



EQUS REA Ltd.

**Code of Conduct Regulation
Compliance Plan Amendments**

August 5, 2021

Alberta Utilities Commission

Decision 26459-D01-2021

EQUUS REA Ltd.

Code of Conduct Regulation

Compliance Plan Amendments

Proceeding 26459

Application 26459-A001

August 5, 2021

Published by the:

Alberta Utilities Commission

Eau Claire Tower

1400, 600 Third Avenue S.W.

Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282 in Alberta)

1-833-511-4AUC (1-833-511-4282 outside Alberta)

Email: info@auc.ab.ca

Website: www.auc.ab.ca

The Commission may, within 60 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

Contents

1	Introduction.....	1
2	Background	1
3	Commission findings.....	3
4	Order	4

1 Introduction

1. Pursuant to Section 32 of the *Code of Conduct Regulation*,¹ EQUUS REA Ltd. filed an application with the Alberta Utilities Commission on April 12, 2021, requesting approval of changes to its *Code of Conduct Regulation* Compliance Plan (Compliance Plan).
2. The Commission issued a notice of application on April 20, 2021, asking for statements of intent to participate by May 4, 2021. No submissions were received by the deadline.
3. On July 12, 2021, the Commission issued a letter advising of its intention to introduce specific provisions within *Code of Conduct Regulation* compliance plans concerning the Commission's audit oversight and the obligations of parties to retain records for the purposes of that audit.
4. In response, EQUUS proposed changes to the list of compliance records to be retained for the purposes of the Commission's audit and submitted an amendment to the Compliance Plan on July 30, 2021. The Commission considers the record of this proceeding to have closed on July 30, 2021.
5. 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

6. 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).

¹ *Code of Conduct Regulation*, AR 58/2015, as amended.

7. Effective November 12, 2020, the *Code of Conduct Regulation* was amended to remove or update the following required sections from *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);
- (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.

8. By its April 12, 2021 application, EQUUS sought approval of changes to the Compliance Plan to reflect the aforementioned amendments as well as what EQUUS identified as minor administrative changes including:

- (a) Expansion of Section 1.0 Definitions to include the definitions for “Co-operative Energy Rate,” “REA” and “rural electrification association;” and
- (b) Changes to Section 30 Compliance Plan Requirements, Mechanism 3(iv) substituting EQUUS’ senior management for the REA Board as the party to whom the Compliance Officer is to communicate the results of an investigation found to be valid and the result of action or inaction of officers or employees of EQUUS.

9. EQUUS included both a blackline and clean version of the Compliance Plan with its application.

10. To provide for the creation and retention of records required for the Commission to carry out its future audits, as required under Section 40 of the *Code of Conduct Regulation*, the Commission identified in its July 12, 2021 letter, the requirement for the addition of the following text in *Part 4 Compliance Requirements* under *Division 3 Compliance Audit* of the Compliance Plan, after the policy statement in Section 40.0 “Audit:”

[EQUUS] will retain all code of conduct compliance records listed under Appendix A to the Compliance Plan for at least three years. The Commission may amend the Appendix A from time to time on notice and absent a registered objection, the proposed changes to the appendix will take effect within 10 business days from the date of the notice.

11. The records to be listed in Appendix A and retained by EQUUS were also identified in the Commission’s July 12, 2021 letter, subject to any proposal EQUUS might make seeking to vary that list.

12. EQUUS responded to the Commission's letter on July 30, 2021, enclosing an updated blackline and clean version of the Compliance Plan proposing further amendments including the following:
- (a) Addition of Mechanism 3 under Section 3.0 – Conduct to address employee off-boarding processes to align with the Commission's recommendations to maintain on-boarding / off-boarding processes and documentation;
 - (b) Amending the policy under Section 40.0 – Audit to align with the Commission's requirement for retention of compliance records listed under Appendix A to the Compliance Plan for at least three years; and
 - (c) Addition of Appendix A to the Compliance Plan outlining the specific records to be retained, modified from the Commission's July 12, 2021 proposed list to better align with the language of and information described in the Compliance Plan as well as the circumstances of EQUUS.

3 Commission findings

13. 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.
14. The Commission is satisfied that the removal of the affected sections and other amendments proposed to the Compliance Plan in the application filed on April 12, 2021, are consistent with continued compliance with, and sufficiently address the requirements of, the *Code of Conduct Regulation*; or, otherwise reflect minor administrative changes.
15. The Commission is also satisfied that the further amendments to the Compliance Plan proposed by EQUUS on July 30, 2021, meet the requirements detailed in the Commission's July 12, 2021 letter and are reasonably required to better align with the language of and information described in the Compliance Plan as well as the operations of EQUUS.
16. Accordingly, the Commission approves the amended Compliance Plan as submitted by EQUUS on July 30, 2021.

4 Order

17. It is hereby ordered that:

- (1) In accordance with the findings in this decision, the EQUS REA Ltd. *Code of Conduct Regulation Compliance Plan* is approved, effective August 5, 2021.

Dated on August 5, 2021.

Alberta Utilities Commission

(original signed by)

Carolyn Hutniak
Commission Member