

2nd Floor
280 Smith Street
Winnipeg, Manitoba
R3C 1K2

MANITOBA) Order No. 13/98
)
THE PUBLIC UTILITIES BOARD ACT) February 5, 1998

BEFORE: G. D. Forrest, Chairman
D. L. Barrett-Hrominchuk, Member
W. E. Chiswell, Member

BOARD ORDER TO APPROVE THE CODE OF CONDUCT
TO GOVERN THE RELATIONSHIP BETWEEN CENTRA GAS
MANITOBA INC. AND ITS AFFILIATED COMPANIES

By letter dated July 9, 1997 Centra Gas Manitoba Inc. ("Centra") filed with the Board a document entitled "Code of Conduct for Centra Gas Manitoba Inc. Respecting its Relationship with Affiliated Companies" (the "Code").

In Order No. 110/96 the Board ordered Centra as follows:

"Centra form a working committee of interested parties to formulate a code of conduct to govern the relationship between Centra and its affiliated companies and file the code of conduct with the Board by no later than February 28, 1997."

Section 81 pages 20, 21 and 22 of that Order enunciated the principles to be considered by Centra and the working committee in formulating the Code.

Pursuant to Order No. 110/96 Centra contacted Intervenors of Record and other interested parties and a working committee consisting of representatives of the following organizations was formed:

Consumers' Association of Canada (Manitoba) Inc./Manitoba
Society of Seniors
Enron Capital & Trade Resources Canada Corp.
ECNG Inc.
CENGAS
The HVAC Coalition of Manitoba
Suncor Energy Inc.
Natural Gas Clearinghouse Canada, a division of NGCC Ltd.
(formerly Novagas Clearinghouse Ltd.)
Industrial Gas Users Association
Mutual Gas Association
Direct Energy Marketing Limited
Centra Energy Services

The committee having considered all those factors referred to in Order No. 110/96 arrived at a consensus Code of Conduct which Code has now been submitted to the Board for approval as per Order No. 110/96.

Centra made a presentation to the Board on the consensus Code of Conduct on January 15, 1998. Centra indicated that the principles enunciated by the Board were viewed as guidelines and all were considered and debated by the working committee. Centra further expressed the view that since members of the working committee allowed for a number of trade offs in arriving at the final document, it would be unreasonable to make changes.

The working committee considered the Board's comments regarding penalties for breaches of the Code and the recovery of regulatory costs related to the Board's adjudication of disputes under the Code. Centra indicated that the working committee was of the opinion that The Public Utilities Board Act makes no provision for penalties. Accordingly, until such time as an amendment is made, penalties should not be considered by the Board. With respect to the regulatory costs, the working committee considered that this is a matter of Board jurisdiction and that any decision with respect to costs should be dealt with by the Board at the time that such adjudications occur.

Centra was of the view that following the Board's consideration of the Code, a final order of the Board could be issued because this matter had been considered by the Board initially at an advertised public proceeding and deferred to a working committee of Intervenors.

BOARD FINDINGS

The Board wishes to thank Centra and members of the working committee for their contribution to this matter.

The Board finds that the Code of Conduct as submitted by Centra and the working committee falls within the principles as enunciated by the Board in Order No. 110/96. The Code should be seen as a "living" document subject to review and change from time to time. The Board notes the quarterly reporting requirements outlined in Principle No. 6 of the Code, and in addition, will require Centra to submit a report with input from the working committee and any other interested party on the functioning of the Code at the end of twelve (12) months hence. The Board would also like to restate its position as enunciated on Page 22 of Order No. 110/96:

"In principle, the additional costs of regulation in respect of the code of conduct will not be assumed by the ratepayers of Manitoba, but by the shareholders of Centra or the party alleging the complaint subject to the discretion of the Board."

Finally, the Board would note that it has been several years since the issue of penalties and fines were adopted in the existing legislation. The Board intends to review these provisions to see whether they are still appropriate for today's new environment.

