

STANDARDS OF CONDUCT POLICY

For

SaskPower

SaskPower implemented the Open Access Transmission Policy (OATT) in 2001. The Standards of Conduct ensures that all transmission customers, affiliated and non-affiliated, are treated on a non-discriminatory basis and that SaskPower cannot operate its Transmission System to benefit preferentially its Marketing or Energy Affiliates or any non-affiliated transmission customers. Furthermore, the Standards of Conduct ensures that employees engaged in transmission system operations and reliability function independently from SaskPower's employees in its Marketing or Energy Affiliates.

These Standards of Conduct are applicable to SaskPower, its employees, contractors and the employees and contractors of its Affiliates. These Standards of Conduct will govern SaskPower's relationships with its customers, including SaskPower's Marketing or Energy Affiliates.

1. DEFINITIONS:

1.1 "Affiliate" means another person which controls, is controlled by, or is under common control with, such person. An Affiliate includes a division that operates as a function unit.

1.2 "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management of policies of a company. A voting interest of ten (10) percent or more creates a rebuttable presumption of control.

1.3 "Energy Affiliate" means an affiliate of SaskPower that:

1.3.1 Engages in or is involved in transmission transactions in energy or transmission markets; or

1.3.2 Buys, sells, trades or administers electric energy in energy or transmission markets; or

1.3.3 Engages in financial transactions relating to the sale or transmission of electric energy in energy or transmission markets.

1.3.4 A local electrical distribution division of SaskPower that acquires transmission capacity to sell unbundled service shall be considered the functional equivalent of an Energy Affiliate.

1.3.5 An Energy Affiliate does not include:

1.3.5.1 An affiliate that does not participate in energy markets;

1.3.5.2 A holding, parent or service company that does not engage in energy commodity markets or is not involved in transmission transactions in energy markets; or

1.3.5.3 A local electrical distribution division of SaskPower that does not engage in the activities described in 1.3.1, 1.3.2 or 1.3.3 and only acquires transmission capacity to purchase and sell bundled (generated, transmitted and distributed) power to domestic load customers.

1.4 “**Marketing Affiliate**” means an Affiliate or a functional unit that engages in a sale for resale of electric energy in transmission transactions in energy or transmission markets unless such unit engages solely in bundled retail sales.

1.5 “**OASIS**” means the Open Access Same Time Information System and Standards of Conduct as defined in Part 37 of FERC regulations and all additional requirements implemented by subsequent FERC orders.

1.6 “**System Control Centre**” means the facilities located in Regina, Saskatchewan which are responsible for the transmission services scheduling agent, the control area operator, the bulk transmission system operator and the real time generation dispatch group for the SaskPower integrated system.

1.7 “**Transmission Customer**” means any eligible customer that

1.7.1 executes a Service Agreement, or

1.7.2 receives service under an Umbrella Agreement in accordance with the SaskPower’s Open Access Transmission Tariff (OATT).

This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of the SaskPower Tariff.

1.8 “**Transmission Function Employee**” means an employee, contractor, consultant or agent of SaskPower who conducts transmission system operations or reliability functions.

2. GENERAL RULES:

2.1 Transmission Function Employees shall function independently of SaskPower’s Marketing or Energy Affiliates.

2.2 SaskPower shall treat all Transmission Customers, affiliated and non-affiliated, on a non-discriminatory basis and not operate its transmission system to preferentially benefit its Marketing or Energy Affiliates or any non-affiliated Transmission Customer.

2.3 Notwithstanding any other provisions in this document to the contrary, in emergency circumstances affecting system reliability, SaskPower may take whatever steps are necessary to keep the system in operation.

2.4 Transmission Function Employees shall not use anyone as a conduit for sharing transmission information with SaskPower's Marketing or Energy Affiliates.

2.5 Shared employees (as described in **3.1.3** of this document) between SaskPower and its Marketing or Energy Affiliates are not permitted to be conduits for sharing transmission information with SaskPower's Marketing or Energy Affiliates.

2.6 SaskPower shall designate a Chief Compliance Officer who will be responsible for Standards of Conduct compliance.

2.7 These Standards of Conduct shall be governed by, subject to, and construed in accordance with the laws of the Province of Saskatchewan and any applicable Canadian law.

3. RULES GOVERNING EMPLOYEE CONDUCT:

3.1 General Conduct:

3.1.1 SaskPower is prohibited from permitting the employees of its Marketing or Energy Affiliates from:

3.1.1.1 conducting transmission system operations or reliability functions;
and

3.1.1.2 having access to the System Control Centre, or similar facilities used for transmission operations or reliability functions, that differs in any way from the access available to other Transmission Customers.

3.1.2 Employees engaged in SaskPower's Marketing or Energy Affiliates and SaskPower's Transmission Function Employees are not precluded from transferring between such functions as long as such transfer is not used as a means to circumvent these Standards of Conduct.

3.1.3 SaskPower is permitted to share the following employees with its Marketing or Energy Affiliates:

3.1.3.1 support employees and field and maintenance employees;

3.1.3.2 risk management employees who are not engaged in transmission functions or sales or commodity functions with their Marketing or Energy Affiliates:

3.1.3.3 senior officers and directors who are not Transmission Function Employees. SaskPower is permitted to share transmission information with its shared senior officers and directors provided that they do not participate in directing, organizing or executing transmission system operations or marketing functions; or act as a conduit to share such information with a Marketing or Energy Affiliate.

3.2 Information Access:

3.2.1 With the exception of section 3.4, SaskPower shall ensure that any employee of its Marketing or Energy Affiliates will have access to only that transmission information available to SaskPower's Transmission Customers.

