



**Direct Energy Regulated Services, a Business Unit of Direct  
Energy Marketing Limited**

**Inter-Affiliate Code of Conduct and Compliance Plan**

**January 9, 2024**

**Contents**

- 1. PURPOSE AND OBJECTIVES OF THE CODE** ..... 5
  - 1.1. Purpose of the Code ..... 6
  - 1.2. Objectives of the Code ..... 7
  - 1.3. Application ..... 7
- 2. GENERAL PROVISIONS**..... 8
  - 2.1. Definitions ..... 8
  - 2.2. Interpretation ..... 11
  - 2.3. To Whom This Code Applies..... 12
  - 2.4. Coming into Force..... 12
  - 2.5. Amendments to this Code ..... 12
  - 2.6. Exemptions..... 12
  - 2.7. Authority of the AUC..... 12
- 3. GOVERNANCE AND SEPARATION OF UTILITY BUSINESSES**..... 12
  - 3.1. Governance..... 12
    - 3.1.1. Separate Operations ..... 12
    - 3.1.2. Common Directors..... 13
    - 3.1.3. Separate Management..... 13
    - 3.1.4. Separate Management Exception..... 14
    - 3.1.5. Guiding Principle ..... 14
  - 3.2. Degree of Separation ..... 15
    - 3.2.1. Accounting Separation..... 15
    - 3.2.2. Physical Separation..... 15
    - 3.2.3. Separation of Information Services ..... 15
    - 3.2.4. Financial Transactions with Affiliates ..... 16
  - 3.3. Resource Sharing..... 17
    - 3.3.1. Sharing of Employees ..... 17
    - 3.3.2. Transferring of Employees ..... 17
    - 3.3.3. Sharing of Assets ..... 17
    - 3.3.4. Shared Services Permitted ..... 18
    - 3.3.5. Services Agreement ..... 18
    - 3.3.6. Occasional Services Permitted..... 18
    - 3.3.7. Emergency Services Permitted ..... 19
- 4. TRANSFER PRICING**..... 20

|           |  |           |
|-----------|--|-----------|
| 4.1.      | For Profit Affiliate Services .....                                  | 20        |
| 4.2.      | Pricing for Profit Affiliate Services .....                          | 21        |
| 4.2.1.    | Utility Acquires For Profit Affiliate Service .....                  | 21        |
| 4.2.2.    | Utility Provides For Profit Affiliate Service .....                  | 21        |
| 4.3.      | Services Agreement.....  | 21        |
| 4.4.      | Asset Transfers .....  | 22        |
| 4.5.      | Determination of Fair Market Value .....                             | 22        |
| 4.6.      | Asset Transfers between Utilities for Operational Efficiencies ..... | 23        |
| <b>5.</b> | <b>EQUAL TREATMENT WITH RESPECT TO UTILITY SERVICES .....</b>        | <b>23</b> |
| 5.1.      | Impartial Application of Tariff.....                                 | 23        |
| 5.2.      | Equal Access .....   | 23        |
| 5.3.      | No Undue Influence .....   | 23        |
| 5.4.      | Affiliate Activities.....  | 24        |
| 5.5.      | Name and Logo .....  | 24        |
| 5.6.      | Access to Shared and Occasional Services .....                       | 24        |
| <b>6.</b> | <b>CONFIDENTIALITY OF INFORMATION.....</b>                           | <b>25</b> |
| 6.1.      | Utility Information .....  | 25        |
| 6.2.      | Management Exception.....  | 25        |
| 6.3.      | No Release of Confidential Information .....                         | 25        |
| 6.4.      | Aggregated Confidential Information .....                            | 26        |
| <b>7.</b> | <b>COMPLIANCE MEASURES.....</b>                                      | <b>26</b> |
| 7.1.      | Responsibility for Compliance.....                                   | 26        |
| 7.2.      | Communication of Code .....  | 26        |
| 7.3.      | Compliance Officer .....   | 27        |
| 7.4.      | Responsibilities of the Compliance Officer .....                     | 27        |
| 7.5.      | The Compliance Plan .....  | 28        |
| 7.6.      | The Compliance Report .....  | 29        |
| 7.7.      | Documents to be provided to the AUC upon Request .....               | 30        |
| 7.8.      | Compliance Records and Audit.....                                    | 30        |
| <b>8.</b> | <b>DISPUTES, COMPLAINTS AND INQUIRIES.....</b>                       | <b>30</b> |
| 8.1.      | Filing with the Compliance Officer .....                             | 30        |
| 8.2.      | Processing by Utility .....  | 31        |
| 8.2.1.    | Compliance Officer Acknowledgment .....                              | 31        |
| 8.2.2.    | Disposition .....  | 31        |

8.3. Referral to the AUC ..... 31

**9. NON-COMPLIANCE WITH THE CODE ..... 32**

9.1. Non-Compliance ..... 32

9.2. Consequences for Non-Compliance with Code ..... 32

## **DIRECT ENERGY REGULATED SERVICES**

### **INTER-AFFILIATE CODE OF CONDUCT AND COMPLIANCE PLAN**

In Decision 2957-D01-2015, the Alberta Utilities Commission (“Commission”) recognized the interrelationships among Direct Energy Limited Partnership (“DELP”), Direct Energy Marketing Limited (“DEML”) and Direct Energy Regulated Services (“DERS”), a business unit of DEML, and the fact that DEML’s business units provide both regulated and unregulated services. The Commission directed DERS to develop and file an inter-affiliate code of conduct (“IACC” or “Code”) to ensure that interactions between regulated and unregulated affiliated companies are conducted in a manner consistent with the principles set out in Commission Decisions 2002-069 and 2003-040 which dealt with the ATCO Group of companies. Based on the Commission’s direction, DERS has used the IACC developed in these decisions as the foundation for its Code.

In Decision 21218-D01-2016, the Commission approved the IACC filed with the Commission and directed DEML to file a DERS IACC Code of Conduct Compliance Plan (“IACC & CP”) before July 1, 2016.

