



ESB Staff

## Compliance Code of Conduct

Confidentiality and Non discrimination for ESB Networks Activities

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## Dear Colleague

Since the process of opening the Irish Electricity Market began, ESB has been committed to supporting the changes needed to ensure the development of a strong and healthy electricity industry. We know that because of our particular role as the established electricity utility in the market our response to the changes in our industry is an important contributory element to success in deregulation.

ESB understands that this commitment to support the successful introduction of competition in electricity supply and generation requires many changes to the way in which we operate and has significant implications for the way we interact with:

- **Our customers,**
- **Our ESB colleagues; and**
- **New industry participants.**

In particular, ESB Networks, which will be providing access to the electricity network infrastructure to all market participants, has a binding responsibility to act and be perceived to act in a fair and impartial manner. This is considered so important to the success of market deregulation that ESB Networks is now governed by the Distribution System Operator and Transmission System Owner Licences. These legally binding licenses require us to make arrangements for and observe the complete and effective separation of ESB Networks from all other ESB businesses.

Obviously these developments have significant implications across the company, but particularly for our staff who work for or interact with ESB Networks. Here lies the greatest responsibility for ensuring that we are committed to managing information and resources in compliance with the licence requirements and developing business behaviour that will sustain confidence in ESB Networks as a first class service provider to all industry participants and electricity consumers.

This Compliance Code of Conduct has been created to help everyone working for or with ESB Networks to understand the principles developed in response to the requirements of the new licences. It sets out the correct procedures to ensure non-discriminatory behaviour in relation to ESB Networks management of the national electricity infrastructure.

It is my intention that ESB should achieve and maintain best practice in relation to compliance through and beyond full market opening. Success in this area is vital to us, not only in terms of ensuring fulfilment of our licence conditions but also to the future of our Networks business. I am confident that it is by creating and sustaining a culture committed to the principles of compliance outlined in this Code that we will achieve greatest success – protecting and building on our reputation as a company committed to ethical behaviour, transparency and fair competition.

Padraig Mc Manus  
Chief Executive

## 1. Compliance Code of Conduct

The Compliance Code of Conduct is being introduced to ensure compliance with Confidentiality and Non-discrimination Conditions in Licences granted to ESB as the Distribution System Operator (DSO) and Transmission System Owner (TAO). The objective of the Code is to ensure that no supplier or generator including ESB's own supply and generation businesses gains a commercial advantage as a result of unfair discrimination, or access to commercially sensitive Networks information. The Code sets out the principles of Compliance which staff must adhere to in carrying out their day to day duties.

## 2. Who does this code affect?

The Code applies directly to;

- All staff in the Networks business
- Staff in business areas within ESB Group who provide services to or on behalf of Networks.
- Staff who carry out corporate duties in relation to the Networks business.

The Code also applies indirectly to staff in other parts of ESB who interact with Networks. As outlined in Section 5 all ESB staff may be required to contribute to ensuring that ESB complies with its Networks Licence requirements.

## 3. Confidentiality of Commercially Sensitive Networks Information

ESB is obliged to implement measures and procedures to preserve the confidentiality of commercially sensitive Networks Information. This type of information may only be disclosed to "authorised" employees and advisors unless certain exceptions apply.

### 3.1. Who is “Authorised”

Staff may be authorised on the basis that they

- Require access to the information for the proper performance of their duties; and
- Undertake to maintain the confidentiality of commercially sensitive Networks information in accordance with this Code; and
- Undertake to use the information for the proper performance of their duties and not to use the information to provide an unfair competitive advantage to ESB's own supply or generation businesses.

Staff in Networks, Corporate Centre or business areas who provide services to or on behalf of Networks as outlined in Section 2 above may be authorised.

Staff engaged in Supply or Generation businesses of ESB may be authorised on an interim basis only pending implementation of approved business separation arrangements and thereafter only in accordance with the CER approved ringfencing arrangements.

### 3.2. What is Commercially Sensitive Networks Information

Commercially sensitive information is defined as *“any matter the disclosure of which would materially prejudice the interest of any person”*. In particular in relation to information obtained or held by Networks it may include

- Metering and use of system information relating to Suppliers or Generators
- Commercial details of connection to the distribution or transmission system
- Any Networks information that could provide a Supplier or Generator with an unfair competitive advantage.
- Networks information that has been marked by an authorised manager as commercially sensitive.

If you are unsure whether or not particular Networks information is commercially sensitive you should consult your line manager.

