

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation on the Commission's Own Motion Into the Need for Changes in Natural Gas Regulation for City Gas Company; Florence Municipal Gas Utility; Madison Gas and Electric Company; Midwest Natural Gas, Inc.; Natural Gas, Inc.; Northern States Power Company; St. Croix Valley Natural Gas Company; Superior Water, Light and Power Company; Wisconsin Fuel and Light Company; Wisconsin Gas Company; Wisconsin Natural Gas Company; Wisconsin Power and Light Company; and Wisconsin Public Service Corporation

05-GI-108
(Phase II)

(Wisconsin Electric Company, Gas Business Unit, formerly Wisconsin Natural Gas Company)

**FINDINGS OF FACT, CONCLUSIONS OF LAW
AND PHASE II ORDER**

FINDINGS OF FACT

THE COMMISSION FINDS:

Introduction

In the Phase I order of docket 05-GI-108, issued December 4, 1995, the Commission ordered that any opportunity sales made by Wisconsin natural gas utilities shall be made pursuant to standards of conduct approved by the Commission. Opportunity sales are described as the sales of the underutilized capacity and supply entitlements that become periodically available because of the variable daily and seasonal needs of customers.

Standards of Conduct (or Standards) are intended to ensure that all interested market participants have an opportunity to purchase released capacity and supply and that the releasing utility receives the highest price for the sale, given the specific circumstances. In situations in which an LDC has a marketing affiliate, additional restrictions are necessary to ensure fair

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treatment of all market participants.

A collaborative effort by Commission staff, utility representatives and market participants resulted in a draft Standards of Conduct. This is the result of numerous meetings and written comments on several drafts which culminated in a prehearing conference in Madison on September 13, 1996. The prehearing conference was used to clarify any remaining issues and determine whether an evidentiary hearing was necessary. One party requested a hearing; therefore, a hearing date and filing schedules were established. Shortly after the prehearing conference the party withdrew its request for a hearing. By letter dated September 23, 1996, Hearing Examiner Crosetto gave all other parties an opportunity to request a hearing. No party requested a hearing. A draft order with attached Draft Standards of Conduct was prepared and circulated to all parties for comments and reply comments to be submitted for Commission consideration.

Application

The prescribed Standards of Conduct, attachment A to this Order, apply to all Wisconsin natural gas utilities. It is the responsibility of each utility to ensure that officers, employees and agents employ these standards. They supersede the Standards of Conduct incorporated in existing individual approved affiliated interest orders. Where applicable and more stringent, they also supersede the terms of existing approved affiliated interest contracts and associated master service agreements. For example, a master service agreement may allow the sharing of employees, while these standards limit that sharing.

These Standards of Conduct apply to opportunity sales. Opportunity sales do not include releases to LDCs' distribution customers which are sanctioned or required by the Commission.

The effective date for these Standards of Conduct begins with the issuance of this order. By the first day of the second month after issuance of this order all Wisconsin natural gas utilities must demonstrate compliance with this order or submit a plan to the Commission for correcting any noncompliance. The Commission recognizes that pre-existing conditions may prevent immediate or full compliance, but expects that all reasonable efforts be made to amend contracts or conditions to minimize the transition period to full compliance with these Standards.

Small utilities that have entered into exclusive, exclusionary or market restrictive relationships or agreements to market or manage its gas capacity, supply, or both, prior to December 1, 1996, upon request, shall automatically be granted interim approval of such relationship or agreement until the Commission has granted or disapproved the utility's request. This provision coincides with paragraph (4) of the General Standards for Opportunity Sales (page 3 in the attached Standards of Conduct).

The Conditions for Sales section of the Standards of Conduct requires all utilities to develop and make available the guidelines it will follow when it makes both long-term and short-term releases. These are not intended to be rigid guidelines which have the effect of limiting the type or method of possible release or sale. Rather, the guidelines should give all interested parties the information they need to effectively compete for the sale or release. For example, the guidelines may contain information on how to become qualified, what the communications process is, and how transactions are carried out. Sufficient information shall be provided so that parties can distinguish how short-term transactions are differentiated from long-term transactions.