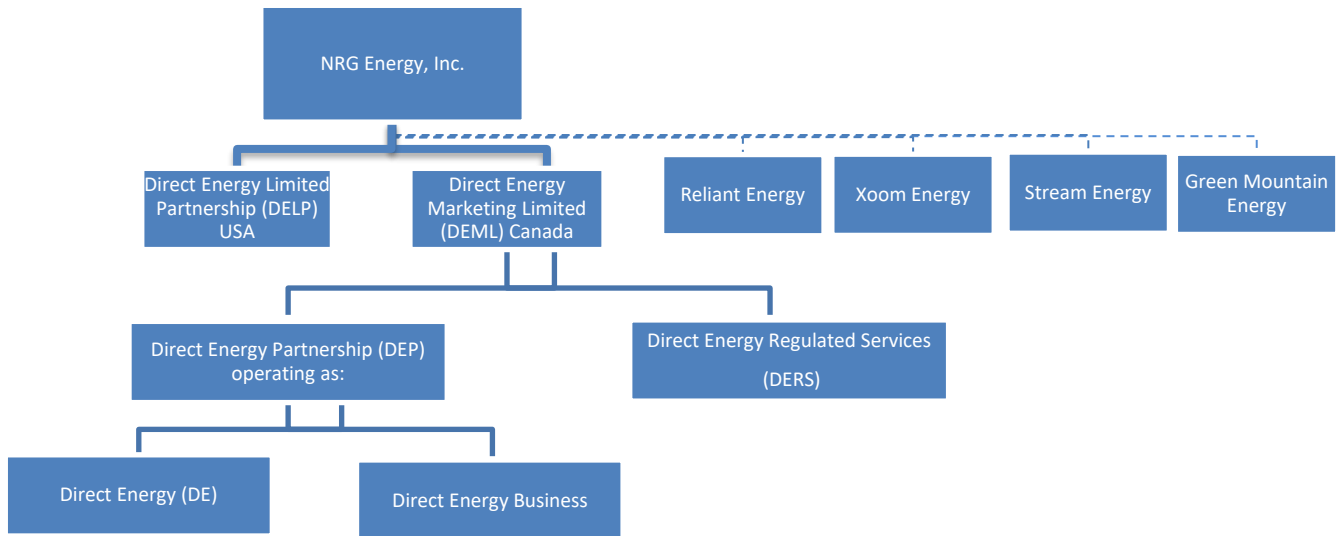
This IACC & CP applies to DERS, which is the utility business unit of DEML, and specifically addresses the relationship between DERS and its affiliate DELP. Accordingly, for the purposes of this IACC & CP, the term “Affiliate” and “DELP” are used interchangeably. For the purposes of this IACC & CP, the term “Utility” and “DERS” are used interchangeably. The purpose of this IACC & CP is to detail the measures, policies, procedures and monitoring mechanisms that DERS will employ to ensure its full compliance with the provisions of the IACC by DERS and its affiliate DELP.

As indicated to the Commission in Proceeding ID 2957, and in preparation for this filing, certain DELP employees that reside in the US are dedicated to providing service to DERS. They are formally DELP employees due only to geographical location. While these employees are paid by DELP their pro rata costs are allocated to DERS and such costs are fully vetted by the Commission in DERS’ Non-Energy Default Rate Tariff and Regulated Rate Tariff Applications. As confirmed with the Commission, these shared DERS-DELP employees will be exempt from Sections 3.1.3, 3.2.2 and 6.1 of the IACC.

This IACC & CP does not address the interactions that occur between the two DEML units: DERS and Direct Energy Partnership (“DEP”), which are fully contemplated in the DERS, DEP and XOOM Code of Conduct Regulation Compliance Plan.

A condensed organizational chart is presented below:

Figure 1: Abbreviated Corporate Organizational Chart



This IACC & CP describes certain obligations and responsibilities of specified DERS and DELP management personnel. Notwithstanding this, and without otherwise reducing or eliminating the obligation and responsibility of the specified DERS and DELP management personnel to ensure any specific requirements of this IACC & CP are satisfied, it is understood that all or a portion of the tasks described in this IACC & CP may be delegated by the specified DERS or DELP management personnel to other DERS or DELP personnel, respectively.

Questions or comments concerning the IACC & CP should be directed to DERS’ Compliance Officer at [canadianapprovals@directenergy.com](mailto:canadianapprovals@directenergy.com).

Copies of this IACC & CP are available at [www.directenergy.ca](http://www.directenergy.ca).

## 1. PURPOSE AND OBJECTIVES OF THE CODE

### 1.1. Purpose of the Code

The purpose of this Code is to establish standards and conditions for interaction between DERS and its Affiliates. This Code attempts to anticipate and adjust for the potential misalignment of interest between shareholders and Utility customers occasioned by Affiliate interactions through the establishment of parameters for transactions, information sharing and the sharing of services and resources, while permitting economies of scale and operating efficiencies.

These parameters are intended to:

- a. prevent Utilities from cross-subsidizing Affiliate activities;
- b. protect confidential customer information collected in the course of providing Utility services;
- c. ensure Affiliates and their customers do not have preferential access to Utility services; and
- d. avoid uncompetitive practices between Utilities and their Affiliates, which may be detrimental to the interests of Utility customers.

## **1.2. Objectives of the Code**

While the overall purpose of the Code is to establish standards and parameters which prohibit inappropriate Affiliate conduct, preferences or advantages, which may adversely impact the customers of regulated businesses, this purpose reflects several important underlying objectives, including:

- a. creating a clearly defined set of rules designed to enhance inter-affiliate transparency, fairness and senior management accountability with respect to inter-affiliate interactions impacting the regulated businesses;
- b. providing an environment in which inter-affiliate economies and efficiencies can legitimately occur for the mutual advantage of both a Utility's customers and its shareholders;
- c. developing support and respect for the Code by the employees, officers and directors of the DERS group of companies, which will in turn promote ratepayer confidence in the application of the Code; and
- d. the creation of regulatory processes and cost efficiencies through the consistent application of a clear set of standards and reporting requirements to Utility inter-affiliate transactions, enhanced by a practical, resolution driven, dispute process.

## **1.3. Application**

This Code is not meant to replace or modify in any manner, any statutory or regulatory requirements relating to Utilities.

### **Respect for the Code**

Standards and rules alone, however, will always be insufficient to achieve the objectives of this Code. These objectives can only be fully realized through a demonstrated respect for the spirit and intent behind the words by those individuals to whom the Code applies.

