that they do not contain language that requires or induces PREMSTAR Customers to purchase any goods or services from PREMSTAR or any other Retailer by making or appearing to make the provision of Regulated Services conditional on those purchases and will keep a written record of this review.

Mechanism 2: The Divisional Vice President shall keep a copy of all PREMSTAR consumer awareness and education materials and other PREMSTAR communications that will be distributed to PREMSTAR Customers, through the PREMSTAR billing envelope or otherwise, and the Compliance Officer will at least quarterly review the content of such materials and communications and will keep a written record of this review.

(B) TRANSFER OF CUSTOMERS (GCCR SECTION 5)

Section 5 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

(C) REPRESENTATIONS (GCCR SECTION 6)

PREMSTAR Policy 1: PREMSTAR Personnel shall not represent or imply in any way in communications with PREMSTAR Customers or in communications with the public that present or future customers of PREMSTAR 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 under PREMSTAR Policy 1 in Section IV. (A).

Mechanism 2: Same as Mechanism 2 under PREMSTAR Policy 1 in Section IV. (A).

(D) ADVERTISING (GCCR SECTION 7)

PREMSTAR Policy 1: Unless the Board advises PREMSTAR, in writing, that it has made a determination that the name and logo used by PREMSTAR and the names and logos used by AUI clearly indicate they are separate entities, the Compliance Plan Committee shall ensure that PREMSTAR includes the conspicuous statements described in section 7 of the GCCR in any internet text or written material published or sent that markets Retail Services.

Mechanism 1: Same as Mechanism 1 under PREMSTAR Policy 1 in Section IV. (A).

Mechanism 2: Same as Mechanism 2 under PREMSTAR Policy 1 in Section IV. (A).

(E) MEETINGS BY AUI WITH RETAILERS AND CUSTOMERS (GCCR SECTION 8)

Section 8 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

V. CONFIDENTIALITY OF CUSTOMER INFORMATION**(A) CONFIDENTIALITY RULE, DISCLOSURE OF CUSTOMER INFORMATION, AND DISCLOSURE TO TWO OR MORE RETAILERS AND CONDITIONS ON DISCLOSURE (GCCR SECTIONS 9,10, 11 AND12)**

PREMSTAR Policy 1: PREMSTAR Personnel shall protect the confidentiality and security of Customer Information and shall not, without written customer consent, disclose PREMSTAR Customer Information to any Person other than an individual whose name appears on the PREMSTAR Personnel List or as permitted under the GCCR.

Mechanism 1: Only PREMSTAR Personnel shall perform functions for or undertake tasks on behalf of PREMSTAR that are necessary for PREMSTAR to provide Retail Services. The Compliance Officer shall designate the PREMSTAR Personnel on the PREMSTAR Personnel List and shall maintain and update the PREMSTAR Personnel List on an ongoing basis.

Mechanism 2: PREMSTAR Information in the form of electronic data will be maintained and stored only in an Electronic Customer Information Repository accessible only by PREMSTAR Personnel. PREMSTAR Customer Information shall also be accessible to PREMSTAR Personnel outside of their work premises through a secure password protected electronic connection to the Electronic Customer Information Repository.

Mechanism 3: On at least a quarterly basis, the Director Information Technology of AltaGas shall undertake a review of each Electronic Customer Information Repository maintained by PREMSTAR that contains PREMSTAR Customer Information and confirm that only PREMSTAR Personnel have electronic access to any Electronic Customer Information Repository maintained by PREMSTAR that contains PREMSTAR Customer Information. The Director Information Technology of AltaGas shall prepare a report summarizing the process undertaken to complete the review and the results of the review and provide a copy of this report to the Compliance Officer. If the report indicates that individuals other than PREMSTAR Personnel have obtained electronic access to any Electronic Customer Information Repository maintained by PREMSTAR that contains PREMSTAR Customer Information, the Compliance Officer shall prepare a Compliance Plan Contravention Report.