The Conditions for Sales section also requires that all transactions be publicly offered via communications requirements prior to a release or sale. The FERC prescribes the mechanism that

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must be followed for certain transactions. The communications requirements contained in this section of the Standards of Conduct do not conflict with those FERC requirements. For example, putting a two-month release of capacity on the pipeline electronic bulletin board would by itself meet the communications requirements. However, a prearranged deal for a capacity release could only be consummated after first making reasonable efforts to obtain multiple bids. Once the deal is consummated, any FERC requirements for posting would follow.

These Standards are intended to prevent preferential treatment, especially to affiliates, and are also intended to aid in the development of competitive markets. If any utility appears to be circumventing these Standards or otherwise engaging in anti-competitive behavior, it may be appropriate for the Commission to apply more severe conditions on an individual basis. Such conditions may further limit or prohibit opportunity sales to affiliated marketers. For example, it may be appropriate to limit only short-term arrangements, to limit the sales behind the city gate, or to require structural changes such as divestiture. Individual circumstances will dictate what, if any, additional conditions may be necessary.

Modifications

Competition and markets in the natural gas industry are evolving. These Standards of Conduct are appropriate for the current state of the industry. It is expected that changes will occur that will require modifications to these Standards. These modifications may result from changes initiated by the FERC, new modes of operation due to technological changes, changes in the levels of effective competition or other changes. Regardless of the source, these Standards of Conduct may require modification to remain an effective regulatory tool. The Commission finds it reasonable to require that these Standards be reviewed after one year and that modifications be

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made where appropriate. This one-year timeframe does not preclude earlier modifications, if necessary, due to circumstances not foreseen at this time. It is also recognized that orders in future phases of this docket may prompt modifications to the Standards of Conduct.

The Standards of Conduct require that a monthly report containing gas trading data be filed. At the discretion of Commission staff, such reports may be filed less frequently for one, some, or all of the utilities. Written authorization is required to decrease the frequency of reports.

The Standards of Conduct contain Appendix A, which is the format for a gas trading data report. This report combines the data required in the Standards of Conduct with the data currently required for the capacity release reports. Therefore, with the filing of this report, the capacity release reports will no longer be required as a separate filing with the Public Service Commission. At Commission staff's discretion this report may be altered to accommodate the filing of necessary information without redundancy with other required reports.

Administrative

Unless otherwise specified, all compliance filings and all requests for interpretations, waivers or exceptions should be directed to the Administrator of the Natural Gas Division.

Environmental

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. Furthermore, since no unusual circumstances have come to the attention of the Commission which indicate that significant environmental consequences are likely, neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

CONCLUSION OF LAW

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THE COMMISSION CONCLUDES:

That the Commission has authority under ss. 133.01, 196.03, 196.194(2), 196.20, 196.37, 196.52, and 196.795, Stats., to enter an order establishing terms and conditions under which Wisconsin natural gas utilities may provide service to unregulated markets and that the terms and conditions prescribed in this order are just, reasonable, necessary, and in the public interest.

ORDER

1. That any opportunity sales made by Wisconsin natural gas utilities shall be made pursuant to Standards of Conduct attached to this order and incorporated by reference.
2. That these Standards of Conduct supersede any existing Standards of Conduct incorporated in individually approved affiliated interest agreements.
3. That these Standards of Conduct supersede existing affiliated interest agreements and associated master service agreements where these Standards require more rigorous conditions.
4. That these Standards of Conduct shall be effective upon issuance.
5. That by the first day of the second month following the issuance of this order, all Wisconsin gas utilities must demonstrate compliance with the Standards of Conduct or submit a plan for such compliance.
6. That the Gas Trading Data report required by the Standards of Conduct shall be filed according to the terms set forth in the Standards of Conduct.
7. That jurisdiction is retained.

Dated at Madison, Wisconsin, January 9, 1997

By the Commission.

Lynda L. Dorr
Secretary to the Commission

See attached Notice of Appeal Rights

Notice of Appeal Rights

Notice is hereby given that a person aggrieved by the foregoing decision has the right to file a petition for judicial review as provided in s. 227.53, Stats. The petition must be filed within 30 days after the date of mailing of this decision. That date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

Notice is further given that, if the foregoing decision is an order following a proceeding which is a contested case as defined in s. 227.01(3), Stats., a person aggrieved by the order has the further right to file one petition for rehearing as provided in s. 227.49, Stats. The petition must be filed within 20 days of the date of mailing of this decision.