## 2. GENERAL PROVISIONS

### 2.1. Definitions

In this Code, the following words and phrases have the following meanings:

- a. “**Affiliate**” means with respect to any Utility:
  - i. an “affiliate” as defined in the ABCA;
  - ii. a unit or division within the Utility or any Body Corporate referred to in clause (a)(i) above;
  - iii. a partnership, joint venture, or Person in which the Utility or any Body Corporate referred to in clause (a)(i) above has a controlling interest or that is otherwise subject to the control of the Utility or such Body Corporate;
  - iv. any partnership, joint venture, or Person deemed by the AUC to be an affiliate of the Utility for the purposes of this Code; and
  - v. an agent or other Person acting on behalf of any Body Corporate, operating division, partnership, joint venture or Person referred to in clauses (a)(i) to (iv) above.
- b. “**Affiliated Party Transactions Summary**” unless otherwise directed by the AUC, means in respect of any period of time, a summary overview of each type of business transaction or service, other than Major Transactions or Utility Services, performed by an Affiliate for the Utility or by the Utility for an Affiliate, which summary shall contain a general description of the transactions and services, the parties involved and the approximate aggregate value of each type of transaction or service during the said period.
- c. “**Code**” means this DERS Inter-Affiliate Code of Conduct as approved by AUC Decisions 21218-D01-2016, 22382-D01-2017, 22868-D01-2017 and amended in xxxxx-D01-2021.
- d. “**Commission**” or “**AUC**” means the Alberta Utilities Commission.
- e. “**Common Director**” means a member of the Board of Directors of DEML who is also a member of the Board of Directors of DELP.
- f. “**Common Officer**” means an officer of DEML who is also an officer of DELP.
- g. “**Compliance Officer**” shall have the meaning ascribed thereto in section 7.3 hereof.
- h. “**Compliance Plan**” shall mean the document to be prepared and updated by the Utility pursuant to section 7.5 hereof.



- i. **“Compliance Report”** shall have the meaning ascribed thereto in section 7.6 hereof.
- j. **“Compliance Training Material”** means the material developed by the Compliance Officer which will be used to ensure that all officers, employees, agents and contractors of DERS and DELP, to the extent DELP employees interact with the Utility, are familiar with the provisions of the IACC & CP. At a minimum, the material will include instructions on:
  - i. impartial application of the DERS tariff
  - ii. equal access to Utility Services
  - iii. avoiding undue influence of customer with respect to Affiliates
  - iv. ensuring Affiliate compliance with the Code
  - v. ensuring fair transfer pricing
  - vi. the confidentiality of Utility information
  - vii. treatment of Confidential Information related to customers
  - viii. process for forwarding disputes, complaints or inquiries to the Compliance Officer.
- k. **“Confidential Information”** means any information relating to a specific customer or potential customer of the Utility, which information the Utility has obtained or compiled in the process of providing current or prospective Utility Services and which is not otherwise available to the public.
- l. **“Cost Recovery Basis”** with respect to:
  - i. the use by one Affiliate of another Affiliate’s personnel, means the fully burdened costs of such personnel for the time period they are used by the Affiliate, including salary, benefits, vacation, materials, disbursements and all applicable overheads;
  - ii. the use by one Affiliate of another Affiliate’s equipment, means an allocated share of capital and operating costs appropriate for the time period utilized by the Affiliate;
  - iii. the use by the Utility of an Affiliate’s services, means the complete costs of providing the service, determined in a manner acceptable to the Utility, acting prudently; and
  - iv. the use by an Affiliate of the Utility’s services, means the complete costs of providing the service, determined in a manner acceptable to the Utility, acting prudently.
- m. **“DELP”** means Direct Energy Limited Partnership,
- n. **“DEML”** means Direct Energy Marketing Limited.

- o. “**DERS**” means Direct Energy Regulated Services, a business unit of Direct Energy Marketing Limited.
- p. “**DERS Affiliates**” means any entity to which the Code applies pursuant to section 2.3 hereof.
- q. “**Fair Market Value**” means the price reached in an open and unrestricted market between informed and prudent parties, acting at arm’s length and under no compulsion to act.
- r. “**For Profit Affiliate Service**” means any service, provided on a for-profit basis:
  - i. by the Utility to an Affiliate, other than a Utility Service; or
  - ii. by an Affiliate to the Utility.
- s. “**IACC CPC**” means the IACC Compliance Plan Committee, which shall meet at least quarterly, comprised of the Compliance Officer and representatives from the following teams:
  - i. DEML Operations Team
  - ii. DELP Operations Team
  - iii. DERS Commercial Team
  - iv. DERS Finance Team
  - v. DEML Compliance Team
  - vi. DEML Government & Regulatory Affairs
- t. “**Information Services**” means any computer systems, computer services, databases, electronic storage services or electronic communication media utilized by the Utility relating to Utility customers or Utility operations.
- u. “**Major Transaction**” means a transaction or series of related transactions within a calendar year between the Utility and an Affiliate relating to the sale or purchase of an asset(s) or to the provision of a service or a similar group of services, other than Utility Services, which has an aggregate value within that calendar year of \$500,000 or more.
- v. “**Occasional Services**” shall have the meaning ascribed thereto in section 3.3.6 hereof.
- w. “**Operational Efficiencies**” means the use of common facilities (such as shared warehousing or field offices), combined purchasing power or the use of other cost saving procedures, individual assets or groups of assets used in DERS’ operations (such as equipment or similar assets).

- x. “**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.
- y. “**Services Agreement**” means an agreement entered into between the Utility and one or more Affiliates for the provision of Shared Services or For Profit Affiliate Services and shall provide for the following matters as appropriate in the circumstances:
  - i. the type, quantity and quality of service;
  - ii. pricing, allocation or cost recovery provisions;
  - iii. confidentiality arrangements;
  - iv. the apportionment of risk;
  - v. dispute resolution provisions; and
  - vi. a representation by the Utility and each Affiliate party to the agreement that the agreement complies with the Code.
- z. “**Shared Service**” means any service, other than a Utility Service or a For Profit Affiliate Service, provided on a Cost Recovery Basis by the Utility to an Affiliate or by an Affiliate to the Utility.
- aa. “**Subsidiary**” shall have the meaning ascribed thereto in section 2(4) of the *Business Corporations Act*, RSA 2000, c B-9.
- bb. “**Utility**” means any Body Corporate or any unit or division thereof, that provides a Utility Service and falls within the definition of:
  - i. “electric utility” under the *Electric Utilities Act*, SA 2003, c E-5.1,
  - ii. “gas utility” under the *Gas Utilities Act*, RSA 2000, c G-5;
  - iii. “public utility” under the *Public Utilities Act*, RSA 2000. c P-45;
  - iv. “regulated rate provider” under the *Electric Utilities Act*, SA 2003, c E-5.1; or
  - v. “default supply provider” under the *Gas Utilities Act*, RSA 2000, c G-5.
- cc. “**Utility Service**” means a service, the terms and conditions of which are regulated by the AUC, and includes services for which an individual rate, joint rate, toll, fare, charge or schedule of them, have been approved by the AUC.

