

**NOTICE OF PROPOSED RULE GOVERNING THE CONDUCT OF GAS UTILITIES AS
SUCH CONDUCTS RELATES TO AFFILIATED COMPANIES
MARCH 17, 1999**

The Ontario Energy Board proposes to make a rule pursuant to its powers under section 44 of the Ontario Energy Board Act, 1998, S.O. 1998 c. 15, Sched. B, governing the conduct of a gas transmitter, gas distributor or storage company as such conduct relates to their affiliates. The rule will be referred to as the Affiliate Relationships Code for Gas Utilities (“the Code”). The proposed rule is included with this Notice.

The purpose of the rule is to establish a Code that sets out the standards and conditions for the interaction between gas distributors, gas transmitters and gas storage companies and their affiliates. The principal objectives of the Code are to enhance the development of a competitive market and protect gas ratepayers from any potential adverse effects of the relationship between regulated gas utilities and their affiliates.

The Code sets standards for the physical and financial separation of gas utilities and their affiliates and outlines circumstances under which sharing of services can occur. It also deals with issues related to market impacts such as non-preferential access to utility services, prohibitions on affiliate endorsement by utilities and protection of customer data.

Adherence to the Code by gas utilities is expected to increase costs by only a nominal amount and is not expected to restrict the ability of their affiliate companies to compete fairly and effectively. It is anticipated that the proposed Code will enhance the competitive energy market by minimizing the potential for cross-subsidization by the monopoly utility of the utility’s competitive affiliate. The Code is also expected to protect confidentiality of information collected by the utility and ensure there is no preferential access to regulated utility services.

Copies of the rule may be downloaded at the Board’s web site at www.oeb.gov.on.ca

IMPORTANT

Persons affected by the proposed Rule are invited to make written representations with respect to the proposed Rule and should file such representations with the Board Secretary by 4:30 p.m. on March 26, 1999. If material changes to the proposed rule are made only those parties who provide comment or have indicated in writing their desire to provide additional comment will be entitled to further notification.

All comments should be sent by mail to:

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