

Westcoast Energy Inc.
BC Pipeline Division - Standards of Conduct

Preface Information

As part of the Negotiated Tolls Agreement for Mainline Service 2002-2003 dated January 17, 2002 Westcoast agreed to negotiate a Code of Conduct that would apply to the dealings of Westcoast's BC Pipeline Division ("BC Pipeline") with its affiliates. At the January 23, 2003 meeting of the Toll and Tariff Task Force (TTTF) unanimous support was given to the adoption of the Standards of Conduct ("Standards") for BC Pipeline as presented. Westcoast filed with the National Energy Board (NEB) on January 31, 2003 the Standards agreed to with an effective date of February 1, 2003.

A member of the TTTF on February 3, 2003 filed a letter with the NEB stating that they had not been in attendance at the January 23, 2003 TTTF meeting and could not support the Standards as filed with the NEB. On February 28, 2003 Westcoast filed a letter with the Board indicating that Westcoast would continue negotiations with the dissenting TTTF member to arrive at an agreement on the Standards and that in the meantime Westcoast would abide by the Standards as filed with the NEB. The Standards of Conduct for BC Pipeline are included below.

Westcoast Energy Inc.
BC Pipeline Division (“BC Pipeline”)
Standards of Conduct

1. Unless otherwise defined below, the terms used in these Standards of Conduct shall have the same meanings as the corresponding terms used in the General Terms and Conditions. In these Standards of Conduct:
 - a. “affiliate” means a person who controls, is controlled by or is under common control with, BC Pipeline.
 - b. “control”, “controlled by” and “under common control with” includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a person. A voting interest of 10 percent or more creates a rebuttable presumption of control.
 - c. “DEGT” means Duke Energy Gas Transmission Corporation.
 - d. “marketing affiliate” means an affiliate with whom BC Pipeline conducts transportation transactions and is engaged in the sale of gas to any person except when the affiliate is:
 - i. selling gas solely from its own production;
 - ii. selling gas solely from its own gathering or processing facilities; or
 - iii. a local distribution company.
 - e. “operating employees” means an employee with daily duties and responsibilities for planning, directing, organizing or carrying out gas-related operations, including, but not limited to, transportation transactions and gas sales and gas marketing activities.
 - f. “potential shipper” means any person who has a pending request for Transportation Services (i.e. Zones 3 and 4 of the Pipeline System) or for information regarding Transportation Services.
 - g. “shipper” means any person who enters into a Service Agreement with BC Pipeline for Transportation Services.
 - h. “Tolls Settlement” means the Negotiated Tolls Agreement for Mainline Service 2002-2003 dated January 17, 2002 and approved by the National Energy Board on May 23, 2002 as same may be modified, extended or amended from time to time.

- i. “transportation” means the transmission, storage, exchange, backhaul, displacement, or other method of transportation of residue gas on BC Pipeline’s residue gas transmission pipeline system.
2. BC Pipeline will apply the provisions of its General Terms and Conditions and Toll Schedules in a uniform manner to all shippers and potential shippers.
3. BC Pipeline will not give its affiliates preference over non-affiliated shippers in matters relating to provision of Transportation Services, including, but not limited to, scheduling, balancing or curtailment priority.
4. BC Pipeline will process all similar requests for Transportation Services in a uniform manner and within the same period of time.
5. BC Pipeline will not disclose to any affiliates (other than to DEGT and to affiliates that directly or indirectly control BC Pipeline) customer-specific confidential information that BC Pipeline receives from a non-affiliated shipper or non-affiliated potential shipper unless disclosure of such information is specifically authorized in writing by such shipper or potential shipper, or is permitted pursuant to the provisions of paragraph 13 of the Tolls Settlement or pursuant to the General Terms and Conditions or is otherwise required by the National Energy Board. All persons with access to any such information will be formally advised of the requirements of this section 5.
6. To the extent that BC Pipeline provides to an affiliate (other than to DEGT and to affiliates that directly or indirectly control BC Pipeline), transportation information that is not available to the public, BC Pipeline will disclose that information to all non-affiliated shippers and to all non-affiliated potential shippers in a uniform manner and within the same time period.
7. To the maximum extent practicable, operating employees of BC Pipeline and the operating employees of its marketing affiliates will be separated and function independently (i.e. not shared).
8. BC Pipeline will maintain those books of account and records prescribed by the National Energy Board’s Gas Pipeline Uniform Accounting Regulations, separate and apart from the books of account and records of its affiliates.
9. Where BC Pipeline provides a service, resource or product to an affiliate, BC Pipeline will document the transaction and charge the affiliate an appropriate price or fee for such service, resource or product. Where an affiliate provides a service, resource or product to BC Pipeline, BC Pipeline will document the transaction and pay an appropriate price or fee for such service, resource or product.

10. BC Pipeline will post the names and addresses of all affiliates with whom BC Pipeline conducts transportation transactions and an organization chart of BC Pipeline's senior management group on its public Internet website and update the information within seven business days of any change. BC Pipeline will also state the date the information was last updated.
11. BC Pipeline will formally advise all of its employees of the requirements of these Standards of Conduct. Any alleged failure by an employee of BC Pipeline to comply with the requirements of these Standards of Conduct will be brought to the attention of the Vice President and General Counsel, Canada of Duke Energy Gas Transmission or his designate, for investigation. Where, in the sole discretion of BC Pipeline, a failure by an employee of BC Pipeline to comply with the requirements of these Standards of Conduct is clearly and conclusively demonstrated, BC Pipeline will take such corrective action as it deems appropriate in the circumstances, which may include disciplinary action up to and including termination of employment. BC Pipeline will report to the Toll and Tariff Task Force as soon as practical the details of all contraventions or violations of these Standards of Conduct that have occurred.
12. These Standards of Conduct will be reviewed following the termination or expiration of the Tolls Settlement should such a review be supported by a majority of the Toll and Tariff Task Force.