## 2.2. **Interpretation**

Headings are for convenience only and shall not affect the interpretation of this Code. Words importing the singular include the plural and vice versa. A reference to a statute, document or a provision of a

document includes an amendment or supplement to, or a replacement of, that statute, document or that provision of that document.

### **2.3. To Whom This Code Applies**

DERS is obligated to comply with this Code and all Affiliates of DERS are obligated to comply with the Code to the extent they interact with the Utility.

### **2.4. Coming into Force**

This Code comes into force when approved by the Commission, provided however that, to the extent existing agreements or arrangements are in place between parties to whom this Code applies that do not conform with this Code, such agreements or arrangements must be brought into compliance with this Code within 90 days following approval by the Commission.

### **2.5. Amendments to this Code**

This Code may be reviewed and amended from time to time by the AUC on its own initiative, or pursuant to a request by any party to whom this Code applies or by any interested party.

### **2.6. Exemptions**

A party to whom this Code applies may apply to the AUC for an exemption with respect to compliance with any provision of this Code. Any such application will specify if the requested exemption is in respect of a particular transaction, series of transactions, for a specified period of time, or is for a general exemption from a particular provision.

### **2.7. Authority of the AUC**

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

## **3. GOVERNANCE AND SEPARATION OF UTILITY BUSINESSES**

### **3.1. Governance**

#### **3.1.1. *Separate Operations***

**Policy:** The business and affairs of the Utility should be managed and conducted separately from the business and affairs of its Affiliates, except as required to fulfill corporate governance, policy, and strategic direction responsibilities of a corporate group of businesses as a whole.

#### **Compliance Measures:**

1. DERS and DELP operate in completely separate geographic locations.
2. On an annual basis the Board of Directors of DEML will pass the Directors' Resolution ("Resolution") contained in Schedule "C" to this Plan.
3. The IACC CPC will review the Code Acknowledgement Documentation "Acknowledgements" and Resolution prior to filing the annual Compliance Report. The minutes of the IACC CPC's meeting at which the Acknowledgements and Resolution are reviewed will reflect the results of the review.
4. If any instances of non-compliance with this policy are identified by the IACC CPC, they will be treated as an inquiry under the Code (see Section 8 of this Plan).

### **3.1.2. Common Directors**

The Utility may have common directors with its Affiliates.

### **3.1.3. Separate Management**

**Policy:** Subject to section 3.1.4 hereof, the Utility must have a separate management team and separate officers from its Affiliates, except as approved in DERS' DRT and RRT Non-Energy Applications, which are fully vetted by the Commission.

#### **Compliance Measures:**

1. Prior to amending the membership of the DERS' management team, or changing DEML's officers with any person who may be perceived as having participated in the management of DELP, DERS' management team will provide written notice to the Compliance Officer. The Compliance Officer must approve the change in writing and upon receipt of approval, DERS' management team may proceed with the change.
2. The Compliance Officer will maintain an up-to-date list of DERS and DELP management team members and officers, (the "DERS Management Team and Officers' List" and the "DELP Management Team and Officers' List").
3. At each meeting of the IACC CPC, the "DERS Management Team and Officers' List" will be compared to the current management team members and officers of DELP, and the minutes of the meeting will reflect the outcome of this comparison.
4. Any conflicts with this policy identified as a result of this review will be treated as an inquiry under the Code (see Section 8 of this Plan).

### **3.1.4. *Separate Management Exception***

Officers of the Utility may also be officers of any Affiliate of which the Utility is a Subsidiary or of any Affiliate that is a Subsidiary of the Utility, as may be required to perform corporate governance, policy and strategic direction responsibilities of an affiliated group of businesses.

### **3.1.5. *Guiding Principle***

**Policy:** Notwithstanding sections 3.1.2, 3.1.3 and 3.1.4 hereof, an individual shall not act both as a director, officer or member of a management team of the Utility and as a director, officer or member of a management team of any other Affiliate (thereby acting in a dual capacity) unless the individual is able to carry out his/her responsibilities in a manner that preserves the form, and the spirit and intent, of this Code. In particular, an individual:

- a) shall not agree to act in a dual capacity if it could reasonably be considered to be detrimental to the interests of customers of the Utility; and
- b) if acting in a dual capacity, shall abstain from engaging in any activity that could reasonably be considered to be detrimental to the interests of customers of the Utility.

### **Compliance Measures:**

1. Officers, Employees, and Agent or Contractor Staff will be informed of the applicable requirements of the DERS' IACC & CP by being required to: (a) read the IACC & CP and, (b) complete an online training session based on the Compliance Training Materials, or an alternative version of the training designed to address the applicable sections of the IACC & CP. Officers, Employees, and Agent or Contractor Staff will fulfill these requirements within thirty days after beginning employment and prior to providing services to DERS or DELP if supporting the Alberta business.
2. Officers, Employees, and Agent or Contractor Staff will be required to submit an electronic or written signature upon completion of a review of the Compliance Training Material which acknowledges that he/she has received and read a copy of the IACC & CP and understands the obligations of DERS and/or DELP, and his/her personal obligations, under the IACC & CP. If the IACC & CP is amended, the amended provisions will be provided to Officers, Employees, and Agent or Contractor Staff to whom the amendment applies within 60 days of the date of the amendment coming into force. The amendments will be presented in a form chosen by the Compliance Officer, and training completions will be tracked.
3. The Compliance Officer will maintain a listing of the members of the management team of DERS and DELP ("DERS Management Team List").
4. On an annual basis the Board of Directors of DEML will pass the Directors' Resolution contained in Schedule "C" to this Plan.

5. The Compliance Officer will maintain a record of the above Acknowledgements and Resolutions for six years. Any failure to provide Acknowledgements or Resolutions, or the provision of an Acknowledgement or Resolution which does not demonstrate adherence to the Code will be treated as an inquiry under the Code (see Section 8 of this Plan).

### **3.2. Degree of Separation**

#### **3.2.1. *Accounting Separation***

**Policy:** The Utility shall ensure accounting separation from all Affiliates and shall maintain separate financial records and books of accounts.

