

ATTACHMENT L

Standards of Conduct

Introduction

The Transmission Provider owns, operates, and controls facilities used for the transmission of electric energy in intra-provincial, inter-provincial and international commerce. Since the Transmission Provider is not at this time subject to FERC orders and regulations, the Transmission Provider has developed and will follow the principles defined in these Standards of Conduct.

A copy of these Standards of Conduct will be filed with IRAC and posted on the Maritime Electric website.

I. Definitions

Terms, capitalized and in italics, used in these Standards of Conduct are defined as follows:

Affiliate means any business entity associated with the Transmission Provider through ownership or contractually such that the contracted Affiliate and the Transmission Provider share in proceeds from Merchant transactions, such Affiliates could include a power marketer, a power generator and/or an energy services company.

Eligible Customer means any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electric energy for sale for resale and connected to the Transmission System; electric energy sold or produced by such entity may be electric energy produced in the United Canada, States or Mexico.

Merchant or Merchant Function means those Affiliates engaged in the Wholesale Merchant Function. This includes but is not limited to the scheduling and pricing of energy for merchant sales and the scheduling needed to deliver such merchant obligations.

- *Wholesale Merchant Function* means the sale for resale of electric energy across interconnections between Prince Edward Island, other Canadian Provinces and the State of Maine and within the Province to the City of Summerside.

Maritime Electric means Maritime Electric Company, Limited.

Regulator means the Island Regulatory and Appeals Commission (IRAC).

Tariff means the Maritime Electric Open Access Transmission Tariff for point-to-point transmission services including any amendments thereto, as posted on the Transmission Provider's website.

Transmission Customer means any Eligible Customer (or its designated agent) that can or does execute a transmission service agreement or can or does receive transmission service.

Transmission Operations and Reliability Functions means the operation of the power system to reliably accept energy from generators within Prince Edward Island and from Merchant providers at their respective receipt points and to reliably deliver such energy for consumption by eligible native load customers and for scheduled external Merchant obligations at their respective delivery points. In conducting this function the objective will be to (1) optimize dispatchable energy supplies in order to balance all resources (generation and interchange) continuously to meet the total of all internal load of the Transmission Provider and all scheduled merchant exports and (2) on a non-discriminatory basis maximize transmission revenues for hourly transmission use by processing requests of all Merchant providers.

Transmission Provider means Maritime Electric (or its successor) that owns, controls or operates facilities used for the transmission of electric energy and provides transmission service.

II. Obligations of the Transmission Provider's Employees Engaged in Transmission System Operations and Reliability Functions

1. Emergency Situations

Notwithstanding any rule to the contrary in these Standards of Conduct, in emergency circumstances affecting system reliability, Transmission Provider employees engaged in Transmission System Operations and Reliability Functions may take whatever steps are necessary to keep the Transmission Provider's transmission system in operation.

2. Tariff Administration

(a) Transmission Provider Employees engaged in Transmission System Operations and Reliability Functions must strictly enforce all Tariff provisions relating to the sale or purchase of open access transmission service.

(b) Transmission Provider Employees engaged in Transmission System Operations and Reliability Functions 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 customers (including the Transmission Provider and any of its Affiliates) in a non-discriminatory manner.

(c) The Transmission Provider may not, through its tariffs or otherwise, give preference to sales for resale or for sales by the Merchant Function or by any Affiliate, over the interests of any other wholesale or large industrial customer in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, and ancillary services).

3. Reporting and Recordkeeping

The Transmission Provider will be responsible for submitting the following reports and notices:

- (a) Reports on each emergency that resulted in any deviation from these Standards of Conduct. Such reports shall be reported on the Maritime Electric website and available to the Regulator within a reasonable amount of time following such a deviation.

- (b) In the event a Transmission Provider employee engaged in Transmission System Operations and Reliability Functions discloses information not posted on the Maritime Electric website in a manner contrary to the requirements of these Standards of Conduct, the Transmission Provider will immediately post such information following the discovery of such improper disclosure.

- (c) The Transmission Provider's Transmission System Operations and Reliability Function will be responsible for maintaining a log, available for Regulator audit, detailing the circumstances and manner in which it exercised its discretion under any terms of the Tariff. A separate log utilizing a different format will be kept to document instances where the Transmission Provider agreed to transmission requests and schedules on less notice than is provided for in the Tariff. The Transmission Provider shall post the information contained in both logs on the Maritime Electric website.