If this decision is an order after rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not an option.

This general notice is for the purpose of ensuring compliance with s. 227.48(2), Stats., and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

4/22/91

NATURAL GAS STANDARDS OF CONDUCT

January 9, 1997

INTENT

In the order in Phase I of docket 05-GI-108 the Commission directed the development of Standards of Conduct applicable to gas utility opportunity sales. These Standards are intended to ensure that interested market participants have an opportunity to purchase released capacity and supply, and that the releasing utility receives the best price for the sale. In situations in which a gas utility has a gas marketing affiliate, additional restrictions between the utility and its affiliate are necessary to ensure fair treatment of all market participants and to prevent cross-subsidization.

Standards of Conduct will protect against undue discrimination as it relates to the transfer of utility pipeline capacity and/or gas supply, market information, other utility assets, and interpretation and/or application of utility tariffs or operating procedures. Requiring the utility to treat all parties in a like manner when providing service or information is intended to promote the free flow of market information and to remove barriers associated with access (information, capacity and/or supply, etc.) thereby permitting the development of a competitive market. Nondiscrimination standards will minimize the unfair competitive advantages that could result from the close relationship that exists between a utility and its affiliate.

A relationship with a third party that performs any of the utility's gas functions or functions of the gas marketing affiliate shall not be used by a utility or a gas marketing affiliate to circumvent or avoid application of these Standards of Conduct.

DEFINITIONS

In these standards:

- (1) "**Affiliated Interest Agreement**" means an agreement subject to s. 196.52, Stats.
- (2) "**Commission**" means the Public Service Commission of Wisconsin.
- (3) "**Utility Employee**" means an officer, director, employee or agent of a utility.
- (4) "**Gas Functions**" include any of the following:
 - (a) Purchasing, marketing, or selling of natural gas.
 - (b) Scheduling and interrupting or curtailing natural gas.

- (c) Acquiring, selling, releasing or managing of pipeline transportation capacity or storage capacity.
- (d) Pricing of tariff or non-tariff utility products and services.
- (5) "**Gas Marketing Affiliate**" means an "affiliated interest" of a utility within the meaning of s. 196.52(1), Stats., that performs gas functions.
- (6) "**Gas Operating Personnel**" includes any individual employed or retained by a utility or a gas marketing affiliate whose job duties involve gas functions.
- (7) "**Holding Company System**" has the meaning given in s. 196.795(1)(i), Stats.
- (8) "**Market Participants**" may include, but are not limited to, the following:
 - (a) Gas marketers, brokers, agents, sellers of gas, capacity or related products and services.
 - (b) End-users.
 - (c) Utilities.
 - (d) Gas marketing affiliates.
- (9) "**Opportunity sales**" means sales of unused contract entitlements necessarily held by a utility to meet the daily and seasonal swings of its system customers and are intended to maximize utilization of assets that remain under regulation.
- (10) "**Shared Employee**" means any individual employed by a utility or a gas marketing affiliate who performs tasks or services for both the utility and the affiliate regardless of the method of accounting for the individual's time (e.g., an allocation basis or billed based on actual hours).
- (11) "**Utility**" means a public utility, as defined in s. 196.01(5), Stats., that provides natural gas and includes any person acting as an agent of the utility for any gas function.
- (12) "**Utility Support Personnel**" includes any individual employed or retained by a utility, other than gas operating personnel, including administrative, supervisory, management, construction, engineering, accounting, legal, regulatory or financial personnel.

GENERAL STANDARDS FOR NATURAL GAS OPPORTUNITY SALES

The general standards of conduct for opportunity sales are intended to ensure that all interested

market participants have an opportunity to purchase released capacity and/or supply, and that the releasing utility receives the greatest value for the sale.