**Compliance Measures:**

1. DERS' Finance Team will ensure the accounts and records of DERS are kept separate from the accounts and records of DELP.
2. DERS' Finance Team will provide a signed certificate in the form attached as Schedule "B" to this Plan attesting to the accounting separation from DELP and the maintenance of separate financial records and books of accounts, (the "Financial Records Certificate"), to the Compliance Officer within 90 days of the end of each calendar year.
3. The Compliance Officer will maintain a record of the above certificate for six years.

#### **3.2.2. *Physical Separation***

**Policy:** The Utility shall be located in a separate building or shall otherwise be physically separated from all Affiliates through the use of appropriate security-controlled access.

**Compliance Measures:**

1. DERS and DELP operate in completely separate geographic locations.
2. DELP employees who provide services to DERS do not have unfettered access to DERS' offices. DELP visitors must receive a visitor's pass from the reception desk at the DERS' offices.

#### **3.2.3. *Separation of Information Services***

**Policy:** Where the Utility shares Information Services with an Affiliate, all Confidential Information must be protected from unauthorized access by the Affiliate. Access to the Utility's Information Services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols shall be periodically confirmed by the Utility, through a review that complies with the provisions of the CPA Canada Handbook and updates thereto.

### **Compliance Measures:**

1. Prior to sharing Information Services with DELP, owners of computer systems containing Confidential Information must provide approval in writing. On an annual basis the Compliance Officer will receive a list of users with approved access to computer systems containing Confidential Information, (the “Shared Information Systems Access List”).
2. The Compliance Officer will annually review the Shared Information Systems Access List for all Information Services shared with DELP. The Compliance Officer will annually review with the owners of systems containing Confidential Information, the list of DELP employees that have access to their system.
3. The Compliance Officer will annually review the data management and data access protocols and contractual provisions regarding the breach of any access protocols to ensure they are appropriate.
4. The Compliance Officer will provide a signed certificate in the form attached as Schedule “B” to this Plan (the “Shared Access Compliance Certificate”), within 90 days of the end of each calendar year. The certificate attests that all Information Services shared with DELP were reviewed and that all access by DELP to Information Services is in accordance with section 3.2.3 of the Code.
5. The Compliance Officer will maintain a record of the approvals and certificate for six years. Any failure to provide the approvals or certificate as described in paragraph 1 and 3 above, or the provision of the approvals or certificate which do not demonstrate adherence to the Code will be treated as an inquiry under the Code (see Section 8 of this Plan).

#### **3.2.4. *Financial Transactions with Affiliates***

**Policy:** The Utility shall ensure that any loan, investment, or other financial support provided to an Affiliate is provided on terms no more favorable than what that Affiliate would be able to obtain as a stand-alone entity from the capital markets.

### **Compliance Measures:**

1. DERS does not provide any loans, investment or other financial support to DELP. If this arrangement changes, DERS will seek an amendment to this IACC & CP.



### 3.3. **Resource Sharing**

#### 3.3.1. *Sharing of Employees*

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

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

#### **Compliance Measures:**

1. Any employees that are shared between DERS and DELP are fully vetted in DERS' Non-Energy Applications. These approved shared "DERS-DELP Employees" are deemed to be DERS' employees for the purposes of Section 6.1.
2. Beyond the approved DERS-DELP employees, permission must be obtained from the Compliance Officer to share DERS employees. The Compliance Officer will maintain an annual report detailing all instances of sharing DERS employees with DELP which have occurred, or continued during the reporting period, (the "Shared Employees Report").

#### 3.3.2. *Transferring of Employees*

**Policy:** The Utility may transfer employees to or from an Affiliate, provided any employee transferred by the Utility who had access to Confidential Information shall execute a confidentiality agreement with respect to such Confidential Information prior to the transfer.

#### **Compliance Measures**

1. DERS' employees will only have access to DERS Confidential Information while employed by DERS and only in electronic format.
2. All employees with exposure to the Alberta business will complete the Compliance Training.

#### 3.3.3. *Sharing of Assets*

**Policy:** The plant, assets and equipment of the Utility shall be separated in ownership and separated physically from the plant, assets and equipment of other Affiliates.

#### **Compliance Measures**

1. DERS does not have shared assets with DELP. If this arrangement changes, DERS will seek an amendment to this IACC & CP.

### **3.3.4. *Shared Services Permitted***

**Policy:** Where the Utility determines it is prudent in operating its Utility business to do so, it may obtain Shared Services from, or provide Shared Services to, an Affiliate. The Utility shall periodically review the prudence of continuing Shared Services arrangements with a view to making any necessary adjustments to ensure that the Utility and its Affiliates each bear their proportionate share of costs.

#### **Compliance Measures**

1. All new or revised Shared Services will be documented by a Services Agreement.
2. Prior to providing a Shared Service, the Services Agreement will be prepared by the appropriate DERS employee and presented to the IACC CPC for review and approval.
3. The Compliance Officer will maintain an inventory of all Shared Services obtained from or provided to DELP.
4. The Shared Services will be annually reviewed by DERS' representatives prior to year end and by the IACC CPC within 90 days of the end of each calendar year. The results of the review will be reflected in the minutes of the IACC CPC's meeting. Any Shared Service which no longer meets the test of continued prudence will be revised or terminated in accordance with the terms of the Services Agreement.

### **3.3.5. *Services Agreement***

**Policy:** The Utility shall enter into a Services Agreement with respect to any Shared Services it provides to, or acquires from, an Affiliate.

#### **Compliance Measures**

Please see Section 3.3.4.

### **3.3.6. *Occasional Services Permitted***

**Policy:** Where the Utility has otherwise acted prudently, the Utility may receive, or provide, one-off, infrequent or occasional services ("Occasional Services") to, or from, an Affiliate on a Cost Recovery Basis, documented by way of work order, purchase order or similar instrument. In the event that occasional services become material as to value, frequency or use of resources, the Utility shall enter into a Services Agreement with the Affiliate for Shared Services.

### **Compliance Measures**

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

#### **3.3.7. *Emergency Services Permitted***

**Policy:** In the event of an emergency, the Utility may share services and resources with an Affiliate without a Services Agreement on a Cost Recovery Basis.

### **Compliance Measures**

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

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

#### **4. TRANSFER PRICING**

##### **4.1. For Profit Affiliate Services**

**Policy:** Where the Utility determines it is prudent in operating its Utility business to do so, it may obtain For Profit Affiliate Services from an Affiliate or provide For Profit Affiliate Services to an Affiliate.