Mechanism 4: The Director Information Technology will prepare or update, if necessary, the Electronic Customer Information Repository Description for each Electronic Customer Information Repository maintained by PREMSTAR, on a quarterly basis, and provide any updated Electronic Customer Information Repository Description and updated Electronic Customer Information Repository List to the Compliance Officer.

Mechanism 5: The Compliance Officer will be required on a quarterly basis to approve, in writing, the content of the accessibility field in each Electronic Customer Information Repository Description associated with an Electronic Customer Information Repository maintained by PREMSTAR to ensure the access rights are consistent with the access granted under the Compliance Plan, and will maintain a written record of such approvals.

Mechanism 6: Arrangements for the off-site storage of PREMSTAR Customer Information in locations that are not premises of PREMSTAR, will be made only by PREMSTAR Personnel or AltaGas personnel who have responsibility for arranging off-site storage. The off-site storage facility must have security features that will allow PREMSTAR to restrict access to the off-site storage only to individuals whose names appear on the PREMSTAR Personnel List and employees of the off-site storage facility.

PREMSTAR Policy 2: PREMSTAR Personnel shall not, except as set forth in this policy, be permitted access to AUI Customer Information. Excepted from this policy

are PREMSTAR Personnel who require AUI Customer Information to provide gas management services or other services for AUI as approved by the Board ("Gas Management Services"). PREMSTAR Personnel who have access to AUI Customer Information for this purpose shall utilize such information solely for the purpose of providing Gas Management Services and for no other purpose.

Mechanism 1: The PREMSTAR Personnel List will be maintained and updated quarterly by the Compliance Officer.

Mechanism 2: PREMSTAR Personnel who obtain or receive AUI Customer Information shall not make use of the AUI Customer Information except to provide Gas Management Services and shall forthwith report any use of AUI Customer Information unrelated to Gas Management Services to his/her supervisor. The supervisor shall ensure such use of AUI Customer Information unrelated to Gas Management Services is communicated to the Compliance Officer, who shall prepare a Compliance Plan Contravention Report and immediately provide the Compliance Plan Contravention Report to the Compliance Plan Committee.

Mechanism 3: PREMSTAR Personnel who become aware of any PREMSTAR Personnel using AUI Customer Information for purposes other than Gas Management Services shall forthwith report such occurrence to his/her supervisor. The supervisor shall ensure the occurrence is communicated to the Compliance Officer, who shall prepare a Compliance Plan Contravention Report and immediately provide the Compliance Plan Contravention Report to the Compliance Plan Committee.

PREMSTAR Policy 3: Other than as permitted pursuant to PREMSTAR Policy 2 V. (A). above, PREMSTAR Personnel who have direct interaction with AUI Customers shall not access an Electronic Customer Information Repository containing AUI Customer Information at any time during which he/she is providing services to PREMSTAR.

Mechanism 1: The Compliance Officer shall on a quarterly basis circulate a written notice to all PREMSTAR Personnel reminding them of this requirement.

PREMSTAR Policy 4: PREMSTAR Personnel are the only individuals that shall have authority to authorize the release of Customer Information to a Person.

Mechanism 1: The Compliance Officer shall maintain the PREMSTAR Personnel List and seek to ensure compliance with the PREMSTAR Code of Conduct such that only individuals whose names appear on the PREMSTAR Personnel List shall engage in the release of Customer Information in response to a written request of a PREMSTAR Customer to do so.

PREMSTAR Policy 5: PREMSTAR will respond to requests for Customer Information from all Customers and Retailers under the same terms and conditions, including the timing of the release and the format of the information released.

Mechanism 1: PREMSTAR Personnel will receive specific direction and oversight from the Divisional Vice President Gas Services and Energy Marketing regarding the scrutiny of the content of the form of consent required by the GCCR for

PREMSTAR to release Customer Information. PREMSTAR will only accept an electronic or written consent and will not accept a verbal consent from a Customer to release his/her Customer Information.