### 3.3. Restrictions on the Transfer of Information.

It is essential that care is taken to ensure that commercially sensitive information relating to the Networks Business is not passed to supply or generation activities of the ESB Group in a way that provides an unfair competitive advantage for these businesses over third party Suppliers or Generators.

If you are authorised to have access to commercially sensitive Networks information you must treat this information as confidential. You may only disclose this information to staff and external advisers who are authorised to receive the information unless certain exceptions apply as outlined below.

#### Exceptions

The requirement to restrict disclosure of commercially sensitive Networks information to authorised persons does not apply:

1. Where the information is already in the public domain
2. Where disclosure is in accordance with a legal requirement
3. Where disclosure is in accordance with an industry wide agreement or arrangement (including the Grid Code, Distribution Code, Metering Code and the Trading and Settlement Code) and the information is related to the affairs of the person or business requesting the information.

Staff engaged in certain areas such as the MRSO will be subject to special arrangements to ensure that access to certain information is further restricted on a need to know basis to individuals who are subject to specific confidentiality agreements.



If you get a request for Networks Information you should ask yourself three questions.

- ✓ Is the information commercially sensitive?
- ✓ Is the person authorised to receive the information?
- ✓ Do certain exceptions apply?

No restrictions apply to information flow required to ensure the safety of staff or third parties.

### 3.4. Staff Transfers

If you transfer from a position where you are working for or on behalf of the Networks Business to another business area certain procedures may have to be observed to prevent unauthorised information flow.

As a general rule if you are transferring from a position where you were authorised to receive confidential Networks information to a position where the same authorisation is no longer appropriate the following will apply.

- You may not bring commercially sensitive Networks information, either in hardcopy or electronic form, to the new position other than as may be authorised for the new position
- Your access to IT systems will have to be revised
- You will still be obliged to maintain the confidentiality of commercially sensitive information which was disclosed to you prior to the transfer.

Prior to the transfer Manager Group Regulatory Compliance shall be notified of the move by your line manager with confirmation that the appropriate measures have been taken to prevent unauthorised transfer of commercially sensitive information.

A staff transfer from Networks to either the Supply or Generation business of ESB Group shall be for a minimum period of 3 months. In the event of the staff member returning to Networks within 12 months of the initial transfer a subsequent move to Generation or Supply shall be subject to quarantine period agreed by Manager Group Regulatory Compliance in consultation with the CER. The quarantine period shall not exceed 3 months.

### **3.5. Restrictions on Access to information Systems**

Access to information systems containing confidential Networks information will be restricted to personnel authorised in accordance with section 3.1. You may only have access to computer systems containing confidential Networks information if you require it to carry out your duties. Access is subject to approval by designated managers. You should not attempt to bypass password protections or gain unauthorised access to restricted systems.

### **3.6. Restriction on access to Networks offices and files.**

Where shared premises exist, access restrictions will be installed or other arrangements introduced in line with the CER approved Business Separation Plan to prevent the inadvertent passing of confidential information to other businesses of ESB Group.

#### 4. Non-discrimination

In accordance with Licence requirements ESB may not discriminate unfairly particularly in favour of its own generation or supply businesses when carrying out the functions of the DSO or TAO. Therefore if you work for Networks or carry out a Networks function on their behalf the non-discrimination requirement will apply to certain aspects of your work.

## Do

- ✓ Consider all final customers and embedded generators as customers of ESB Networks. Networks is paid for providing services to these through their connection or use of system charges. All Networks customers of a similar class should receive the same level of service.
- ✓ If you are engaged in issuing jobs, organising outages or restoring supply you must perform these tasks without bias towards any particular Supplier or Generator. You should carry out day to day work on the transmission or distribution system based on professional and objective judgement.

## Don't

- ✗ You may not discriminate unfairly between customers on the basis of their supplier.
- ✗ You should not promote the services of one supplier over those of another except as may be appropriate for ESB Customer Supply in its capacity as supplier of last resort. Under no circumstances should you indicate or imply that customers of an ESB supply business would obtain a better standard of service from the Networks Business than customers of a non ESB supply business.



## 5. How can other ESB staff help

Staff across ESB Group can make an important contribution to ensuring that ESB complies with its licence requirements.

- If you work for Customer Supply or ESBIE you may not indicate that your customers would receive preferential treatment from Networks over any other supplier.
- If you are not authorised to receive commercially sensitive Networks information but inadvertently receive or get access to the information other than that relating to the affairs of your own business area (as provided for under exceptions identified in the Code) you should
  - Advise the sender or IT security that an inadvertent disclosure has occurred.
  - Return or destroy any copies of the information disclosed.
  - Notify your line manager.