If the Utility intends to outsource to an Affiliate a service it presently provides for itself, the Utility shall, in addition to any other analysis it may require to demonstrate the prudence of a For Profit Affiliate Services arrangement, undertake a net present value analysis appropriate to the life cycle or operating cycle of the services involved.

The Utility shall periodically review the prudence of continuing For Profit Affiliate Services arrangements.

##### **Compliance Measures:**

1. All existing, new or revised For Profit Affiliate Services will be documented by a Services Agreement, duly executed by DERS employees with the appropriate signing authority.
2. Prior to implementing a new or revised For Profit Affiliate Service to receive services from DELP, the For Profit Affiliate Service agreement will be reviewed and approved by the IACC CPC. A business case identifying that it is prudent to obtain the For Profit Affiliate Service will be prepared if the annual value of the For Profit Affiliate Service is estimated to be greater than \$50,000. The business case must contain adequate evidence (on a net present value basis appropriate to the life cycle or operating cycle of the services involved) to conclude that the decision to out-source is the lowest cost option for customers, and that the For Profit Affiliate Services have been acquired at a price which is no more than Fair Market Value. Fair Market Value will be determined in a manner consistent with Section 4.5 of the Code. The business case will be presented to the IACC CPC for review and approval.
3. Prior to implementing a new or revised For Profit Affiliate Service to provide services to DELP, the Services Agreement, and a description of the process used to determine that the For Profit Affiliate Service is to be provided at a price which is no less than Fair Market Value will be reviewed and approved by the IACC CPC. Fair Market Value will be determined in a manner consistent with Section 4.5 of the Code.

4. The Compliance Officer will maintain an inventory of all For Profit Affiliate Services obtained from, or provided to DELP. On a quarterly basis, the Compliance Officer will prepare a report describing all For Profit Affiliate Services obtained from, or provided to an Affiliate and will maintain a record of the above reports for six years.
5. The For Profit Affiliate Services between DERS and DELP will be annually reviewed by DERS' representatives prior to year end and by the IACC CPC within 90 days of the end of each calendar year. The results of the review will be reflected in the minutes of the IACC CPC's meeting. Any For Profit Affiliate Service which no longer meets the test of continued prudence will be revised or terminated in accordance with the terms of the Service Agreement.
6. Failure to provide a report described in item 4 above will be treated as an inquiry under the Code (see Section 8 of this Plan).

## **4.2. Pricing for Profit Affiliate Services**

### **4.2.1. *Utility Acquires For Profit Affiliate Service***

**Policy:** When the Utility acquires For Profit Affiliate Services it shall pay no more than the Fair Market Value of such services. The onus is on the Utility to demonstrate that the For Profit Affiliate Services have been acquired at a price that is no more than the Fair Market Value of such services.

#### **Compliance Measures:**

1. Please see Section 4.1.

### **4.2.2. *Utility Provides For Profit Affiliate Service***

**Policy:** When the Utility provides For Profit Affiliate Services, it shall not charge less than the Fair Market Value of such services. The onus is on the Utility to demonstrate that the For Profit Affiliate Services have been charged at a price that is not less than the Fair Market Value of such services.

#### **Compliance Measures:**

1. DERS does not provide For Profit Affiliate Services to DELP. If this arrangement changes, DERS will seek an amendment to this IACC & CP.

## **4.3. Services Agreement**

**Policy:** The Utility shall enter into a Services Agreement with respect to any For Profit Affiliate Services it acquires or provides.

**Compliance Measures:**

1. Please see Section 4.1.

**4.4. Asset Transfers**

**Policy:** Subject to section 4.6 hereof, assets transferred, mortgaged, leased or otherwise disposed of by the Utility to an Affiliate or by an Affiliate to the Utility shall be at Fair Market Value.

**Compliance Measures:**

1. DERS' Finance Team will approve any asset transfers, mortgages, leases, or other dispositions by DERS to DELP, or by DELP to DERS, and will ensure that such asset transfers are at Fair Market Value, subject to the provisions of Section 4.6 of the Code.
2. DERS' Finance Team will provide a signed certificate in the form attached to this Plan as Schedule "B", and an annual report detailing any asset transfers between DERS and Affiliates (the "Asset Transfers Report"). The "Asset Transfers Report" will describe the manner in which the asset transfers were determined to be at Fair Market Value, subject to the provisions of Section 4.6 of the Code. The certificate and "Asset Transfers Report" will be provided to the Compliance Officer within 90 days of the end of each calendar year.
3. Within 90 days of the end of each calendar year, the IACC CPC will review the "Asset Transfers Report". The minutes of the meeting at which the report is reviewed will reflect the results of the review, including any recommendations by the IACC CPC for changes to the methods used to ensure that asset transfers are at Fair Market Value, subject to the provisions of Section 4.6 of the Code.
4. Any recommendations by the IACC CPC for changes to the methods used to ensure that asset transfers between DERS and Affiliates occur at FMV would be implemented for the next Asset Transfers Report review.

**4.5. Determination of Fair Market Value**

**Policy:** In demonstrating that Fair Market Value was paid or received pursuant to a For Profit Affiliate Service arrangement or a transaction contemplated by sections 4.1, 4.2 and 4.4 hereof, the Utility, subject to any prior or contrary direction by the AUC, may utilize any method to determine Fair Market Value that it believes appropriate in the circumstances. These methods may include, without limitation: competitive tendering, competitive quotes, bench-marking studies, catalogue pricing, replacement cost comparisons or recent market transactions. The Utility shall bear the onus of demonstrating that the methodology or methodologies utilized in determining the Fair Market Value of the subject goods or services was appropriate in the circumstances.

**Compliance Measures:**

1. Please see Section 4.1.

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

This section is not applicable to DERS.

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

**5.1. Impartial Application of Tariff**

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

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this arrangement changes, DERS will update the IACC & CP as required.

**5.2. Equal Access**

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

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this circumstance changes, DERS will seek an amendment to this IACC & CP.

**5.3. No Undue Influence**

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

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this circumstance changes, DERS will seek an amendment to this IACC & CP.

**5.4. Affiliate Activities**

**Policy:** The Utility shall take reasonable steps to ensure that an Affiliate does not imply in its marketing material or otherwise, favored treatment or preferential access to Utility Services. If the Utility becomes aware of any such inappropriate activity by an Affiliate, it shall:

- a) immediately take reasonable steps to notify affected customers of the violation;
- b) take necessary steps to ensure the Affiliate is aware of the concern; and
- c) inform the AUC in writing of such activity and the remedial measures that were undertaken by the Utility.