Mechanism 2: The Divisional Vice President Gas Services and Energy Marketing will ensure a paper or electronic copy of each written consent form is retained by PREMSTAR for a period of six years from the date on the consent form. The Divisional Vice President Gas Services and Energy Marketing will maintain a database of information related to customer consents that will track the following information:

- (a) The date the consent to disclose Customer Information was received by PREMSTAR;
- (b) The Customer Information that is authorized to be disclosed by the Customer;
- (c) The period of time that the Customer consent to release Customer Information is in effect;
- (d) Whether the consent of the Customer authorizes the Customer Information to be released to one, some, or all Retailers, and if the consent is limited to one or some Retailers, the name(s) of the Retailer(s);
- (e) The date the Customer Information is released by PREMSTAR to a Retailer, or Retailers; and
- (f) The PREMSTAR Personnel List.

PREMSTAR Policy 6: PREMSTAR will maintain separate work premises from those work premises occupied by AUI. PREMSTAR work premises shall not be considered AUI work premises as a result of PREMSTAR Personnel providing Gas Management Services to AUI as permitted herein.

Mechanism 1: On a quarterly basis, the Compliance Officer shall undertake a review of the PREMSTAR work premises to confirm that PREMSTAR premises are separate from AUI premises.

(B) AGGREGATED CUSTOMER INFORMATION (GCCR SECTION 14)

Section 14 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

VI. EQUALITY OF TREATMENT OF RETAILERS

(A) EQUAL TREATMENT (GCCR SECTION 15)

Section 15 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

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

Section 16 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

VII. BUSINESS PRACTICE OF PREMSTAR LIMITED PARTNERSHIP

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

Section 17 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

(B) PROHIBITIONS (GCCR SECTION 18)

Section 18 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

VIII. PREVENTING UNFAIR COMPETITIVE ADVANTAGE

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

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

Mechanism 1: Any cost-sharing arrangement between AUI and PREMSTAR, with the exception of an arrangement otherwise approved by the Board, shall specify the percentage allocation of costs between AUI and PREMSTAR, include a description of the justification for the allocation, and will require the prior written approval of one of the:

President and Chief Executive Officer; or
Senior Vice President Finance and Chief Financial Officer; or
Vice President General Counsel and Corporate Secretary; or
Divisional Vice President Gas Services and Energy Marketing.

A record of the written approval will be maintained by the Senior Vice President Finance and Chief Financial Officer for a period of no less than six years from the date the written approval is granted.

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

PREMSTAR Policy 1: PREMSTAR Personnel shall protect the confidentiality and security of Customer Information and shall not disclose Customer Information to any Person other than an individual whose name appears on the PREMSTAR Personnel List;

Mechanism 1: Same as Mechanism 1 under PREMSTAR Policy 1 in Section V.(A).

Mechanism 2: Same as Mechanism 2 under PREMSTAR Policy 1 in Section V.(A).

Mechanism 3: Same as Mechanism 3 under PREMSTAR Policy 1 in Section V.(A).

Mechanism 4: Same as Mechanism 4 under PREMSTAR Policy 1 in Section V.(A).

Mechanism 5: Same as Mechanism 5 under PREMSTAR Policy 1 in Section V.(A).

Mechanism 6: Same as Mechanism 6 under PREMSTAR Policy 1 in Section V.(A).

PREMSTAR Policy 2: PREMSTAR Personnel who have direct interaction with AUI Customers shall not access an Electronic Customer Information Repository containing AUI Customer Information at any time during which he/she is providing services to PREMSTAR, except as set forth in PREMSTAR Policy 2 V. (A).

Mechanism 1: Same as Mechanism 1 under PREMSTAR Policy 2 in Section V.(A).

Mechanism 2: Same as Mechanism 2 under PREMSTAR Policy 2 in Section V.(A).

Mechanism 3: Same as Mechanism 3 under PREMSTAR Policy 2 in Section V.(A).

(C) PREMSTAR CUSTOMER INFORMATION FROM EMPLOYEES AND OTHERS (GCCR SECTION 21)

PREMSTAR Policy 1: PREMSTAR Personnel shall report to the Compliance Officer the identity of any Person whose name is not on the PREMSTAR Personnel List, who seeks to obtain PREMSTAR Customer Information by indicating that he/she has authority to receive PREMSTAR Customer Information from PREMSTAR Personnel when he/she does not in fact have such authority.

