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# STANDARDS OF CONDUCT (SOC)

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**New Brunswick Power Corporation**



**Énergie NB Power**

April 22, 2014  
Version 2

## NB POWER CORPORATION STANDARDS OF CONDUCT

### 1. Requirements

- a) As more fully described and implemented in subsequent sections of this part, NB Power must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transmission of electric energy.
- b) As more fully described and implemented in subsequent sections of this part, NB Power's transmission function employees must function independently from marketing function employees, except as permitted in this part or otherwise permitted by Board order.
- c) As more fully described and implemented in subsequent sections of this part, NB Power and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to marketing function employees.
- d) As more fully described and implemented in subsequent sections of this part, NB Power must provide equal access to non-public transmission function information disclosed to marketing function employees to all its transmission customers, affiliated and non-affiliated, except as permitted in this part or otherwise permitted by Board order.

### 2. Definitions

- a) **Affiliate** of a specified entity means:
  - (1) Another person that controls, is controlled by or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operates as a functional unit.
  - (2) "Control" as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 per cent or more creates a rebuttable presumption of control.
- b) **Board** means the New Brunswick Energy and Utilities Board.
- c) **Internet website** refers to the Internet location where NB Power posts the information, by electronic means, required under these Standards of Conduct.
- d) **Marketing functions** means: the sale for resale, or the submission of offers to sell, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales.

- e) **Marketing function employee** means an employee, contractor, consultant or agent of NB Power or of an affiliate of NB Power who actively and personally engages on a day-to-day basis in marketing functions.
- f) **Open Access Same Time Information System** or OASIS refers to the Internet location where NB Power posts the information required by Section 4 of NB's tariff, and where it may also post the information required to be posted on its Internet Web site by these Standards of Conduct.
- g) **Tariff** means NB Open Access Transmission Tariff.
- h) **Transmission** means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with transmission facilities.
- i) **Transmission customer** means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.
- j) **Transmission functions** means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.
- k) **Transmission function employee** means an employee, contractor, consultant or agent of NB Power who actively and personally engages on a day-to-day basis in transmission functions.
- l) **Transmission function information** means information relating to transmission functions.
- m) **Transmission service** means the provision of any transmission as defined in Section 2(h) of these Standards of Conduct.
- n) **Waiver** means the determination by NB Power, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

### 3. Non-discrimination Requirements

- a) NB Power must strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if the tariff provisions do not permit the use of discretion.
- b) NB Power must apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission

customers in not an unduly discriminatory manner, if the tariff provisions permit the use of discretion.

- c) NB Power may not, through its tariffs or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).
- d) NB Power must process all similar requests for transmission in the same manner and within the same period of time in comparable circumstances.

#### **4. Independent Functioning Rule**

- a) **General rule.** Except as permitted in this part or otherwise permitted by Board order, NB Power's transmission function employees must function independently of marketing function employees.

- b) **Separation of functions**

- (1) NB Power is prohibited from permitting marketing function employees to:

- (i) Conduct transmission functions; or

- (ii) Have access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers.

- (2) NB Power is prohibited from permitting its transmission function employees to conduct marketing functions.

#### **5. No-Conduit Rule**

- a) NB Power is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to marketing function employees.
- b) An employee, contractor, consultant or agent of NB Power, and an employee, contractor, consultant or agent of an affiliate of NB Power that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any marketing function employees.

## 6. Transparency Rule

a) **Contemporaneous disclosure**

- (1) If NB Power discloses non-public transmission function information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of Section 5, NB Power must immediately post the information that was disclosed on its Internet website.
- (2) If NB Power discloses, in a manner contrary to the requirements of Section 5, non-public transmission customer information, or any other information that the Board has determined is to be subject to limited dissemination, NB Power must immediately post notice on its website that the information was disclosed.

b) **Exclusion for specific transaction information**

NB Power's transmission function employee may discuss with marketing function employees a specific request for transmission service submitted by the marketing function employee. NB Power is not required to contemporaneously disclose information otherwise covered by Section 5 if the information relates solely to a marketing function employee's specific request for transmission service.