IT IS THEREFORE ORDERED THAT:

1. The Code of Conduct as attached hereto as Appendix "A" BE AND IS HEREBY APPROVED ON A FINAL BASIS.
2. Centra Gas Manitoba Inc. with input from members of the working committee and other interested parties, submit to the Board a report on the functioning of the Code for period ending December 31, 1998.

THE PUBLIC UTILITIES BOARD

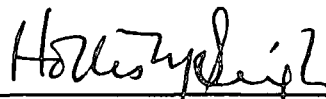
"G. D. FORREST"

Chairman

"H. M. SINGH"

Acting Secretary

Certified a true copy of Order No. 13/98 issued by The Public Utilities Board



Acting Secretary

APPENDIX "A"

CODE OF CONDUCT FOR CENTRA GAS MANITOBA INC. RESPECTING ITS RELATIONSHIP WITH AFFILIATED COMPANIES

PURPOSE

The Code will govern the relationship between Centra Gas Manitoba Inc. ("CGM") and its affiliated companies. The Code has been developed according to the principles and directives laid down by the Public Utilities Board of Manitoba in Board Order No. 110/96. This Code of Conduct is intended to set standards within the meaning of subsection 77(b) of The Public Utilities Board Act of Manitoba and shall be interpreted within the scope of that Act.

REVIEW

The Board may of its own initiative, or on application of others, amend the Code from time to time.

DEFINITIONS

1. "Affiliate" means any company which is an affiliate or associate of CGM and which engages in or intends to engage in the business, on an unregulated basis, of marketing energy or energy-related products and services to consumers in Manitoba. "affiliate" and "associate" have the meanings ascribed to these terms in subsections 1(1) and 1(2) of The Corporations Act (Manitoba).
 2. "Board" means the Public Utilities Board of Manitoba.
 3. "Code" means the Code of Conduct for Centra Gas Manitoba Inc. respecting its relationship with its Affiliated companies.
 4. "marketer" means any corporation, body corporate, partnership, person or other legal entity, or part thereof, regardless of form, ownership or control, which carries on or intends to carry on the business, on an unregulated basis, of marketing energy or energy related products and/or services in Manitoba, including an Affiliate of CGM.
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5. "Services" means those services in respect of which rates, tolls or charges are approved or fixed by the Board pursuant to The Public Utilities Board Act of Manitoba and any transactional services, opportunities, or sales for transportation and storage capacity.

CODE SUMMARY

This Code summary notes the principles by which CGM must conduct itself in its relationship with its Affiliates.

1. Information

- (a) CGM will not provide its Affiliates or any other marketer with any customer specific confidential information without the consent of the customer;
- (b) CGM will not provide its Affiliates or any other marketer with any information on a preferential basis.

2. Public Statements re: Preferential Treatment

CGM shall not directly or indirectly state, imply, or knowingly acquiesce in any person's stating or implying, that any preference or favored treatment will be available to customers, suppliers or third parties in respect of CGM's Services as a result of using any service of, or conferring any benefit directly or indirectly on, an Affiliate or any marketer.

3. Preferential Direction of Customers

CGM shall not preferentially direct customers seeking competitively offered services to an Affiliate or to any marketer and shall refrain from speaking, or saying anything directly or indirectly which would reasonably lead a person to conclude that CGM speaks, on behalf of an Affiliate or any marketer.

4. Requests for Access and Services

CGM will treat all requests for distribution system access and related service equitably.

5. Employee Compliance

CGM will formally advise all employees of expected conduct relative to this Code and will undertake to perform annual management reviews of the relationships to ensure compliance with this Code.

6. Complaint Mechanism

A breach of the Rules and/or Principles of this Code shall constitute a breach of this Code. Complaints by any party respecting the application of this Code or any alleged breach thereof shall be brought to the immediate attention of CGM's Chief Executive Officer or a designated executive, and subsequently a report of

the complaints, new, resolved, and pending and any action taken, will be filed quarterly with the Board.