Mechanism 1: The Compliance Officer shall document all such reports received in writing, or any other form, and investigate all reports to determine if any PREMSTAR Customer Information was improperly sought or received. These reports shall be included in the quarterly Compliance Plan Committee Report.

Mechanism 2: Upon termination of their employment with AltaGas (voluntary or otherwise) PREMSTAR Personnel shall be informed of their obligation to continue to protect the confidentiality of Customer Information.

(D) JOINT ACQUISITIONS, RESEARCH, AND DISPOSITIONS (GCCR SECTION 22)

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

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer shall account for all joint acquisitions, research, and disposition in accordance with this PREMSTAR policy and shall be responsible for recording, at the time of the transaction, an entry in the records and accounts of AUI and PREMSTAR of any joint purchases or acquisitions, the rationale for such joint purchase or

acquisition, and the basis for the allocation of the economic benefits or costs between AUI and PREMSTAR. These records and accounts will be made available by PREMSTAR to the Auditor.

Mechanism 2: All joint acquisitions by AUI and PREMSTAR, with the exception of a joint acquisition otherwise approved by the Board, shall be reported by the Senior Vice President Finance and Chief Financial Officer to the Compliance Plan Committee at the first quarterly meeting following the joint acquisition.

(E) GOODS AND SERVICES TRANSACTIONS TO BE AT FAIR MARKET VALUE (GCCR SECTION 23)

PREMSTAR Policy 1: All transactions involving the sale, lease, exchange, transfer or other disposition of goods or services between AUI and PREMSTAR shall be at Fair Market Value.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer 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 PREMSTAR policy and shall be responsible for recording at the time of the transaction in the records and accounts of AUI and PREMSTAR 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 PREMSTAR to the Auditor.

Mechanism 2: All transactions involving the sale, lease, exchange, transfer or other disposition of goods or services between AUI and PREMSTAR, with the exception of a sale, lease, exchange, transfer or other disposition of goods or services between AUI and PREMSTAR otherwise approved by the Board, shall be reported by the Senior Vice President Finance and Chief Financial Officer to the Compliance Plan Committee at the first quarterly meeting following the joint acquisition.

(F) FINANCIAL TRANSACTIONS (GCCR SECTION 24)

Section 24 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

(G) ACCESS TO PUBLICLY AVAILABLE INFORMATION (GCCR SECTION 25)

Section 25 of the GCCR does not impose requirements or restrictions applicable to Retailers, including PREMSTAR.

IX. SEPARATE RECORDS AND ACCOUNTS

(A) RECORDS AND ACCOUNTS (GCCR SECTION 26)

PREMSTAR Policy 1: AUI and PREMSTAR shall have separate records and accounts.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer will ensure the accounts and records of AUI and PREMSTAR 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 GCCR;
- (b) That the accounts comply with any guidelines or uniform system of record keeping required by the Board and generally accepted accounting principles.

(B) WRITTEN FINANCIAL TRANSACTIONS (GCCR SECTION 27)

PREMSTAR Policy 1: All financial transactions between AUI and PREMSTAR shall be in writing and shall be approved in advance by the Senior Vice President Finance and Chief Financial Officer.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer will ensure that all financial transactions recorded in the accounts and records of AUI and PREMSTAR are supported by written documentation describing and confirming the transaction.

Mechanism 2: The written documentation of financial transactions between AUI and PREMSTAR will be made available by PREMSTAR to the Auditor.

Mechanism 3: All financial transactions between AUI and PREMSTAR, with the exception of financial transactions approved by the Board, shall be reported by the Senior Vice President Finance and Chief Financial Officer to the Compliance Plan Committee at the first quarterly Compliance Plan Committee meeting following the financial transaction.

(C) TRANSACTION RECORDS (GCCR SECTION 28)

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

PREMSTAR Policy 2: Transactions between AUI and PREMSTAR that involve goods or services sold, leased, exchanged, given, or otherwise disposed of between AUI and PREMSTAR in an amount greater than an annual amount of \$500,000, including transactions approved by the Board, shall be documented by an agreement in writing and the valuation of the transaction shall reflect Fair Market Value.

