



## ENMAX Corporation

Code of Conduct Regulation  
Compliance Plan Amendments

March 24, 2021

**Alberta Utilities Commission**

Decision 26295-D01-2021

ENMAX Corporation

Code of Conduct Regulation

Compliance Plan Amendments

Proceeding 26295

Application 26295-A001

March 24, 2021

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## Contents

<b>1</b>	<b>Introduction.....</b>	<b>1</b>
<b>2</b>	<b>Background .....</b>	<b>1</b>
<b>3</b>	<b>Findings.....</b>	<b>2</b>
<b>4</b>	<b>Order .....</b>	<b>4</b>



## **1 Introduction**

1. ENMAX Corporation filed an application with the Alberta Utilities Commission on February 5, 2021, requesting approval of changes to its *Code of Conduct Regulation* Compliance Plan, pursuant to Section 32 of the *Code of Conduct Regulation*.<sup>1</sup>
2. The Commission issued a notice of application on February 5, 2021, asking for statements of intent to participate by February 19, 2021. No submissions were received by the deadline. The Commission considers the record of this proceeding to have closed on February 19, 2021.
3. In reaching the determinations contained within this decision, the Commission has considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

## **2 Background**

4. Subsection 32(2) of the *Code of Conduct Regulation* states:

A change to a compliance plan must be submitted to the Commission for approval

  - (a) within 60 days following a change in circumstances or an amendment to this Regulation that requires a change to a compliance plan, or
  - (b) as soon as practicable when a change to the plan is made for a reason other than a reason referred to in clause (a).
5. Effective November 12, 2020, the *Code of Conduct Regulation* was amended to remove or update the following required sections from utilities' *Code of Conduct Regulation* compliance plans:
  - (a) Section 8 (Meetings between distributors or regulated rate suppliers and retailers and customers);
  - (b) Section 25 (Records and accounts);
  - (c) Section 26 (Written financial transactions);

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<sup>1</sup> Alberta Regulation 58/2015, as amended.

- (d) Section 27 (Records of transactions for goods and services);
- (e) Section 28 (Maintaining records); and
- (f) Section 33 (Quarterly and annual compliance reports) was also edited to remove quarterly reporting requirements.

6. Pursuant to Subsection 32(2) of the *Code of Conduct Regulation*, ENMAX seeks approval of changes to its compliance plan to reflect the removal and amendments to the aforementioned sections. ENMAX has also made some minor administrative changes, including:

- (a) Defined terms have been updated for clarity, bringing in terms that were previously referenced in the *Code of Conduct Regulation* or used internally at ENMAX;
- (b) Mechanisms 7.2, 9.3, 16.1, and 16.2, as well as mechanisms that only reference other mechanisms and do not have specific actions of their own, have been removed;
- (c) Mechanisms 4.3 and 4.4 have been moved to Section 3 as Mechanisms 3.8 and 3.5, respectively, because they do not relate to the topic of Section 4 (Tying prohibited);
- (d) The language in Mechanism 7.1 has been revised for clarity;
- (e) Mechanism 10.2 has been revised to identify that agents acting on behalf of a customer, other than the existing Utilities Consumer Advocate, have a process available to request customer information; and
- (f) The policy statement for Mechanisms 24 and 29 has been removed, as these mechanisms are retained only for numbering consistency.

7. ENMAX submitted that changes to its compliance plan are minor and made to reflect the changes to the *Code of Conduct Regulation*, as well as to simplify and clarify other matters in the compliance plan. ENMAX made the proposed changes in an amended version of its compliance plan, which was filed with the application in both a blackline and clean version.

### **3 Findings**

8. Section 32(3) of the *Code of Conduct Regulation* states:

On receipt of a proposed change to a compliance plan, the Commission may

- (a) approve the proposed change, with or without changes and with or without conditions,
- (b) direct other changes to be made to the compliance plan, or
- (c) refuse to approve the proposed change.

9. The Commission is satisfied that the removal of the affected sections and other administrative amendments made by ENMAX, as set out above, are consistent with continued compliance with, and sufficiently address the requirements of, the *Code of Conduct Regulation*.

10. However, the Commission is concerned that the compliance plan contains no provision for the creation and retention of the records required for the Commission to carry out its future audits, as required under Section 40 of the *Code of Conduct Regulation*. Therefore, the Commission directs ENMAX to include the following text under 'DIVISION 3 COMPLIANCE AUDIT' in its *Code of Conduct Regulation* Compliance Plan:

Policy: EPC and EEC will keep accounts in accordance with generally accepted accounting principles and any uniform system of records required by the Commission, in sufficient detail to enable an audit to be conducted, and will each retain separate records and accounts.

EPC and EEC each keep separate records and accounts. EPC and EEC are separate legal entities and are set up separately in ENMAX's financial system, which identifies transactions as being related either to EPC or EEC. Separate financial reports are prepared for EPC and EEC.

EEC separates the sales and costs of electricity for Regulated Energy Services Customers and Retail Energy Services Customers. Although operating and administrative costs are not accounted for separately, allocation costing models are used to allocate costs between EEC's Regulated Energy Services business and the Retail Energy Services business.

Policy: Every financial transaction between any of EPC, EEC, Distributor Municipalities and EEC RRO Municipalities that is governed by this Regulation will be documented in writing to prevent the creation of any unfair competitive advantage.

Financial transactions are based on the contractual obligations for service.

Policy: All transactions for goods and services between EPC (as Distributor) and EEC (as Regulated Rate Supplier and Affiliated Provider) will be recorded. When the total cost of those transactions exceeds \$500 000 annually, they must be documented by an agreement and must be supported by written evidence of fair market value.

Policy: All transactions for goods and services between EEC (as Regulated Rate Supplier for EEC RRO Municipalities, and as an Affiliated Retailer in EEC RRO Municipalities' Settlement Zones) and Distributor Municipalities (as Distributor) will be recorded. When the total cost of those transactions exceeds \$500 000 annually, they must be documented by an agreement and must be supported by written evidence of fair market value.

EPC (as Distributor), EEC (as Regulated Rate Supplier), and EEC (as Affiliated Retailer) will maintain a record of all transactions for goods and services among any such parties in a way which identifies the parties, the goods and services, and the value of the transactions expressed in terms of dollars.

EEC (as Regulated Rate Supplier and Affiliated Retailer for EEC RRO Municipalities) will maintain a record of all transactions for goods and services among any such parties in a way which identifies the parties, the goods and services, and the value of the transactions expressed in terms of dollars.

Policy: EPC and EEC will retain records, accounts, records of financial transactions, reports and plans for at least ten years.

EPC and EEC have adopted a corporate records classification and retention schedule which is designed to manage all information and records.

11. The revised compliance plan is to be filed under Direction 26295-D01-2021-0001 by April 7, 2021.

#### **4 Order**

12. It is hereby ordered that:

- (1) The ENMAX Corporation *Code of Conduct Regulation* Compliance Plan is approved with the changes directed by the Commission in this decision, effective April 1, 2021.

Dated on March 24, 2021.

#### **Alberta Utilities Commission**

*(original signed by)*

Carolyn Hutniak  
Commission Member