CODE OF CONDUCT PRINCIPLES

Principle No. 1

Information

- (a) **CGM will not provide its Affiliates or any other marketer with any customer specific confidential information without the consent of the customer;**
- (b) **CGM will not provide its Affiliates or any other marketer with any information on a preferential basis**

Exceptions

Principle 1(b) does not include information available in the public domain (e.g. web sites, government publications, newspapers, public notifications, journals, and the like).

Principle 1(b) does not preclude CGM from providing information exclusively to an Affiliate or any other marketer at the specific unsolicited request and direction of a customer.

Rules

1. **This principle is intended to apply to any information obtained by CGM in the course of carrying out or providing regulated services.**
2. **This principle precludes CGM from releasing confidential customer specific information without the customer's express consent. The type of customer specific information considered to be confidential includes gas usage and bill payment records.**
3. **This principle applies to information including future facilities' plans and capacity available.**
4. **CGM may disclose information that is aggregated so that specific customer, gas supply contract, pipeline capacity contract, release capacity contract, and storage contract information cannot be ascertained. CGM shall not disclose such information to any Affiliate or any other marketer, without that information's being made equally accessible, in terms of timing and price, to all interested parties.**
5. **CGM shall not provide leads or information about specific Manitoba market opportunities to any marketer, unless such leads and information about such market opportunities are made equally available, in terms of timing and price, to other marketers.**

6. In instances where information is made available contemporaneously to marketers, it may be provided for a reasonable fee.
7. CGM will not release confidential information given to CGM by any marketer without that marketer's consent.

CODE OF CONDUCT PRINCIPLES

Principle No. 2

Public Statements re: Preferential Treatment

CGM shall not directly or indirectly state, imply, or knowingly acquiesce in any person's stating or implying, that any preference or favored treatment will be available to customers, suppliers or third parties in respect of CGM's Services as a result of using any service of, or conferring any benefit directly or indirectly on, an Affiliate or any marketer.

Rules

- 1. This principle requires employees of CGM to treat utility customers on an equitable basis.**
- 2. CGM will not give preference to customers of their Affiliates or any other marketer in the provision of Services.**
- 3. If CGM becomes aware that any person is or has been stating or implying that any preference or favored treatment will be available to customers, suppliers or third parties in respect of Services as a result of using any service or conferring any benefit directly or indirectly on an Affiliate or any marketer, CGM shall take such steps as are reasonable in the circumstances to notify such person that CGM does not approve of such statement or implication, and to notify those affected by the statement and/or implication that any such preference or favored treatment is not available.**

CODE OF CONDUCT PRINCIPLES

Principle No. 3

Preferential Direction of Customers

CGM shall not preferentially direct customers seeking competitively offered services to an Affiliate or to any marketer and shall refrain from speaking, or saying anything directly or indirectly which would reasonably lead a person to conclude that CGM speaks, on behalf of an Affiliate or any marketer.

Exception

This principle is not intended to prevent CGM from providing relevant information which is in the public domain regarding service providers to customers in response to specific requests.

When acting in direct response to a customer inquiry about the relationship, CGM may acknowledge the Affiliate relationship and will advise the customer that the Affiliate is not part of the utility operation. However, CGM may not influence a customer's decision in seeking competitive service through any form of preferential direction.

Rules

- 1. CGM may direct customers to a listing of competitive service providers when asked. Any such list, if compiled, will be so compiled and updated through reasonable efforts by CGM.**
- 2. CGM is not responsible for the completeness or accuracy of information it receives from others which CGM provides to customers regarding non-regulated service providers in the marketplace.**

CODE OF CONDUCT PRINCIPLES

Principle No. 4

Requests for Access and Services

CGM will treat all requests for distribution system access and related service equitably.