Mechanism 1: The Senior Vice President Finance and Chief Financial Officer will maintain a written record of all goods and services sold, leased, exchanged, given or otherwise disposed of between AUI and PREMSTAR which will include the value of the transaction expressed in terms of money.

Mechanism 2: If any transactions between AUI and PREMSTAR exceed \$500,000 annually, the Senior Vice President Finance and Chief Financial Officer will obtain written evidence of Fair Market Value from an independent third party that has no financial interest in AUI or PREMSTAR and provide this evidence to the Compliance Plan Committee for its review and approval, unless the transaction

has been otherwise approved by the Board, prior to the transaction being completed. These records will be made available by PREMSTAR to the Auditor.

(D) MAINTAINING RECORDS (GCCR SECTION 29)

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

Mechanism 1: The Compliance Officer and the Senior Vice President Finance and Chief Financial Officer will jointly be responsible for making the necessary arrangements to maintain and store all records that must be maintained by PREMSTAR for the required period.

Mechanism 2: The records, accounts, financial transactions, reports and plans of PREMSTAR that must be maintained for the required period and which contain PREMSTAR Customer Information in the form of electronic or physical records will be accessible physically and/or through a password protected data system only by PREMSTAR Personnel in secure work premises or at an off-site storage facility. The off-site storage facility must have security features that will allow PREMSTAR to restrict access to the off-site storage only to individuals whose names appear on the PREMSTAR Personnel List, and employees of the off-site storage facility.

X. COMPLIANCE PLANS AND REPORTS

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

PREMSTAR Policy 1: All PREMSTAR Personnel shall conduct their activities in a manner that is in compliance with the GCCR and the Compliance Plan.

Mechanism 1: Same as Mechanism 1 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 2: Same as Mechanism 2 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 3: Same as Mechanism 3 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 4: Same as Mechanism 4 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 5: Same as Mechanism 5 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 6: Same as Mechanism 6 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 7: Same as Mechanism 7 under PREMSTAR Policy 1 in Section III.(A).

Mechanism 8: Same as Mechanism 8 under PREMSTAR Policy 1 in Section III.(A).

PREMSTAR Policy 2: PREMSTAR Personnel who become aware of circumstances that they believe may constitute a contravention of the Compliance Plan or the GCCR, shall forthwith report this information to the Compliance Officer.

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

Mechanism 1: The PREMSTAR website will provide information to the public describing how to report an alleged contravention of the GCCR to PREMSTAR or the Board.

Mechanism 2: Reports from the public of matters that may constitute a contravention of the Compliance Plan or the GCCR will be addressed by the Compliance Officer.

Mechanism 3: Upon PREMSTAR receiving a complaint, the Compliance Officer will log the complaint and forthwith investigate the matter to determine if any contravention of the Compliance Plan or GCCR did occur. Upon completion of the investigation, the Compliance Officer will document the circumstances of alleged contravention in the Compliance Plan Contravention Investigation Report. The Compliance Officer will endeavour to resolve any complaint of alleged violation of the GCCR or the Compliance Plan with the member of the public that lodged the complaint within 20 days of PREMSTAR receiving the complaint. The Compliance Officer will keep a log of complaints received.

Mechanism 4: If it is established that a contravention of the GCCR or the Compliance Plan has occurred, the Compliance Officer will prepare a Compliance Plan Contravention Report and immediately provide the Compliance Plan Contravention Report to the Compliance Plan Committee.