- (1) The utility will operate in a nondiscriminatory fashion when dealing with market participants. Nondiscrimination means that the utility will provide access to utility information, services, and unused capacity and/or supply on substantially the same terms for all market participants.
- (2) An agent performing any of the gas functions of the utility shall be subject to the standards of conduct that apply to the utility for those functions.
- (3) A utility shall structure its agreements and business relationships with its agents performing gas functions to ensure the general standard of nondiscrimination.
- (4) Exclusive, exclusionary or market restrictive relationships or agreements to market or manage the utility's gas capacity, supply, or both, are prohibited unless prior approval is granted by the Commission. The Commission may consider such factors as utility size, utility customer benefits to be achieved or foregone and market development and market barriers when reviewing a request.
- (5) A utility shall not enter into any agreement, contract or arrangement with a marketing affiliate of a pipeline or a gas supplier that is tied directly or indirectly to another agreement, contract or arrangement for pipeline services, interpretations of pipeline tariffs or terms of service, pipeline facilities (gate stations, etc.), or gas supply.
- (6) A utility may allow an agent access to confidential utility information only to the extent necessary for the performance of the agent's contractual gas function.
- (7) A utility shall ensure the confidentiality of utility information in its business relationships with market participants.

**CORPORATE STANDARDS FOR SEPARATION
BETWEEN UTILITIES AND GAS MARKETING AFFILIATES**

PERSONNEL

- (1) Utility gas operating personnel and the operating personnel of an affiliate may not be shared by the utility and gas marketing affiliate and must function independently of each other.

For example, gas operating personnel may not do any of the following on behalf of a gas marketing affiliate:

- (a) Purchase gas, pipeline capacity or storage capacity.
 - (b) Market or sell gas and related services.
 - (c) Price or administer transportation and related tariff services, or non-tariff or competitive products and services.
 - (d) Hire and train gas marketing affiliate employees.
- (2) Subject to these standards:
- (a) A utility employee may offer to sell or otherwise transfer natural gas, pipeline capacity or storage capacity, and related services to a gas marketing affiliate or to others on behalf of the utility.
 - (b) A utility employee may respond to transportation and related tariff services requests or inquiries from the gas marketing affiliate as well as from others on behalf of the utility.
 - (c) A utility employee may not share with the gas marketing affiliate any information related to its sales of natural gas supply, capacity, or both.
- (3) A gas marketing affiliate shall be a stand-alone entity with respect to a utility, but may receive corporate-level support associated with the preparation of joint financial statements, shareholder relations, corporate secretary and treasury services. Other miscellaneous services may be provided, if the service is allowed in an affiliated interest agreement.
- (4) Except as provided in subsection (1), above, and subject to the following limitations, shared employees are permitted if the conditions for sharing are established in an approved

affiliated interest agreement:

- (a) The use of a utility employee by the gas marketing affiliate or the use of a gas marketing affiliate employee by the utility is not allowed if it may reasonably be expected to result in the sharing or exposure of market sensitive information or in an unfair competitive advantage for either party.
 - (b) Advice and assistance in human resource management shall be limited to general personnel and corporate matters, and may not include:
 - 1. The recruitment and selection of affiliate gas operating personnel.
 - 2. Training advice or assistance related to gas functions.
 - (c) A utility may not provide advice or assistance with regard to engineering or construction matters on behalf of the gas marketing affiliate to customers or potential customers of the gas marketing affiliate.
- (5) A utility may provide consulting services to its gas marketing affiliate under terms and conditions of an approved affiliated interest agreement, but the utility may not provide to its gas marketing affiliate any consulting services regarding gas functions. A gas marketing affiliate may provide consulting services to its affiliated utility under terms and conditions of an approved affiliated interest agreement but the gas marketing affiliate may not provide to its affiliated utility any consulting services regarding gas functions. Provision of consulting services may not result in the disclosure of confidential information.
- (6) An individual may be an officer or director of both a utility and a gas marketing affiliate if all of the following conditions are met:
- (a) If not prohibited under subsection (1) above.
 - (b) If permitted by an affiliated interest agreement.
 - (c) Provided that the individual not obtain or use knowledge of market-sensitive information for more than one of the entities.

PROPERTY

- (1) A gas marketing affiliate shall occupy facilities that are physically separate from a utility. Office equipment and services used on a regular basis may not be provided by a utility or shared in any manner.