You should recognise and accept that colleagues in other parts of ESB are obliged to maintain the confidentiality of commercially sensitive Networks information and you should not solicit the information if you are not authorised to receive it.

## 6. Supporting Procedures and Guidelines

There may be specific requirements that apply to the work that you are performing. Your local manager will advise if there are additional guidelines and procedures to be followed to ensure compliance with the Code and Licence Conditions. If you are unclear on the requirements and require guidelines for your work please bring this to the attention of your line manager.

## **7. Breaches of the Code**

If you inadvertently breach compliance requirements bring this to the attention of your line manager so that corrective action can be taken. The incident should also be reported to your local compliance officer so that arrangements can be reviewed to reduce the risk of a reoccurrence.

Deliberate breaches of this Code will be handled in line with existing disciplinary procedures. Breaches of this Code may have serious consequences for ESB not only in terms of our reputation for business integrity but also in terms of the future of ESB's Networks business.

## **8. Overall Responsibility for Compliance**

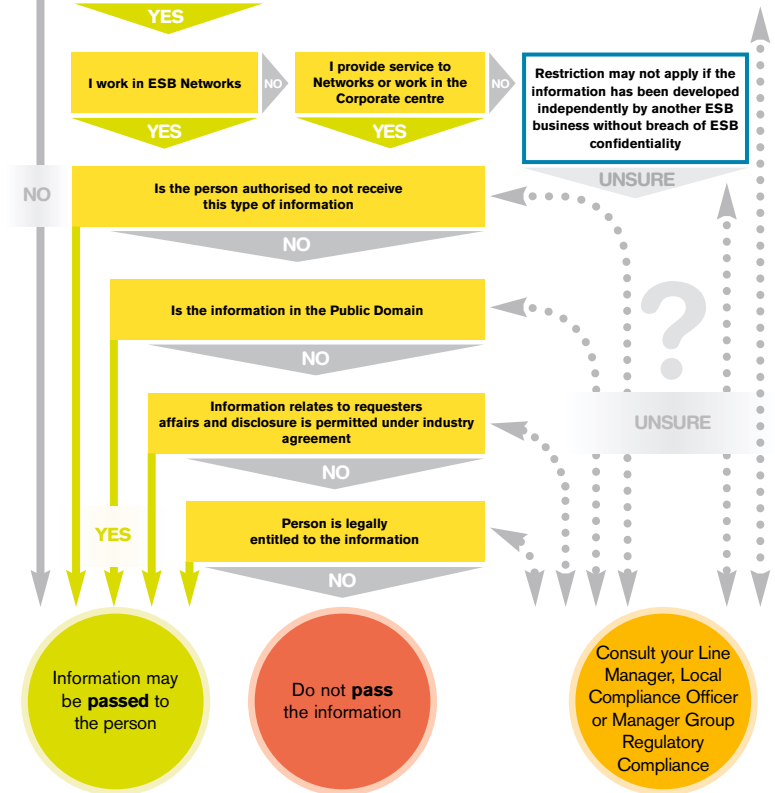
As the Licence holder the Board of ESB is ultimately responsible for ensuring regulatory compliance within the ESB Group. Management in Networks Business and all other Businesses in ESB Group are responsible for implementing compliance arrangements in their own businesses with the support of Group Regulatory Compliance.

Group Regulatory Compliance is an independent advisory and appraisal function charged with reviewing regulated activities across all areas within the ESB Group, to ensure compliance with all regulatory requirements. Group Regulatory Compliance has independent access to the Chief Executive and the Board to report on compliance issues. Compliance personnel in Networks and other businesses are responsible for monitoring compliance in their own area and have independent access to Group Regulatory Compliance on all compliance issues.

### Guideline for Control of Information Flow

#### Request for network information

#### Is the information commercially sensitive?



Restrictions on Information Flow do **not** apply to matters of Safety

## For Further Information Contact:

### Group Regulatory Compliance

David Farrell      Manager Group Regulatory Compliance      (01) 70-27465

### Local Compliance Officers

Siobhan Wynne	Distribution Business	ext.26739
Linda Duffy	Transmission System Owner Business	ext.26930
John O'Sullivan	Customer Supply	ext.27659
Ken McKervey	Power Generation	ext.26838

### Email Help Line

[Networks.Compliance@mail.esb.ie](mailto:Networks.Compliance@mail.esb.ie)