



ESB Networks Ltd.

Staff Compliance Code of Conduct

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Dear Colleague

Since 2004 there has been functional unbundling of the ESB Networks business from other ESB businesses including separate accounting, staff, IT systems and premises. ESB Networks Ltd has subsequently been set up to manage the functions of the Distribution System Operator. It is independent in its legal form, organisation and decision making from all other ESB businesses. A revised Distribution System Operator Licence issued to ESB Networks Ltd in January 2009 containing specific confidentiality and business separation provisions.

In ESB Networks Ltd we are committed to managing information and resources in compliance with the Licence requirements and accordingly we have developed this Compliance Code of Conduct to assist staff working for or interacting with ESB Networks Ltd. The Code of Conduct sets out the correct procedures to ensure non-discriminatory behaviour in relation to ESB Networks Ltd management of the national electricity infrastructure.

By adhering to the principles of compliance outlined in this Code we are not only fulfilling our regulatory obligations but we are also demonstrating that we are committed to ethical behaviour, transparency and fair competition.

Jerry O'Sullivan
Managing Director
ESB Networks Ltd
September 2010

1. Compliance Code of Conduct

The Compliance Code of Conduct has been updated to ensure compliance with Confidentiality and Non-discrimination Conditions in the Licence granted to ESB Networks Ltd as the Distribution System Operator (DSO). ESB Networks Ltd is also responsible for the day to day operation of the ESB licensed businesses, the Distribution Asset Owner (DAO) and the Transmission Asset 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 confidential or commercially sensitive information relating to ESB Networks.

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

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

3. Confidentiality of Commercially Sensitive ESB Networks Information

ESB Networks is obliged to implement measures and procedures to preserve confidential and commercially sensitive ESB 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 ESB 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 ESB Networks, Corporate Centre or business areas who provide services to or on behalf of ESB Networks as outlined in Section 2 above may be authorised.

3.2. What is Commercially Sensitive ESB Networks Information

Commercially sensitive information is defined as “any matter the disclosure of which would materially prejudice the interest of any person”. Confidential information refers to any information relating to the business, affairs and finances of a system user being confidential to that system user, whether or not such information is marked confidential. Commercially sensitive and confidential information obtained or held by ESB Networks may include;

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

If you are unsure whether or not particular ESB Networks information is commercially sensitive or confidential 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 and confidential information relating to the ESB Networks business is not passed to supply or generation activities of the 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 ESB Networks information or confidential 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 or confidential ESB 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.

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

- ✓ Is the information confidential or 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 ESB 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 ESB Networks information to a position where the same authorisation is no longer appropriate the following will apply.

- You may not bring commercially sensitive or confidential ESB 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 and confidential information which was disclosed to you prior to the transfer.

Prior to the transfer, the Compliance Officer or an approved officer 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 and confidential information.

A staff transfer from the ESB Networks business to either the Supply or Generation business of ESB Group shall be for a minimum period of three months. In addition, the staff member may not commence work in either the Supply or Generation area until it has been confirmed to the Compliance Officer that all measures have been taken to prevent the unauthorised transfer of confidential information in line with staff transfer procedures. The Compliance Officer may deem it necessary to impose a quarantine period prior to the initial transfer. In the event a staff member returns to the ESB Networks business within twelve months of the initial transfer a subsequent move to ESB Generation or ESB Supply shall be subject to a quarantine period agreed by the Compliance Officer in consultation with the CER. The Compliance Officer shall, in particular, review instances where a staff member has transferred between the different businesses on a number of occasions.

3.5. Restrictions on Access to information Systems

Access to information systems containing confidential ESB Networks information will be restricted to personnel authorised in accordance with Section 3.1. You may only have access to computer systems containing confidential ESB 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 ESB 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.

Access controls are in place where premises are shared between ESB Networks and other businesses to prevent unauthorised access to ESB Networks offices and information.

4. Non-discrimination

In accordance with Licence requirements ESB Networks Ltd may not discriminate unfairly particularly in favour of ESB's Generation or Supply businesses or ESB's Wind Generation business when carrying out the functions of the DSO, DAO and TAO. Therefore if you work for ESB Networks or carry out a ESB 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 Ltd. ESB Networks is paid for providing services to these through their connection or use of system charges. All ESB 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 may not promote the services of one supplier over those of another. Under no circumstances should you indicate or imply that customers of an ESB supply business would obtain a better standard of service from the ESB Networks business than customers of a non ESB supply business.