RECORDS

- (1)
 - (a) A gas marketing affiliate's books shall be kept separate from the utility's books. Aggregated information that is required for corporate financial accounting and reporting purposes may be transferred to or from the utility or the gas marketing affiliate.
 - (b) If a utility is not part of a holding company system, the utility may have corporate responsibilities for actions of a gas marketing affiliate. Under these circumstances, confidential information including individual account or market sensitive information of a gas marketing affiliate may not be disclosed to the utility, except if necessary for corporate governance purposes, such as investigation of known or suspected illegal activities or potential bankruptcy. In such a situation, the information shall be shared only on a need-to-know basis, shall be kept confidential and may not be shared with gas operating personnel.
 - (c) Individual account or market sensitive information held by the utility may not be disclosed to the gas marketing affiliate, except that a utility may provide individual customer account information to a gas marketing affiliate upon the express request of the customer. Individual account or market sensitive information held by the gas marketing affiliate may not be transferred to the utility, except under the terms and conditions of the utility's tariffs.
- (2) Without the express consent of a customer or the written consent of any other affected party, a utility may not disclose to the gas marketing affiliate any information which the utility receives from any of the following:
 - (a) A customer or supplier.
 - (b) A potential customer or supplier.
 - (c) An agent of a customer or supplier or potential customer or supplier.
 - (d) A marketer or other person seeking to supply gas to a customer or potential customer that is located in the utility's service territory.
- (3) A utility 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. The utility may not disclose such information to a gas marketing affiliate or any other market participant without making that information equally accessible to other persons.

- (4) A utility may disclose non-customer specific information, such as market trends, economic forecasts, regulatory trends, demographics, opinion research, gas supply outlook, technology trends, and similar information. The utility may not disclose such information to its gas marketing affiliate or any other market participant without making that information equally accessible to other persons.
- (5) (a) If a utility is part of a holding company system, the utility may not perform audits of a gas marketing affiliate. The parent of the holding company system is ultimately responsible for audits of the gas marketing affiliate and may not utilize utility employees to perform an audit of a gas marketing affiliate unless all of the following apply:
 - 1. The internal audit staff report directly to the parent of the holding company system.
 - 2. The parent of the holding company system assumes responsibility for ensuring the confidentiality of market sensitive information gained during the course of an audit.
 - 3. The affiliated interest agreement between the parent of the holding company system, the utility and the gas marketing affiliate specifically addresses how utility audit staff may be utilized for audits of the gas marketing affiliate.
- (b) If a utility is not part of a holding company system and has corporate and financial responsibilities for the gas marketing affiliate, an audit may be performed by utility support personnel. Information obtained in an audit which may be market sensitive or which may provide an unfair competitive advantage may not be shared with or made available to gas operating personnel. This information may only be shared with other utility support personnel for corporate and financial purposes, and only to the extent addressed in an affiliated interest agreement.

ADVERTISING

A utility and a gas marketing affiliate may not participate in joint advertising. Except for documents required by law or reasonably necessary to maintain corporate status or to facilitate financing, joint informational documents are considered to be advertising and may not be entered into on a joint basis.

Neither the logo, trademark nor other corporate identification of the utility or the gas marketing affiliate should appear on documents or property of the other if it results in multiple logos, trademarks or other corporate identification on a document or property. This does not apply to documents required by law such as annual reports filed with the SEC or to corporate financial reports such as annual stockholders reports.

MARKETING LIMITATIONS

- (1) A utility may not transfer or disclose to a gas marketing affiliate any confidential information, including, but not limited to, customer lists unless the utility has applied for and received the written approval of the Commission, except as provided in the Section of these Standards pertaining to RECORDS. The Commission shall condition approval upon the utility being required to provide contemporaneous disclosure of the availability of such information to the public and making the information available to any person at a cost not to exceed the cost of reproduction. The Commission may not approve any disclosure which would foster unfair or discriminatory business practices, or which would destroy or hamper competition.
- (2) A utility may not condition or tie agreements for gas or capacity sales or releases to any agreement requiring the purchase or use of any service provided by the utility's gas marketing affiliate. A utility's gas marketing affiliate will not condition or tie agreements for gas or capacity sales or releases to any agreement requiring the purchase or use of any service provided by the utility.
- (3) A utility may not provide business leads to a gas marketing affiliate. A utility shall refrain from giving the appearance that the utility speaks on behalf of the gas marketing affiliate. If a customer requests information about gas marketers from a utility, the utility shall offer to provide a list of all marketers known by the utility to be operating in the utility's service territory, but may not promote any marketer over another.