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

Mechanism 6: Adherence to the Compliance Plan will be overseen and monitored by the Compliance Plan Committee by way of a quarterly meeting to:

- (a) Receive and review the updated PREMSTAR Personnel List and any updated Electronic Customer Information Repository descriptions relating to Electronic Customer Information Repositories maintained by PREMSTAR;
- (b) Receive and review reports of any current AltaGas employee whose name is not on the PREMSTAR Personnel List who has sought or received Customer Information from any present or former officer, employee, agent, or contractor of PREMSTAR and provide any appropriate directions;
- (c) Receive and review all Compliance Plan Contravention Investigation Reports prepared since the last quarterly meeting by the Compliance Officer and provide any appropriate directions;
- (d) Receive and review all Compliance Plan Contravention Reports prepared since the last quarterly meeting by the Compliance Officer and provide any appropriate directions;
- (e) Receive and review a report of all PREMSTAR consumer awareness and education materials and other PREMSTAR communications approved, since

the last quarterly meeting of the Compliance Plan Committee, for distribution to the public pursuant to the Compliance Plan and provide any appropriate directions;

- (f) Receive and review reports from the Senior Vice President Finance and Chief Financial Officer regarding any joint acquisitions by AUI and PREMSTAR made since the last quarterly meeting;
- (g) Receive and review reports from the Senior Vice President Finance and Chief Financial Officer involving any sale, lease, exchange, transfer, or other disposition of goods or services between AUI and PREMSTAR made since the last quarterly meeting;
- (h) Receive and review reports from the Senior Vice President Finance and Chief Financial Officer describing any financial transactions between AUI and PREMSTAR made since the last quarterly meeting;
- (i) Receive and review reports from the Compliance Officer of any action taken by PREMSTAR or PREMSTAR Personnel in response to an emergency that threatens public safety or the safety of PREMSTAR Personnel;
- (j) Consider any necessary changes to the Compliance Plan that reflect changed circumstances or improved practices.

The Compliance Officer will maintain minutes of the Compliance Plan Committee meetings, which shall have appended to them copies of the Compliance Plan Investigation Reports and the Compliance Plan Contravention Reports that were received and reviewed by the Compliance Plan Committee.

Mechanism 7: The Compliance Officer and the Vice President Corporate Resources shall report to the Chief Executive Officer and shall not have a direct reporting relationship to the Divisional Vice President Gas Services and Energy Marketing.

Mechanism 8: The Compliance Plan Committee shall be accountable for:

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

Mechanism 9: The Compliance Plan Committee shall be responsible for ensuring that the PREMSTAR Personnel are informed that the Auditor has the authority to receive from PREMSTAR Personnel, and they shall provide to the Auditor, free and unfettered access to appropriate PREMSTAR Personnel, including the information systems of PREMSTAR, to complete the compliance audit

requirements of the GCCR and the Compliance Plan in a timely and efficient manner.

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

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

Mechanism 1: If there are complaints of non-compliance with the GCCR or the Compliance Plan by PREMSTAR, or if it is determined that PREMSTAR did not comply with the GCCR or the Compliance Plan, a report of the minutes of the Compliance Plan Committee meetings related to these matters will be provided to the Board of Directors of AltaGas and the Board by the Compliance Officer within 60 days following the end of the quarter in which such complaint was received for each of the first three quarters of a calendar year or within 90 days following the end of the fourth quarter if such complaint was received in the fourth quarter.

Mechanism 2: Within 90 days following the end of each calendar year, PREMSTAR will send to the Board, an annual compliance report, approved by the Board of Directors of AltaGas.

Mechanism 3: A Compliance Plan Committee Report will be provided to the Board of Directors of AltaGas by the Compliance Officer on a quarterly basis, within 60 days following the end of each of the first three quarters of a calendar year and within 90 days following the end of the fourth quarter.

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

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

Mechanism 1: Once per twelve month period commencing no later than 60 days after approval of the PREMSTAR Compliance Plan, PREMSTAR will include a text message directly on the Customer's bill, giving notice to the Customer that complaints about contraventions of the GCCR may be made to the Board and that the Board is independent of PREMSTAR. This notice shall be approved by the Board prior to being placed by PREMSTAR.

(D) NO RELEASE FROM OBLIGATIONS UNDER REGULATION (GCCR SECTION 36)

PREMSTAR Policy 1: Compliance by PREMSTAR with the Compliance Plan does not release PREMSTAR Personnel from complying with the GCCR.

