

# **COMPLIANCE PLAN**

## **North Parkland Power REA Ltd.**

### **1. INTRODUCTION**

North Parkland Power REA Ltd. (Participant) is the Regulated Rate Option (RRO) provider to its members.

By July 2006, in accordance with the Regulated Rate Option Regulation, Participant will be required to implement a New RRO offering. As well, Participant can offer to its members a Stable Rate Option Contract. As such, Participant will make available to its members the New RRO, and a Stable Rate Option Contract. In doing so, the governing regulation also requires Participant to establish an approved Compliance Plan setting forth the guidelines and business principles pertaining to this new retail offering. There will not be a separate entity set up to deal with the Stable Rate Option Contract; the Participant will have two different divisions, a wires division and an energy division. The energy division (formally known as the "Affiliated Retailer" in the Code of Conduct Regulation) will look after the Stable Rate Option Contract, and New RRO.

Participant will perform functions and will be operated in a manner that is consistent with the following mandate:

- a. Equality of treatment of Members (Customers);
- b. Confidentiality of Member (Customer) Information;
- c. Equality of treatment of all Retailers;
- d. Equitable and fair practices in the provision of the New RRO to all Members within Participant's service territory;
- e. Prevention of any unfair competitive advantage being given to any competitive Retailer, including the Affiliated Retailer; and
- f. The maintenance of confidential records and accounts.

### **2. COMMITMENT**

The Board of Directors of Participant will not condone, encourage, or support any activity or behaviour on the part of its employees, including agents or contractors that is inconsistent with the requirements of the Compliance Plan or the Code of Conduct Regulation.

This Compliance Plan details the policies and mechanisms that Participant will rely upon to ensure that the business of Participant is conducted in a manner that is consistent with the requirements set forth by the Board of Directors. The Compliance Plan will apply to all participant personnel and agents or contractors of Participant.

In accordance with the Compliance Plan, Participant is committed to implementing immediate and comprehensive responses to any activity that is reported as contravening the Compliance Plan or the Code of Conduct Regulation.

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Questions or comments concerning the Compliance Plan should be directed to the General Manager via email at [glenn.nicol@npprea.ca](mailto:glenn.nicol@npprea.ca) as the person responsible for enforcement of the Compliance Plan. The individual(s) responsible for the development of the Compliance Plan is the Compliance Plan Committee. The administrative office staff of Participant is responsible for the implementing and monitoring the plan and recommending changes as required.

### **3. DEFINITIONS**

In this Compliance Plan,

“Compliance Plan” means the compliance plan of Participant as approved by the MSA made under the authority of the EUA Code of Conduct Regulation;

“Compliance Plan Committee” means the committee member(s) consisting of individual(s) nominated by the elected Board of Directors of Participant.

“Compliance Plan Committee Report” means the report prepared annually by the Compliance Plan Committee of Participant.

“Compliance Plan Contravention Investigation Report” means the report as prepared by the operations manager of Participant and submitted to the Board of Directors, which shall include but not be limited to, the following information:

- a. Date of the alleged contravention and date of the report.
- b. Description of the alleged contravention including the name of the person or company reporting the alleged contravention;
- c. The relevant section of the Compliance Plan that applies to the issues raised by the alleged contravention; and
- d. Conclusions as recorded by the Board of Directors regarding the alleged contravention and the date upon which these conclusions were arrived at;

“Customer” means the Member purchasing electricity for their own use, who is either on the New RRO services and/or has opted to sign a Stable Rate Option Contract;

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

“Customer Information Access Personnel” means any individual employee of Participant or personnel from UTILITYnet or ZYNXX retained by Participant to provide goods or services necessary for Participant to provide Regulated Services who have been granted written permission to access Participant’s Customer Information in accordance with this Compliance Plan. Participant will retain on file a complete list of all respective personnel who have access to Customer Information.