CONDITIONS FOR SALES

- (1) (a) A utility shall solicit and evaluate proposals for the purchasing of the utility's natural gas supply or capacity or both on a nonpreferential and nondiscriminatory basis.
- (b) A utility shall make reasonable efforts to consider unsolicited offers for supply or capacity or both even if the offers are received outside of the utility's regular process, as directed by these standards, subject to the availability of supply and/or capacity available for release.
- (2) (a) In this section:
 1. **"Long-term"** means one calendar month or longer.
 2. **"Short-term"** means less than one calendar month.
- (b) This section applies to any direct or indirect transaction involving the sale, release or transfer of unused or underutilized utility capacity or supply, or both, which include but are not limited to transactions involving capacity only, supply only, storage only, bundled capacity and supply, and/or storage, buy-sells, swaps, loans, buy-backs and city gate transactions.
- (c)
 1. A utility shall communicate with market participants when it has gas supply or capacity, or both, available for release. The extent of the communication is dependent on the type and term of the release.
 2. For a long-term transaction, a utility is required to make at least the following communications efforts:
 - a. Establish and make available guidelines the utility will use in making its releases, including the manner in which the utility typically makes releases, any criteria that the utility uses to qualify participants, including remedies to correct non-qualification, how unsolicited offers to purchase will be handled and other relevant information. These guidelines shall be filed with the Commission within 60 days of the issuance of these standards of conduct and thereafter whenever the utility amends its guidelines.

- b. Make efforts to inform interested parties that a long-term transaction may be available. These efforts may be made by fax, telephone, electronic mail, pipeline EBB or other appropriate means of communication.
 - c. Reasonable efforts shall be made by the utility to obtain multiple bids for long-term transactions.
3. For a short-term transaction, a utility is required to make at least the following communications efforts:
- a. Publication of guidelines the utility will use in making its releases, including the manner in which the utility typically makes releases, any criteria that the utility uses to qualify participants, including remedies to correct non-qualification, how unsolicited offers to purchase will be handled and other relevant information. These guidelines shall be filed with the Commission within 60 days of the issuance of these standards or conduct and thereafter whenever the utility amends its guidelines.
 - b. Make efforts to inform interested parties that a short-term transaction may be available. These efforts may be made by fax, telephone, electronic mail or other appropriate means of communication.

Note: The above procedures address necessary communication efforts for all transactions. **To the extent applicable**, the release mechanisms must follow the FERC electronic bulletin board operating procedures.

- (3) (a) A utility shall maintain a contact list of interested buyers of capacity or supply or both. A utility shall review and update its contact list regularly, and shall use the list to inform the market when the utility has supply, capacity or both available.
- (b) A utility may qualify interested buyers of released capacity or supply or both. Qualification criteria may include:
 - 1. Creditworthiness.
 - 2. Specific payment or performance history with the utility.
- (c) If an interested party does not qualify for a utility contact list, the utility shall inform the party of the nonqualification, the reason for the nonqualification and the options available to remedy the situation and become qualified.

- (4) If there is discretion in the application of any utility tariff, a utility shall apply the tariff provisions in the same manner for all similarly situated persons.
- (5) A utility may not, through a tariff provision or otherwise, give a gas marketing affiliate or customers of a gas marketing affiliate preference over a non-affiliated gas supplier or customers of a non-affiliated gas supplier concerning scheduling, balancing, metering, storage, standby service, curtailment policy or other services.
- (6) A utility shall process all similar requests for on system transportation or other gas related services in the same manner and within the same period of time.
- (7) If a utility applies a permissible discount, rebate or fee waiver for transportation services, balancing, meter fees, or installation, storage service, standby service, or any other service offered to shippers, to a gas marketing affiliate or a customer of a gas marketing affiliate, the utility shall contemporaneously apply the same discount, rebate or fee waiver to all similarly situated, nonaffiliated suppliers or customers.
- (8) A utility employee or gas marketing affiliate employee may not indicate to any customer, supplier or third party that any advantage may accrue to that customer, supplier or third party in the use of a utility's services as a result of that customer, supplier or third party dealing with a gas marketing affiliate.