You may not provide any information, support, materials or service to ESB's Generation or Supply businesses or the ESB Wind Generation business other than on an arms length basis and on the same basis as provided to others.

5. How can other ESB staff help

Staff across ESB Group can make an important contribution to ensuring that ESB Networks Ltd complies with Licence requirements.

- If you work for ESB's Supply business you may not indicate that your customers would receive preferential treatment from ESB Networks over any other suppliers.
- If you work for ESB's Generation or Supply businesses or ESB Wind generation business you may not seek information, support, advice, materials or any preferential treatment from ESB Networks.
- If you are not authorised to receive commercially sensitive ESB 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 and confidential ESB 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 this 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

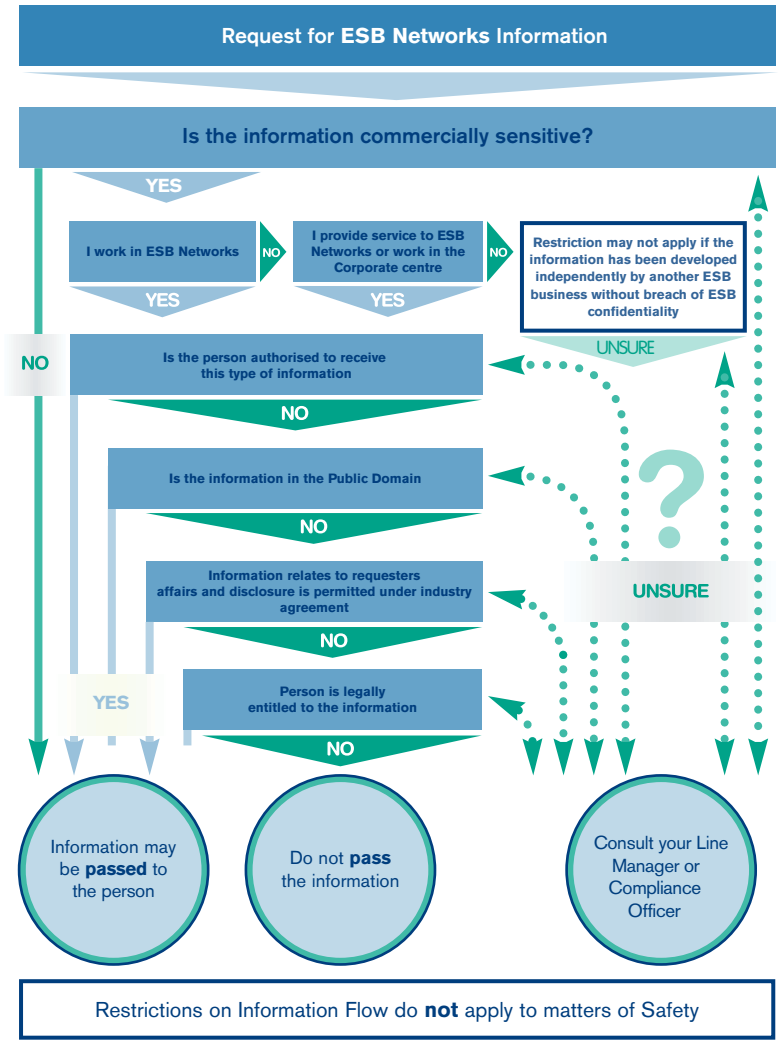
If you inadvertently breach compliance requirements bring this to the attention of your line manager so that corrective action can be taken. The incident should also be reported to the Compliance Officer so that arrangements can be reviewed to reduce the risk of a reoccurrence.

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

8. Overall Responsibility for Compliance

In accordance with Licence requirements the Board of ESB Networks Ltd appointed a Compliance Officer on 20th April 2009. The Compliance Officer reports annually to the Managing Director and/or the Board of ESB Networks Ltd on compliance issues. The Compliance Officer shall report to the CER, in such form and at such times as the CER requires, on the effectiveness of the practices, procedures and systems implemented by the Licensee under the compliance programme. The Regulatory Manager has responsibility for compliance requirements within the DSO Licence.

Guideline for Control of Information Flow



For further Information contact:
Caitriona Kinsman, Compliance Officer, ESB Networks Ltd.