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this circumstance changes, DERS will seek an amendment to this IACC & CP.

**5.5. Name and Logo**

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

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this circumstance changes, DERS will seek an amendment to this IACC & CP.

**5.6. Access to Shared and Occasional Services**

**Policy:** The Utility is not required to provide non-Affiliated parties with equal access to Shared Services or Occasional Services.



**Compliance Measures:**

1. DERS does not provide non-Affiliate parties with Shared Services or Occasional Services. If this circumstance changes, DERS will seek an amendment to this IACC & CP.

**6. CONFIDENTIALITY OF INFORMATION**

**6.1. Utility Information**

**Policy:** Subject to section 6.2 hereof, the Utility shall not provide Affiliates with information relating to the planning, operations, finances or strategy of the Utility before such information is publicly available.

**Compliance Measures:**

1. DELP is not provided with DERS' information, except as allowed under Section 3.3.1.

**6.2. Management Exception**

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

**Compliance Measures:**

1. DEML and DELP may share officers in accordance with the compliance measures in Section 3.1.5.

**6.3. No Release of Confidential Information**

**Policy:** Subject to section 10 of the *Code of Conduct Regulation*, the Utility shall not release to an Affiliate Confidential Information relating to a customer or prospective customer, unless specifically allowed under subsection 10(3) of the *Code of Conduct Regulation*.

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this circumstance changes, DERS will seek an amendment to this IACC & CP.

#### **6.4. Aggregated Confidential Information**

**Policy:** The Utility may disclose Confidential Information when aggregated with the Confidential Information of other customers in such a manner that an individual customer's Confidential Information cannot be identified, provided that the Utility shall not disclose such aggregated customer information to an Affiliate prior to making such information publicly available.

**Compliance Measures:**

1. DELP does not operate in Alberta and accordingly, compliance measures are inapplicable in this regard. If this circumstance changes, DERS will seek to amend this IACC & CP.

### **7. COMPLIANCE MEASURES**

#### **7.1. Responsibility for Compliance**

**Policy:** The Utility shall be responsible for ensuring compliance with this IACC & CP.

**Compliance Measures:**

1. Please see Section 7.2.

#### **7.2. Communication of the IACC & CP**

**Policy:** The Utility shall:

- a) communicate the contents of the IACC & CP, and any modifications to it from time to time, to each of its directors, officers, employees, consultants, contractors, agents and Affiliates; and
- b) make the IACC & CP available on the Utility's web site.

**Compliance Measures:**

1. Each officer, employee, agent and contractor and Affiliate of DERS will receive a copy of the IACC & CP on commencement of their relationship with DERS.
2. For DERS' employees (excluding the Common Directors and Common Officers of DERS), a signed Acknowledgement that the employee has received, and is familiar with, this IACC & CP will be obtained on the commencement of employment with DERS. The Acknowledgement will be maintained by the Compliance Officer for six years.

3. For DERS' agents and contractors, the responsible DERS employee will provide a copy of this IACC & CP to the affected party, and will obtain a written Acknowledgement from the consultant, contractor, or agent that they have received a copy of this IACC & CP, are familiar with its contents and will abide by its requirements. The acknowledgement will be maintained by the Compliance Officer for six years.
4. The Compliance Officer will provide copies of this IACC & CP on the DERS' website.

### **7.3. Compliance Officer**

The Utility shall appoint a compliance officer (the "Compliance Officer"). The Utility shall ensure that the Compliance Officer is an officer of the Utility and has adequate resources to fulfill his or her responsibilities.

### **7.4. Responsibilities of the Compliance Officer**

**Policy:** The responsibilities of the Compliance Officer shall include:

- a) providing advice and information to the Utility for the purpose of ensuring compliance with this IACC & CP;
- b) monitoring and documenting compliance with the IACC & CP by the Utility, its directors, officers, employees, consultants, contractors and agents;
- c) monitoring and documenting compliance with the Code by Affiliates of the Utility with respect to the interactions of the Affiliates with the Utility;
- d) providing for the preparation and updating, of this IACC & CP for the Utility pursuant to Section 7.5 hereof;
- e) filing the IACC & CP and any modifications or replacements with the AUC, posting the IACC & CP on the Utility's website, and advising interested parties promptly when the IACC & CP, or any modifications or replacements, have been posted on the website;
- f) performing an annual review of compliance with the IACC & CP and preparing an annual compliance report ("Compliance Report") containing the information required in section 7.6 hereof. The Compliance Officer shall file the Compliance Report with the AUC within 120 days of the fiscal year end of the Utility with respect to the immediately preceding fiscal year, post the Compliance Report on the Utility's website, and advise interested parties promptly when the Compliance Report has been posted on the website;

- g) receiving and investigating internal and external disputes, complaints and inquiries with respect to the application of, and alleged non-compliance, with this IACC & CP in accordance with Section 8 hereof;
- h) preparing quarterly exception reports;
- i) recommending to the Utility measures required to address events of non-compliance with this IACC & CP; and
- j) maintaining adequate records with respect to all aspects of the Compliance Officer's responsibility.

**Compliance Measures:**

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

**7.5. The Compliance Plan**

**Policy:** The Utility shall prepare a Compliance Plan. The Compliance Plan shall detail the measures, policies, procedures and monitoring mechanisms that the Utility will employ to ensure its full compliance with the provisions of the Code by the Utility its directors, officers, employees, consultants, contractors and agents, and by Affiliates of the Utility with respect to the interactions of the Affiliates with the Utility. The Utility shall review and update the Compliance Plan at least annually.

**Compliance Measures:**

1. A copy of DERS' current IACC & CP, indicating the date of its last review will be filed with the AUC as Section (a) of the annual Compliance Report.