ADMINISTRATIVE

ACCOUNTING AND REPORTING

- (1) A utility shall keep sufficient records to document its offers of, bids for, requests for, and sales of natural gas supplies, capacity, or both, including the evaluation criteria for acceptance and rejection. A utility shall maintain documentation, such as phone logs, so that the utility's activities can be audited. A utility shall maintain records or documentation required under this provision for no less than three (3) years.
- (2) If a utility has discretion under its tariffs to provide services at discounted rates, the utility shall maintain complete and accurate records of all service requests, service refusals, and service transactions arising under those tariffs.

- (3) (a) A utility shall report, on a monthly basis, a summary as shown in Appendix A of sales or transfers of gas supply or capacity and related services for all transactions that are not tariffed transactions. A utility shall file details of the transaction in a form as shown in Appendix A. The detailed section of this report may be filed as confidential information. A utility shall report all transactions within 30 days following the end of the month in which the transaction occurred.
- (b) For each transaction under par. (a), disclosure shall include all of the following:
1. The identity of the broker or customer.
 2. The date of the contract or arrangement.
 3. The term of the agreement.
 4. The type of transaction (commodity, capacity, storage balancing, etc.)
 5. The number of units sold or transferred.
 6. Any conditions or restrictions placed on the transaction.
 7. The price for the transaction.

WAIVERS FOR GAS MARKETING AFFILIATES

If a utility desires an arrangement with its gas marketing affiliate that would otherwise violate these Standards of Conduct, the utility shall request prior Commission approval of the arrangement and a waiver of one or more of the specific standards. Any such request shall include a showing of good cause for each standard for which a waiver is being sought.

COMPLAINTS

- (1) A utility shall establish a complaint procedure applicable to these Standards of Conduct. All complaints, whether written or verbal, shall be assigned to a designated person who shall acknowledge each complaint within five working days after receipt. A written statement of the complaint, which shall contain the name of the complainant and a detailed factual report of the complainant including relevant dates, companies involved, employees involved and the specifics of the complaint shall be prepared expeditiously after receipt of the complaint.
- (2) A utility shall designate a person who shall conduct an investigation of the complaint and communicate the results of the investigation to the claimant in writing within 30 days after the complaint was received, including a description of any action taken and the complainant's option to complain to the Commission if not satisfied with the results of the investigation.
- (3) A utility shall maintain a log of all new, resolved and pending complaints and shall make

available that log to the Commission within 10 working days after the end of each month. The log shall include, at a minimum, the written statement of the complaint and how the complaint was resolved or the reason why the complaint is still pending.

- (4) Consistent with s. PSC 134.20, Wis. Admin. Code, a utility shall maintain records of complaints for six years for subsequent Commission review.
- (5) A complainant who is not satisfied with a utility's response may ask the Commission to review the complaint by submitting a written request for review within 30 days after the date the complainant receives the response. Within 5 working days after receiving a request for review the Commission shall contact the involved parties to arrange an attempt to resolve the issue informally. If resolution cannot be achieved, the complainant may file a formal complaint with the Commission under s. PSC 2.11, Wis. Admin. Code.

RESTRICTIONS AND ENFORCEMENT

- (1)
 - (a) A utility may not sell, release or assign natural gas supply, capacity, or both, for a period longer than one year, directly or indirectly, to a gas marketing affiliate without approval of the Commission.
 - (b) If a series of transactions are similar in nature and have the effect of a sale, release or assignment for a period greater than one year, Commission approval is required.
- (2)
 - (a) The Commission shall enforce these standards. Each transaction in violation of the standards of conduct is considered to be a separate occurrence.
 - (b) When enforcing these standards, or any order of the Commission regarding these standards, the Commission may do any of the following:
 - 1. Terminate any transaction that violates these Standards.

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2. Prospectively, limit or restrict the amount, percentage or value of transactions entered into between a utility and a gas marketing affiliate as a remedy for a violation of these standards.
3. Apply the remedies under any of the following statutes, if applicable:
 - a. Section 196.44, Stats.
 - b. Section 196.52(6) and (7), Stats.
 - c. Section 196.76, Stats.
 - d. Section 196.60, Stats.
 - e. Section 196.66, Stats.
4. Apply any other remedy available to the Commission.

(end)

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