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“DOE” means the Alberta Department of Energy;

“Electricity Services” means the services associated with providing electricity to a Customer;

“EUA” means the Electric Utilities Act;

“Member” means a member of Participant, also referred to as a Customer. A member may include an individual or a corporation and the heirs, executors, administrators or other legal representatives of a person;

“MSA” means the Market Surveillance Administrator, a corporation established by section 31 of the Alberta Utilities Commission Act;

“New RRO” will be the rate for electricity established in accordance with the Regulated Rate Option Regulation and approved by the Board of Directors of Participant;

“REA” means Rural Electrification Association;

“Regulated Services” means Electricity Services that are provided by Participant as defined under the RRO or Distribution Tariff, as approved by the Board of Directors of Participant, and the costs of which are recoverable under rates approved by the Board of Directors of Participant;

“Retailer” means a person who sells or provides unregulated Electricity Services in the province of Alberta. In providing the Stable Rate Option Contract, Participant is considered as a Retailer, but is intentionally limited to retailing only to Members.

“Retail Services” means unregulated Electricity Services provided by a Retailer.

“Stable Rate Option Contract” means a rate for electricity offered to Participant REA members. The rate will be established, published and changed from time to time solely at the discretion of the Participant Board of Directors;

### **4. PROVIDING ELECTRIC DISTRIBUTION SERVICES**

Participant personnel, and agent or contractor personnel shall not require or induce Members to sign the Stable Rate Option Contract with Participant, by putting forth any condition that would limit Members with regard to obtaining normal electricity distribution services as offered by Participant, nor withhold services if a Member signs a contract with another competitive Retailer operating in the Province of Alberta.

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### **5. PROCEDURES**

All participant personnel or agent or contractor personnel shall conduct their activities in a manner so as to comply with and ensure compliance with this Compliance Plan.

**Mechanism 5.1:** Participant office personnel and all agent or contractor personnel will be required to execute an acknowledgement in the form of Appendix A acknowledging he/she has read the Compliance Plan and understands the obligations of Participant, and his/her personal obligations, under the Compliance Plan.

**Mechanism 5.2:** Within 60 days after the end of each calendar year, all Participant office personnel and all agent or contractor personnel on December 31 of the prior calendar year will be required to review this Compliance Plan and re-execute confirmation by resigning the form of Appendix A. This process is intended to confirm that he/she has undertaken the required review of the Compliance Plan has acted in accordance with the requirements of this Compliance Plan during the prior calendar year.

**Mechanism 5.3:** The Compliance Plan (including any amendments thereto) will be posted on Participant's website for viewing by all interested parties.

**Mechanism 5.4:** Adherence to the Compliance Plan, by Participant personnel and agents or contractors will be an important consideration taken into account by the Board of Directors of Participant in its assessment of the performance of all Participant personnel and agents or contractors. Breach of the Compliance Plan may result in disciplinary action, up to and including termination of employment or contract with Participant. Breach of the Compliance Plan by Participant's personnel, agent or contractor personnel may result in sanctions being imposed upon the agent or contractor, up to and including termination or non-renewal of a contractual relationship between Participant and Participant's agent or contractor.

**Mechanism 5.5:** Participant office staff will maintain records which will be used to record and track any requests for access to, and disclosure of, Customer Information, as requested for the purpose of marketing Retail Services (this information will be kept on file and/or on the Participant's billing system). Customer Information, including consumption information, will not be release to any third party or to the Affiliated Retailer without the express written approval of the Customer.

### **6. CONFIDENTIALITY OF CUSTOMER INFORMATION**

Customer Information access shall be protected. Customer Information shall not be disclosed, used or made available to/by third parties or the Affiliated Retailer except in accordance with this Compliance Plan and the Code of Conduct Regulation.

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### 7. MARKETING OF RETAILING OPTIONS

Participant reserves the express right to advise all Members of the options, advantages and disadvantages of the New RRO and the Stable Rate Option Contract which is available to all Members regarding their purchasing of electricity. At all times, in the communication of the options available to Members, Participant will ensure that the Customer is aware of the availability of other Retail Services options by inviting the Customer to access the "[www.ucahelps.gov.ab.ca](http://www.ucahelps.gov.ab.ca)" web site or call 310-4UCA toll free.