Rules

- 1. CGM shall not provide preference to any customer or marketer, including any Affiliate, or any customers of such marketer with respect to the processing of requests for services.**
- 2. This Rule requires CGM to apply and enforce its rate schedules in a consistent fashion.**
- 3. Where there is flexibility in the rates and charges, or in the terms and conditions of the rates, or discretion in the operating practices underlying the rate schedules, this rule requires that CGM apply such flexibility or discretion in a like manner to similar customers.**
- 4. CGM may impose reasonable creditworthiness or similar requirements on any party requesting service and if CGM chooses to do so, those requirements must be imposed in a nondiscriminatory manner on all other party(ies) requesting service.**
- 5. CGM shall accept and process all similar requests for service in a like manner.**
- 6. CGM shall not condition or tie any agreement to release transportation or storage capacity to any agreement by a gas supplier, customer or other third party relating to any service in which an Affiliate or any other marketer is involved, unless requested to do so by the other party to the agreement to release transportation or storage capacity.**

CODE OF CONDUCT PRINCIPLES

Principle No. 5

Employee Compliance

CGM will formally advise all employees of expected conduct relative to this Code and will undertake to perform annual management reviews of the relationships to ensure compliance with this Code.

Rules

1. CGM's management shall use its best efforts to ensure that the Code is communicated to CGM's employees and to ensure that employees do not violate this code.
2. This rule requires CGM to document their communication programs with employees respecting these rules, including specific programs to ensure employee awareness and understanding of the application of the Code, as well as an awareness of the penalties for non-compliance.
3. This rule requires an annual management review of Affiliate relationships and transactions. CGM shall keep updated and accurate records of each transaction with its Affiliates.
4. This rule also requires additional communications programs with employees when standards are materially amended to reflect changed business circumstances.

CODE OF CONDUCT PRINCIPLES

Principle No. 6

Complaint Mechanism

A breach of the Rules and/or Principles of this Code shall constitute a breach of this Code. Complaints by any party respecting the application of this Code or any alleged breach thereof shall be brought to the immediate attention of CGM's Chief Executive Officer or a designated executive, and subsequently a report of the complaints, new, resolved, and pending and any action taken, will be filed quarterly with the Board.

Rules

- 1. All complaints regarding the Code shall be referred to the immediate attention of the CGM Chief Executive Officer or designated executive. The Chief Executive Officer or designated executive shall acknowledge the complaint in writing within ten (10) working days of receipt, unless the complainant states that such written acknowledgment is not required. Included in the Chief Executive Officer's letter of acknowledgment, shall be a standard form letter outlining the complaint process.**
- 2. The complainant shall have access to the documentation respecting his/her own complaint provided the complaint is with respect to a matter within the purview of this code.**
- 3. CGM's Chief Executive Officer or designated executive shall prepare a written statement of the complaint, which shall include the name of the complainant and all relevant dates, companies involved, parties involved, and the specific claim. Within thirty (30) days after the complaint is received, the Chief Executive Officer or designated executive shall respond, in writing, setting out the results of the investigation to the complainant including a description of any course of action which was taken, unless the complainant states that he/she is satisfied that the complaint was resolved at the initial contact and that such written response is not required.**
- 4. CGM's Chief Executive Officer or designated executive shall maintain a log of all such complaints and their resolutions. Quarterly, a summary report of complaints received, status and actions taken will be prepared based upon this log and filed with the Board. The log will be available for inspection by representatives of the Board from time to time.**
- 5. If a complaint has not been resolved within sixty (60) days of the referral of the complaint to the Chief Executive Officer or designated executive, then the complainant may request the Board review the complaint.**

6. After receiving a request, the Board, in its discretion, may review the complaint. Where the Board's jurisdiction allows and the Board, in its sole discretion, determines that the circumstances warrant, the Board may initiate a formal hearing for that review. Following the review of the complaint, the Board may, within its powers under The Public Utilities Board Act of Manitoba, in its discretion, make such order as it considers proper. In determining a proper Order, the Board may consider the following:
- (a) the degree of intention involved in committing the breach;
 - (b) the seriousness of the breach;
 - (c) the effect of the breach on rate payers;
 - (d) CGM's record with respect to similar breaches;
 - (e) CGM's actions to remedy the breach;
 - (f) such further and other matters as the Board may, within its jurisdiction, deem proper.