

**MANITOBA HYDRO  
STANDARDS OF CONDUCT  
FOR PROVIDING OPEN ACCESS TRANSMISSION  
AND INTERCONNECTION SERVICE**

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**1 General principles.**

(a) Manitoba Hydro 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 transportation of natural gas or transmission of electric energy in interstate commerce, or with respect to the wholesale sale of natural gas or of electric energy in interstate commerce.

(b) Manitoba Hydro's transmission function employees must function independently from its marketing function employees, except as permitted in these standards of conduct.

(c) Manitoba Hydro's transmission provider and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to the Manitoba Hydro's marketing function employees.

(d) Manitoba Hydro's transmission provider must provide equal access to non-public transmission function information to all its transmission customers, affiliated and non-affiliated, except in the case of confidential customer information or critical energy infrastructure information.

## **2 Definitions.**

(a) Affiliate of a specified entity means 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. "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 percent or more creates a rebuttable presumption of control.

(b) Internet website refers to the Internet location where Manitoba Hydro posts the information, by electronic means, required under these standards of conduct being [www.hydro.mb.ca](http://www.hydro.mb.ca).

(c) Marketing functions means marketing activities including:

(1) 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, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity; and

(2) the sale for resale, or the submission of offers to sell, natural gas, subject to the following exclusions:

- (i) Bundled retail sales,
- (ii) Incidental purchases or sales of natural gas to operate natural gas pipeline transmission facilities,
- (iii) Sales of natural gas solely from a seller's own production, and
- (iv) Sales of natural gas solely from a seller's own gathering or processing facilities.

(d) Marketing function employee means an employee, contractor, consultant or agent of Manitoba Hydro or of an affiliate of Manitoba Hydro who actively and personally engages on a day-to-day basis in marketing functions.

(e) Open Access Same Time Information System or OASIS refers to the Internet location where Manitoba Hydro posts the information required by these standards of conduct, and where it may also post the information required to be posted on its Internet website by these standards of conduct.

(f) Transmission means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with transmission facilities; and natural gas transportation, storage, exchange, backhaul, or displacement service.

(g) 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.

(h) 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.

(i) Transmission function employee means an employee, contractor, consultant or agent of Manitoba Hydro who actively and personally engages on a day-to-day basis in transmission functions.

(j) Transmission function information means information relating to transmission functions.

(k) Transmission provider means the Transmission & Distribution Business Unit of Manitoba Hydro.

(l) Transmission service means the provision of any transmission as defined in Section 2(f).

(m) Waiver means the determination by Manitoba Hydro's transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

### **3 Non-discrimination requirements.**

(a) Manitoba Hydro's transmission provider 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) Manitoba Hydro's transmission provider 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 a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.

(c) Manitoba Hydro's transmission provider 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) Manitoba Hydro's transmission provider must process all similar requests for transmission in the same manner and within the same period of time.

#### **4 Independent functioning rule.**

(a) General rule. Except as permitted in these standards of conduct, Manitoba Hydro's transmission function employees must function independently of its marketing function employees.

(b) Separation of functions.

(1) Manitoba Hydro is prohibited from permitting its 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) Manitoba Hydro is prohibited from permitting its transmission function employees to conduct marketing functions.

## **5 No conduit rule.**

(a) Manitoba Hydro's transmission provider is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to its marketing function employees.

(b) An employee, contractor, consultant or agent of Manitoba Hydro's transmission provider, and an employee, contractor, consultant or agent of an affiliate of Manitoba Hydro's transmission provider that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any of Manitoba Hydro's marketing function employees.

## **6 Transparency rule.**

(a) Contemporaneous disclosure.

(1) If Manitoba Hydro's transmission provider 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 the standards of conduct, Manitoba Hydro's transmission provider must immediately post the information that was disclosed on its Internet website.

(2) If Manitoba Hydro's transmission provider discloses, in a manner contrary to the requirements of these standards of conduct, non-public transmission customer information or critical energy infrastructure information Manitoba Hydro's transmission provider must immediately post notice on its website that the information was disclosed.

(b) Exclusion for specific transaction information. Manitoba Hydro's transmission function employees may discuss with its marketing function employee a specific request for transmission service submitted by the marketing function employee. Manitoba Hydro's transmission provider is not required to contemporaneously disclose information otherwise covered by these standards of conduct 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 Manitoba Hydro's transmission provider to disclose the transmission customer's non-public information to Manitoba Hydro's transmission provider's marketing function employees. If the transmission customer authorizes Manitoba Hydro's transmission provider to disclose its information to marketing function employees, Manitoba Hydro's transmission provider 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 public Internet. Manitoba Hydro's transmission provider must post on its Internet website current written procedures implementing the standards of conduct.

(e) Identification of affiliate information on the public Internet.

(1) Manitoba Hydro's transmission provider must post on its Internet website the names and addresses of all its affiliates that employ or retain marketing function employees.

(2) Manitoba Hydro's transmission provider must post on its Internet website a complete list of the employee-staffed facilities shared by any of Manitoba Hydro's transmission function employees and Manitoba Hydro's marketing function employees. The list must include the types of facilities shared and the addresses of the facilities.

(3) Manitoba Hydro's transmission provider 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 public Internet.

(1) Manitoba Hydro's transmission provider must post on its Internet website the job titles and job descriptions of its transmission function employees.

(2) Manitoba Hydro's transmission provider must post a notice on its Internet website of any transfer of a transmission function employee to a position as a Manitoba Hydro marketing function employee, or any transfer of a Manitoba Hydro marketing function employee to a position as a Manitoba Hydro 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 (that is, 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 public Internet.

(1) Manitoba Hydro's transmission provider must update on its Internet website the information required by these standards of conduct within seven business days of any change, and post the date on which the information was updated. Manitoba Hydro's transmission provider 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, hurricane, cyber event severely disrupts Manitoba Hydro's normal business operations, the posting requirements in this part may be suspended by Manitoba Hydro's transmission provider.

(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 Section 4(a) and 5, Manitoba Hydro'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 Manitoba Hydro's transmission provider 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. The record 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, 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. Manitoba Hydro's transmission provider must post on its Internet website notice of each waiver of a tariff provision that it grants in favor of an affiliate. The posting must be made within one business day of the act of a waiver. Manitoba Hydro's transmission provider must also maintain a log of the acts of waiver. 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.

These standards of conduct are effective March 3, 2009.

- (b) Compliance measures and written procedures.

(1) Manitoba Hydro's transmission provider 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) Manitoba Hydro's transmission provider 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) Manitoba Hydro's transmission provider must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. Manitoba Hydro's transmission provider must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this section, within the first 30 days of their employment. Manitoba Hydro's transmission provider must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.

(2) Manitoba Hydro's transmission provider must designate a chief compliance officer who will be responsible for standards of conduct compliance. Manitoba Hydro's transmission provider must post the name of the chief compliance officer and provide his or her contact information on its Internet website.

(d) Books and records. Manitoba Hydro's transmission provider must maintain

its books of account and records separately from those of its affiliates that employ or retain marketing function employees.