XI. COMPLIANCE AUDIT

(A) APPOINTMENT OF AUDITOR (ECCR SECTION 38, GCCR SECTION 37)

PREMSTAR Policy 1: PREMSTAR Personnel shall be required by PREMSTAR to fully cooperate with the Auditor appointed by PREMSTAR to perform an audit,

composed of an independent examination of PREMSTAR operations for the purpose of expressing an opinion on the compliance by PREMSTAR with the GCCR and the Compliance Plan.

Mechanism 1: Employees of the Auditor shall provide reasonable proof to PREMSTAR Personnel of their identity prior to requesting access to PREMSTAR Customer Information.

Mechanism 2: PREMSTAR shall afford the Auditor with complete and unfettered access to the records, information, and information systems of PREMSTAR and to PREMSTAR Personnel for the purpose of the Auditor completing its Audit.

Mechanism 3: PREMSTAR 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 GCCR.

XII. EXCEPTIONS

(A) EMERGENCY EXCEPTIONS (GCCR SECTION 42)

PREMSTAR Policy 1: Any action taken by PREMSTAR or PREMSTAR Personnel in response to an emergency that threatens public safety, the safety of PREMSTAR Personnel, does not contravene the Compliance Plan or the GCCR.

Mechanism 1: Any action taken by PREMSTAR or PREMSTAR Personnel in response to an emergency that threatens public safety, the safety of PREMSTAR Personnel, or any other Person 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 10 days of the date of the breach and to the Compliance Plan Committee at the next quarterly meeting of the Compliance Plan Committee.

**APPENDIX A:
PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP COMPLIANCE PLAN
COMPLIANCE ACKNOWLEDGEMENT**

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

PREMSTAR Limited Partnership ("PREMSTAR"), a partnership registered in Alberta, is committed to conducting its affairs in accordance with all applicable laws that govern PREMSTAR's operations. The Compliance Plan was developed as part of that commitment. PREMSTAR Personnel are required to, fully and completely in all circumstances, comply with the policies and mechanisms contained in this Compliance Plan.

The undersigned PREMSTAR Personnel hereby acknowledges that he/she has received and read a copy of this Compliance Plan and understands both the obligations of PREMSTAR and his/her personal obligations, as described in this Compliance Plan, and undertakes to conduct himself/herself in a manner that is in accordance with the policies and mechanisms contained in this Compliance Plan.

The undersigned PREMSTAR Personnel hereby acknowledges that he/she will not seek preferential treatment for PREMSTAR from AUI.

The undersigned PREMSTAR Personnel acknowledge that it is his/her obligation and right to ask questions and seek clarification regarding the contents of this Compliance Plan from his/her supervisor if there is any uncertainty or question respecting his/her understanding of the policies and mechanisms described in this Compliance Plan.

Acknowledged and accepted this ___ day of _____, 2005.

Name

Name Printed

**APPENDIX B:
PREMSTAR ENERGY CANADA LIMITED PARTNERSHIP COMPLIANCE PLAN
COMPLIANCE CONFIRMATION**

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

Premstar Energy Canada Limited Partnership ("PREMSTAR"), a partnership registered in Alberta, is committed to conducting its affairs in accordance with all applicable laws that govern PREMSTAR's operations. The PREMSTAR Compliance Plan was developed as part of that commitment.

PREMSTAR Personnel are required to, fully and completely in all circumstances, comply with the policies and mechanisms contained in the PREMSTAR Compliance Plan.

PREMSTAR Agent or Contractor Personnel are required to, fully and completely in all circumstances, comply with the policies and mechanisms contained in the PREMSTAR Compliance Plan.

The undersigned PREMSTAR Personnel hereby confirms that he/she has reviewed the terms of this Compliance Plan within the past 30 days and further confirms he/she has complied with the requirements of the PREMSTAR Compliance Plan over the past calendar year, or portion thereof during which he/she was a member of the group of PREMSTAR Personnel. If this is not the case, this signatory shall describe all instances of non-compliance, in writing, in the area provided below or provide further documentation that contains a detailed description of any non-compliance.

Written description of any non-compliance (attach additional pages if necessary):

Acknowledged and accepted this ___ day of _____, 2005.

Name

Name Printed