

WPS CANADA GENERATION, INC.

STANDARDS OF CONDUCT

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 *Transmitter* through ownership or contractually such that the contracted Affiliate and the *Transmitter* share in proceeds from *Merchant* transactions, such Affiliates could include a power marketer, a power generator and/or an energy services company.

Chief Compliance Officer means the person designated by the *Transmitter* to be responsible for Standards of Conduct Compliance.

Eligible Customer means any electric utility (including the *Transmitter*), any power marketer, or any person generating electric energy for sale for resale. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico.

Merchant or Merchant Function means those *Affiliates* engaged in the *Wholesale Merchant Function* and the *Large Industrial Merchant Function*. This includes but is not limited to the scheduling and pricing of electric energy for merchant sales and the scheduling of transmission requirements via *OASIS* needed to deliver such merchant obligations.

- **Wholesale Merchant Function** means the sale for resale of electric energy across interconnections between New Brunswick, other Canadian Provinces and the State of Maine and directly to municipalities.
- **Large Industrial Merchant Function** means the sale of electric energy to Large Industrial customers.

OASIS means an Open Access Same-time Information System (OASIS). The purpose of the *OASIS* is to provide open access *Transmission Customers* and potential open access *Transmission Customers*, through an electronic medium, with relevant information regarding available transmission capacity, prices, and other matters to enable them to obtain open access nondiscriminatory transmission service from the *Transmission Provider*.

Regulator means the New Brunswick Energy and Utilities Board.

Tariff means the *New Brunswick System Operator* Open Access Transmission Tariff for network and point-to-point transmission services including any amendments thereto, as posted on the *Transmission Provider's OASIS*.

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 System Operations and Reliability Functions means the operation of the power system to reliably accept energy from generators connected to the *Transmitter's* facilities and from *Merchant* providers at their respective receipt points and to reliably deliver such energy for consumption by native load customers and for scheduled external *Merchant* obligations at their respective delivery points.

Transmission Provider means New Brunswick System Operator (or its successor) that controls and operates facilities used for the transmission of electric energy and provides transmission service.

Transmitter means the entity that owns, and operates under the direction of the *Transmission Provider*, facilities used for the transmission of electric energy and provision of transmission service including connection service.

II. **Obligations of the Transmitter'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, *Transmitter* employees engaged in *Transmission System Operations and Reliability Functions* may take whatever steps are necessary to keep the *Transmitter's* transmission system in operation.

2. **Separation of Functions**

[Not applicable]

3. **Information Disclosure**

[Not applicable]

4. **Tariff Administration**

- (a) *Transmitter* 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) *Transmitter* 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 *Transmitter* and any of its *Affiliates*) in a non-discriminatory manner.

- (c) The *Transmitter* 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 connection service or transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, and ancillary services).
- (d) The *Transmitter* must process all similar requests for transmission service in the same manner and within the same period of time.

5. **Reporting and Recordkeeping**

The *Transmitter* 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 *OASIS* and available to the *Regulator* within twenty-four hours of such a deviation.
- (b) [Not applicable]
- (c) [Not applicable]
- (d) The *Transmitter'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*. The *Transmitter* shall provide this information to the *Transmission Provider* who shall post it on the *OASIS*.
- (e) The *Chief Compliance Officer* will ensure the assignment of the *Transmitter's* personnel performing transmission system operations the reporting responsibilities specified in paragraph (a) through (d).
- (f) [Not applicable]

III. Obligations of Employees Engaged in Merchant Functions

1. Separation of Functions

[Not applicable]

2. Access to Information

[Not applicable]

IV. Organization and Security

1. Organizations Structure

[Not applicable]

2. Physical Security of System Operations Control Room

The *Transmitter* shall ensure physical security of the areas in which *Transmission System Operations and Reliability Functions* take place.

3. Merchant Function Access to Energy Management System (EMS) Data

[Not applicable]

V. Implementation

1. Filing

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

2. Dissemination

Prior to their implementation, these Standards of Conduct will be disseminated to all of the *Transmitter's* employees. The *Transmitter* will have training sessions on these Standards of Conduct with all of its employees and those employees will sign an affidavit certifying that they have been trained regarding the Standards of Conduct requirements. The affidavits are to be retained by the *Chief Compliance Officer*.

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 *Transmission Provider's OASIS*. Depending on the nature of the

amendment, it may be necessary to have the Standards of Conduct reviewed through training sessions and affidavits resigned by the employees noted under Section V.2.

VI. 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 the *Chief Compliance Officer* at WPS Canada Generation, Inc., 142 Lower Lyndon Street, Caribou, Maine, 04736, USA with a copy to Secretary, New Brunswick System Operator, 77 Canada St, Fredericton, NB, E3A 3Z3. A written report specifying the *Chief Compliance Officer's* evaluation of the complaint and the corrective and disciplinary actions taken will be prepared within thirty days. The complaining party and the *Transmission Provider* shall be provided with a copy of the written report. The *Chief Compliance Officer* will maintain a log of each complaint and written report. Such log of complaints shall be available to the *Regulator* and the *Transmission Provider* 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 immediately on the *Transmission Provider's OASIS*.

2. Appeal Process

If in the view of the complainant, the complaint has not been properly evaluated as set out in Section VI. 1., it may then be forwarded in writing to the President of the *Transmitter*. The President, or delegate, will appoint an independent arbitrator, acceptable to the complainant and the *Transmitter*, 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 *Transmission Provider's OASIS*.

In the event that the President of the *Transmitter* 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 a decision shall be binding subject to the appeal provisions of the New Brunswick *Arbitration Act*.

3. Sanctions

Failure of an employee to fully comply with these Standards of Conduct may result in disciplinary action up to and including termination from the *Transmitter*.

ACKNOWLEDGMENT

I acknowledge that I have read the Standards of Conduct approved by the *Regulator* on April 3, 2007, attended a training course on those standards 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: _____

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