c) **Voluntary consent provision**

A transmission customer may voluntarily consent, in writing, to allow NB Power to disclose the transmission customer's non-public information to marketing function employees. If the transmission customer authorizes NB Power to disclose information to marketing function employees, NB Power must post notice on its Internet website of that consent along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

d) **Posting written procedures on the Internet website**

NB Power must post on its Internet website current written procedures implementing the Standards of Conduct.

e) **Identification of affiliate information on the Internet website**

- (1) NB Power must post on its Internet website the names and addresses of all its affiliates that employ or retain marketing function employees.
- (2) NB Power must post on its Internet website a complete list of the employee-staffed facilities shared by any of NB Power's transmission function employees and marketing function employees. The list must include the types of facilities shared and the addresses of the facilities.
- (3) NB Power must post information concerning potential merger partners as affiliates that may employ or retain marketing function employees, within seven days after the potential merger is announced.

f) **Identification of employee information on the Internet website**

- (1) NB Power must post on its Internet website the job titles and job descriptions of its transmission function employees.
- (2) NB Power must post a notice on its Internet website of any transfer of a transmission function employee to a position as a marketing function employee, or any transfer of a marketing function employee to a position as a transmission function employee. The information posted under this section must remain on its Internet website for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted must include:
  - (i) The name of the transferring employee,
  - (ii) The respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and
  - (iii) The effective date of the transfer.

g) **Timing and general requirements of postings on the Internet website**

- (1) NB Power must update on its Internet website the information required by the Standards of Conduct within seven business days of any change, and post the date on which the information was updated. NB Power may also post the information required to be posted under these Standards of Conduct on its OASIS, but is not required to do so.
- (2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts NB Power's normal business operations, the posting requirements in this part may be suspended by NB Power. If the disruption lasts longer than one month, NB Power must so notify the Board and may seek a further exemption from the posting requirements.
- (3) All Internet website postings required by this part must be sufficiently prominent as to be readily accessible.

h) **Exclusion for and recordation of certain information exchanges**

- (1) Notwithstanding the requirements of Sections 4(a) and 5, NB Power's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in Section 6(h)(2), in which case NB Power must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record must be made of the exchange as soon as

practicable after the fact. NB Power shall make the record available to the Board upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.

(2) The non-public information subject to the exclusion in Section 6(h)(1) is as follows:

(i) Information pertaining to compliance with Reliability Standards adopted by the Board, and

(ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.

i) **Posting of waivers**

NB Power must post on its Internet website notice of each waiver of a tariff provision that it grants in favour of an affiliate, unless such waiver has been approved by the Board. The posting must be made within one business day of the act of a waiver. NB Power must also maintain a log of the acts of waiver, and must make it available to the Board upon request. The records must be kept for a period of five years from the date of each act of waiver.

**7. Implementation Requirements**

a) **Effective date**

NB Power must be in full compliance with the standards of conduct on the date it commences transmission transactions with an affiliate that engages in marketing functions.

b) **Compliance measures and written procedures**

(1) NB Power must implement measures to ensure that the requirements of Sections 4 and 5 are observed by its employees and by the employees of its affiliates.

(2) NB Power must distribute the written procedures referred to in Section 6 (d) to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.

c) **Training and compliance personnel**

(1) NB Power must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. NB Power must provide training on the standards of conduct to new employees in the categories listed

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in paragraph (b)(2) of this Section, within the first 30 days of their employment. NB Power must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.

(2) NB Power must designate a chief compliance officer who will be responsible for standards of conduct compliance. NB Power must post the name of the chief compliance officer and provide his or her contact information on its Internet Web site.

d) **Books and records**

NB Power must maintain books of account and records separately from those of its affiliates that employ or retain marketing function employees and these must be available to the Board upon request.

### 8. Waiver from Standards of Conduct Requirement

NB Power may file a request to the Board for a waiver from some of the requirements of this Standards of Conduct and the Written Procedures for Implementing Standards of Conduct for good cause.

#### Version History

Version	Date	NBEUB Approval Date	Comments
1	November 13, 2013		Filed with NB Power's Standards of Conduct Compliance Program Evidence
2	April 22, 2014	April 22, 2014	Changes in compliance with Board Order of April 22, 2014 1. Section 2, Definitions, paragraph 2 (h), removed the word, "other" from the phrase "...or the interconnection with other transmission facilities." 2. Section 7, Implementation Requirements, d), removed the phrase, "related to compliance to the Standards of Conduct"