III. Security

1. Physical Security of System Operations Control Room

The Transmission Provider's Energy Control Centre (ECC) and transmission operations control room, where Transmission System Operations and Reliability Functions take place, is located at 50 Cumberland Street in Charlottetown, PEI. To ensure the security of the ECC and the transmission operations control only individuals with the proper security access clearance will be granted access to the ECC and to the transmission operations control room.

IV. Implementation

1. Filing

These Standards of Conduct and any future modifications hereto will be filed with the Regulator.

2. Dissemination

Prior to their implementation, these Standards of Conduct will be disseminated to all of the Transmission Provider's existing and new employees working at the Energy Control Centre, employees with direct responsibility for the transmission function (including both transmission system operation and transmission reliability and assessment) and employees with direct responsibility for the Merchant Function. Those persons receiving these Standards of Conduct will certify that they have read them and will abide by them by signing the attached Acknowledgment Statement and returning it to the Supervisor, Energy Control Centre. The Transmission Provider will have training on these Standards of Conduct with its personnel who perform Transmission System Operations and Reliability Functions and Merchant Functions. Additional training with personnel in other departments will be held on an as required basis.

3. Amendments

Any amendments to these Standards of Conduct will be disseminated with an explanation as to the intent of the amendment. All amendments will be posted on the Maritime Electric website. Depending on the nature of the amendment, it may be necessary to have the Standards of Conduct reviewed through training and re-signed by the employees noted under Section IV.2.

V. Enforcement

1. Complaint Procedures

Any person who believes these Standards of Conduct have been violated may submit a complaint in the form of the attached Complaint Procedures for Violations of the Standards of Conduct. Such complaint shall be submitted to Maritime Electric Company, Limited c/o Supervisor, Energy Control Centre, PO

Box 1328 180 Kent Street, Charlottetown, PEI C1A 7N2. A written report specifying the Transmission Provider's evaluation of the complaint and any resulting corrective and disciplinary actions taken will be prepared within thirty days. The complaining party shall be provided with a copy of the written report. The Supervisor, Energy Control Centre will designate a person in System Operations to keep and maintain a log of each complaint and written report. Such log of complaints shall be available to the *Regulator* for inspection. If during the course of the investigation it is determined that there was an improper disclosure of information, such information will be posted on the Maritime Electric website.

2. Appeal Process

If in the view of the complainant, the complaint has not been properly evaluated as set out in V.1., it may then be forwarded in writing to the Vice President, Corporate Planning and Energy Supply. The Vice President, or delegate, will appoint an independent arbitrator, acceptable to the complainant and the Transmission Provider, to review and rule on the complaint. If the independent arbitrator determines that there has been improper disclosure of information, such information will be posted immediately on the Maritime Electric website.

In the event that the Vice President of the Transmission Provider and the Complainant cannot agree upon a single arbitrator within 10 days of the complaint being forwarded to the President, each will choose one arbitrator who shall sit on a three-member panel. The two arbitrators shall select the third member within 20 days and the arbitration panel shall render a decision within 90 days. Such decision shall be binding subject to the appeal provisions of the Prince Edward Island Arbitration Act.

3. Referral of Dispute to IRAC

Notwithstanding anything contained in this Section V, a Transmission Customer may:

- a. elect to refer a dispute directly to IRAC by filing a complaint with IRAC in the manner set out below and the decision of IRAC with respect to the matter shall be final and binding and the matter in dispute cannot thereafter proceed to the appeal process;
- b. if the Transmission Customer is dissatisfied with the results of an arbitration decision rendered pursuant to Section V. 2., a complaint may be referred to IRAC for determination and the decision of IRAC with respect to the matter shall be final and binding.

Complaints filed with IRAC must be in writing and must include reasons and evidence in support of the Transmission Customer's position. A copy of the complaint, together with the supporting reasons and evidence, must be filed with the Transmission Provider.

IRAC may require a complainant to provide such security for the costs incurred or to be incurred by IRAC, as it considers reasonable, and such security may be forfeited to IRAC if the complaint is not substantiated.

4. Sanctions

Failure of an employee to fully comply with these Standards of Conduct may result in disciplinary action by the Transmission Provider.

ACKNOWLEDGMENT STATEMENT

I acknowledge that I have read the Standards of Conduct and I agree to comply fully with them and any amendments thereto.

(Name)

(Signature)

(Date)

**COMPLAINT PROCEDURES FOR VIOLATION
OF THE STANDARDS OF CONDUCT**

Date: _____

Time: _____

Personnel Responsible: _____

Title: _____

Phone Number: _____

Address: _____

Description of Violation:

Corrective or Disciplinary Action Taken:

Signature: _____