3.2.2 SaskPower's Marketing or Energy Affiliates may not have preferential access to any information about SaskPower's transmission system that is not available to the general public without restriction or all users of an OASIS.

3.3 Prohibited Disclosure:

SaskPower is responsible for ensuring compliance with the following provisions:

3.3.1 Transmission Function Employees shall not disclose to SaskPower's Marketing or Energy Affiliate employees any information concerning SaskPower's transmission system or the transmission system of another through:

3.3.1.1 non-public communications conducted off the OASIS, or

3.3.1.2 access to information not posted on the OASIS that is not at the same time available to the general public, or

3.3.1.3 information on the OASIS that is not at the same time publicly available.

3.3.2 SaskPower shall not share any market information, acquired from non-Affiliated Transmission Customers or potential non-Affiliated Transmission Customers, or developed in the course of responding to requests for transmission or ancillary service on the OASIS, with SaskPower's Energy or Marketing Affiliate employees, except to the limited extent information is required to be posted on the OASIS in response to a request for transmission or ancillary service.

3.3.3 SaskPower is not required to disclose at the same time to all Transmission Customers or potential Transmission Customers' information that relates solely to a Marketing or Energy Affiliates specific request for transmission service.

3.4 Acceptable Disclosure:

SaskPower is permitted to disclose information under the following circumstances:

3.4.1 A non-affiliated Transmission Customer may voluntarily consent, in writing, to allow SaskPower's transmission operations and reliability functions to share the non-affiliated customer's information with SaskPower's Marketing or Energy Affiliates.

3.4.2 SaskPower employees may share all SaskPower generation information with its Marketing and Energy Affiliates.

3.4.3 SaskPower may share information necessary to maintain the operations of the transmission system with its Energy Affiliates.

3.4.4 Transmission Function Employees may share SaskPower transmission system information that has been posted on the OASIS site with all its Transmission Customers, including its Marketing and Energy Affiliates.

3.5 Implementing Tariffs:

SaskPower is responsible for ensuring compliance with SaskPower's Open Access Transmission Tariff as follows:

3.5.1 Transmission Function Employees shall strictly enforce all Open Access Transmission Tariff provisions relating to the sale or purchase of wholesale electric transmission service, if these provisions do not provide for the use of discretion.

3.5.2 Transmission Function Employees shall apply all tariff provisions relating to the sale or purchase of wholesale electric transmission service in a fair and impartial manner that treats all customers (including SaskPower and any of its Affiliates) in a non-discriminatory manner, if these provisions involve discretion.

3.5.3 Transmission Function Employees shall process all similar requests for transmission in the same manner and within the same period of time.

3.5.4 SaskPower shall not, through its tariff or otherwise, give preference to SaskPower's Energy or Marketing Affiliates over the interests of any other wholesale customers in matters relating to the sale or purchase of transmission service.

3.6 Training:

SaskPower is responsible for ensuring compliance as follows:

3.6.1 All SaskPower officers and directors and all SaskPower employees who have access to transmission information or information concerning electric purchases, sales or marketing functions shall complete training on the Standards of Conduct requirements and have access to the Standards of Conduct policy.

3.6.2 All SaskPower employees who have access to transmission information or information concerning electric purchases, sales or marketing functions and all employees of SaskPower's Marketing and Energy Affiliates with access to transmission, energy or marketing information shall have access to written procedures regarding the Standards of Conduct requirements.

SaskPower's Marketing or Energy Affiliates are responsible for ensuring compliance as follows:

3.6.3 All employees of the Marketing or Energy Affiliates with access to transmission information or information concerning electric purchases, sales or marketing functions shall complete training on the Standards of Conduct requirements.

4. DISCLOSURE ON OASIS:

4.1 SaskPower shall post on the OASIS these Standards of Conduct and current written procedures implementing these Standards of Conduct.

4.2 If a Transmission Function Employee discloses material SaskPower information not posted on the OASIS in a manner contrary to the requirements of these standards of conduct, SaskPower shall, as soon as practicable, post such information on the OASIS.

4.3 SaskPower shall maintain a written log, detailing the circumstances and manner in which it exercised its discretion under any terms of the tariff and post such information on the OASIS within 24 hours of the discretion under any terms of the tariff.

4.4 Any offer of a discount for any transmission or ancillary service made by SaskPower shall be posted on the OASIS contemporaneously with the time that the offer is contractually binding.

4.5 SaskPower shall post on its OASIS the names and addresses of Marketing and Energy Affiliates and a complete list of the facilities shared by its transmission system and system reliability functions and its Marketing and Energy Affiliates.

4.6 SaskPower shall post on its OASIS comprehensive organizational charts showing the organizational structure of SaskPower with relation to its Marketing or Energy Affiliates; the organizational structure of SaskPower's transmission operation and reliability areas and the organizational structure of its Marketing or Energy Affiliates. Organizational charts and job descriptions will be updated within seven business days of a change.

4.7 Notices of any transfers between Transmission Function Employees and Marketing or Energy Affiliates employees shall be posted on OASIS before the effective date. This information will remain posted for 90 days.

4.8 If a non-affiliated customer authorizes SaskPower's transmission operations or reliability functions to share its information with a Marketing or Energy Affiliate, notice of that consent must be posted on the OASIS. A statement must also be posted that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

4.9 SaskPower will, within 24 hours, report on the OASIS any deviation from these Standards of Conduct that arose as a consequence of an emergency.

5. BOOKS AND RECORDS:

5.1 Except where consolidation of financial records is required by law or necessity for financial reporting purposes, SaskPower books of account and records will be maintained separately from those of its Marketing or Energy Affiliates.