### 8. CUSTOMER INFORMATION REQUESTS

If a Member provides Participant with written authority to release their Customer Information to a Retailer, the information will be provide assuming the charge for providing the Customer Information is approved in writing by the Customer and received together with payment for the services provided in extracting and making the Customer Information available. The Board of Director of Participant will set the cost of providing Customer Information, and the rate will be based on 100% cost recovery related to providing the requested information. The costs will be charged consistently to all retailers based on hourly and/or minimum charge, and is set out in our rate schedule.

### 9. EQUALITY OF TREATMENT OF RETAILERS

Participant will not:

- a. Give preferential treatment to any Retailer or Customer.
- b. Discriminate against any Retailer or Customers of any Retailer.

**Mechanism 9.1:** Participant Personnel will acknowledge in the Compliance Acknowledgement that he/she will not give preferential treatment to any Customer and will not discriminate against any Retailer or against the Customers of any Retailer.

In all communications with Customers regarding Retail Services (except where the Customer is already on a contract with Participant), Participant will conspicuously:

- a. State that Customers are free to choose any Retailer should they want to opt out of the New RRO rate;
- b. Refer the Customer to the [www.ucahelps.gov.ab.ca](http://www.ucahelps.gov.ab.ca) web site or call 310-4UCA toll free where the Customer may obtain the current list of licensed Retailers maintained in accordance with the Fair Trading Act and the regulations under that Act; and
- c. State that Customers are not required to acquire electricity or other goods or services from the Affiliated Retailer (Participant) in order to receive Regulated Services from Participant.

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### **10. PROHIBITIONS**

Participant will not:

- a. Except in accordance with this Compliance Plan and the Code of Conduct Regulation, give information about Retail Services in a manner that encourages a Customer to contact one Retailer in preference to other Retailers. Participant reserves the right to recommend to Members the advantages of electing to contract with Participant under the terms of the 'Stable Rate Option Contract' over the 'New RRO' as offered to all Members, after providing the disclosures required by this Compliance Plan and the Code of Conduct Regulation;
- b. Other than as allowed under this Compliance Plan and the Code of Conduct Regulation, give a Person any advice or assistance about a Retailer, except to refer a Customer to a source where the Customer may obtain the current list of licensed Retailers maintained in accordance with the Fair Trading Act and the regulations under that Act.

### **11. PREVENTING UNFAIR COMPETITIVE ADVANTAGE**

All associated costs applicable to the New RRO rate, and the Stable Rate Option Contract, which are offered to all customers of Participant shall reflect the appropriate allocation and economic benefits or cost pertaining to corresponding rate.

**Mechanism 10.1:** Any cost-sharing arrangements related to securing energy on behalf of the REA membership shall be approved by the Participant's Board of Directors. Such arrangements shall be documented in writing as part of the minutes of the Board of Directors meeting(s).

### **12. MAINTAINING RECORDS**

Participant shall maintain the records, accounts, financial transactions, reports and plans contemplated by this Compliance Plan for a period of at least seven (7) years.

The Participant will log calls from any member using the ZYNXX system to allow tracking of all discussions to the member about the different choices the member has for energy procurement.

The Participant will send a quarterly compliance report as well as an annual compliance report to the MSA by March 31 following the end of each calendar year or such other period as the MSA may prescribe. This report will be approved by the Board of Directors and will describe for the calendar year any contraventions of the Compliance Plan or the Code of Conduct regulation, the reasons why and the corrective action that was taken.

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The Participant will provide, to auditors, reasonable access to officers, employees, agents and contractors, and information systems, of Participant, including the Affiliated Retailer, so that the auditor may perform the audit required under the Code of Conduct Regulation.

The Participant will announce through the Participant's website that if any customer has a complaint they may contact the MSA. If a complaint is filed with the Participant, the Participant will log it and try to rectify the situation within 60 days. If the complaint is registered with the MSA, the Participant will meet with the MSA within 30 days after receiving a complaint to discuss and address the complaint. If corrective measurements are required, the Participant will address the proactive resolution within 30 days and revise the Compliance Plan, as applicable.

The Compliance Plan will go into effect once the Retail offers start being marketed by Participant. Participant will notify the MSA in writing when this occurs.

Signed on behalf of Participant, this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

This compliance plan has been adopted by the Board of Directors of North Parkland Power REA Ltd.

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Chairman, Director, or Officer of Participant.