## 7.6. The Compliance Report

**Policy:** The Compliance Report shall include the following information prepared in respect to the period of time covered by the Compliance Report:

- a) a copy of the Compliance Plan and any amendments thereto;
- b) a corporate organization chart for the Utility and its Affiliates indicating relationships and ownership percentages;
- c) a list of all Affiliates with whom the Utility transacted business, including business addresses, a list of the Affiliates' officers and directors, and a description of the Affiliates' business activities;
- d) a list of all Services Agreements in effect at any time during such period;
- e) an overall assessment of compliance with the Code by the Utility, including compliance by the directors, officers, employees, consultants, contractors and agents of the Utility and by Affiliates of the Utility with respect to the interactions of the Affiliates with the Utility;
- f) an assessment of the effectiveness of the Compliance Plan and any recommendations for modifications thereto;
- g) in the event of any material non-compliance with the Code, a comprehensive description thereof and an explanation of all steps taken to correct such non-compliance;
- h) subject to the confidentiality provisions of section 8.1 hereof, a summary of disputes, complaints and inquiry activity during the year;
- i) a list and detailed description of all Major Transactions between the Utility and its Affiliates;
- j) an Affiliated Party Transactions Summary;
- k) a Shared Employee Report;
- l) an Asset Transfers Report;
- m) a summary description together with an estimated aggregate value for each Occasional Service provided by the Utility to an Affiliate and by Affiliates to the Utility;
- n) a summary list of any exemptions granted to this Code or exceptions utilized, including the exception for emergency services;

- o) a list of all employee transfers, temporary assignments and secondments between the Utility and its Affiliates, detailing specifics as to purpose, dates and duration of such employee movements; and
- p) two certificates, each in the form attached as Schedule “A” attached to this Code, attesting to completeness of the Compliance Report and compliance with the Code, one certificate signed by the Compliance Officer and a second certificate signed by the highest ranking operating officer of the Utility.

**Compliance Measures:**

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

**7.7. Documents to be Provided to the AUC upon Request**

If required by the AUC, the Utility shall provide the AUC with a copy of any document referred to in a Compliance Report or other supporting records and material.

**7.8. Compliance Records and Audit**

The records required to be maintained by the Compliance Officer pursuant to section 7.4(i) hereof shall be retained for a period of at least six years. Compliance records shall be maintained in a manner sufficient to support a third-party audit of the state of compliance with the Code by the Utility, its directors, officers, employees, consultants, contractors and agents, and by Affiliates of the Utility with respect to the interactions of the Affiliates with the Utility. Subject to the confidentiality provisions of section 8.1 hereof, all such records shall be made available for inspection or audit as may be required by the AUC from time to time.

**8. DISPUTES, COMPLAINTS AND INQUIRIES**

**8.1. Filing with the Compliance Officer**

**Policy:** Disputes, complaints or inquiries from within the Utility or from external parties respecting the application of, or alleged non-compliance with, the Code shall be submitted in writing to the Compliance Officer and may be made confidentially. The identity of the party making the submission to the Compliance Officer shall be kept confidential by the Compliance Officer unless the party otherwise agrees.

**Compliance Measures:**

1. The Compliance Officer will maintain the necessary records of disputes, complaints, or inquiries.
2. The Compliance Officer will ensure that appropriate instructions for sending disputes, complaints, or inquiries to the Compliance Officer are posted on the DERS website.

3. The Compliance Officer will ensure that a description of how the Compliance Officer will investigate disputes, complaints or inquiries (in a manner consistent with the Code) is posted on the DERS website.

## **8.2. Processing by Utility**

### **8.2.1. *Compliance Officer Acknowledgment***

**Policy:** The Compliance Officer shall acknowledge all disputes, complaints or inquiries in writing within five working days of receipt.

**Compliance Measures:**

1. Please see Section 8.1.

### **8.2.2. *Disposition***

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

**Compliance Measures:**

1. Please see Section 8.1.

## **8.3. Referral to the AUC**

**Policy:** In the event:

- a) the Utility fails to abide by the process identified in section 8.2 hereof,
- b) the Utility or a party is unsatisfied with the resolution of a dispute, complaint or inquiry following the conclusion of the section 8.2 process, or
- c) of an urgent and significant matter, where there is a reasonable expectation that a party's position may be prejudiced by allowing the process contemplated by section 8.2 to operate,

the Utility (subject to the confidentiality provisions of section 8.1 hereof) or a party with a dispute, complaint or inquiry may refer the matter to the AUC for consideration. A referral to the AUC must be in writing and shall describe the dispute, complaint, or inquiry and must include the response, if any, of the Utility to the submission.

**Compliance Measures:**

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

**9. NON-COMPLIANCE WITH THE CODE**

**9.1. Non-Compliance**

Any non-compliance with the Code by any director, officer, employee, consultant, contractor or agent of the Utility or by an Affiliate (or any director, officer, employee, consultant, contractor or agent of an Affiliate) with respect to the interactions of the Affiliate with the Utility will be considered to be non-compliance by the Utility.

**9.2. Consequences for Non-Compliance with Code**

Non-compliance with this Code could be considered as prima facie evidence in a regulatory proceeding of inappropriate conduct by the Utility or of an inappropriate transaction, expense or activity by the Utility. Non-compliance with the Code by the Utility shall subject the Utility to the full range of powers and authorities of the AUC. Non-compliance with the Code by a director, officer, employee, consultant, contractor or agent of the Utility may subject such individual to disciplinary action by the Utility.



**SCHEDULE A – OFFICERS CERTIFICATE**

**OFFICER’S CERTIFICATE**

To: The Alberta Utilities Commission

I, \_\_\_\_\_ of the City of \_\_\_\_\_, in the Province of Alberta, acting in my position as an officer of \_\_\_\_\_ (the Utility) and not in my personal capacity, to the best of my knowledge do hereby certify as follows:

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## SCHEDULE B – COMPLIANCE REPORT

To: The DEML Compliance Officer and IACC Compliance Plan Committee

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

1. Section \_\_\_\_\_ of the DERS Inter-Affiliate Code of Conduct and Compliance Plan requires me to provide this Compliance Certificate for \_\_\_\_\_ on or before \_\_\_\_\_.
2. My position with DERS is \_\_\_\_\_, and as such I have conducted due inquiry of individuals who have personal knowledge of, the facts and matters herein stated.
3. For the period of \_\_\_\_\_ to \_\_\_\_\_, DERS has been in compliance with the requirements of Section \_\_\_\_\_ of the DERS Inter-Affiliate Code of Conduct and Compliance Plan.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **SCHEDULE C – DIRECTORS’ RESOLUTION**

**[DEML]**  
**(the "Corporation")**

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

**AND WHEREAS** the AUC has imposed an Inter-Affiliate Code of Conduct and Compliance Plan on the Corporation, pursuant to Decision TBD-D01-2021 (the "IACC & CP");

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

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

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

### **BE IT RESOLVED THAT**

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