

Code of conduct for SSO Staff

An example of Good Practice for SSOs

Avenue des Arts 19
B – 1210 Brussels

Tel +32 2 209 0500
Fax +32 2 209 0501

gie@gie.eu.com
www.gie.eu.com

Ref.: 06STC041-final

1. Executive Summary

The Guidelines for Good TPA Practice for Storage System Operators (GGPSSO) concern Third Party Access (TPA) to storage facilities in accordance with Article 2(9) and 19 of the European Directive 2003/55/EC (the Gas Directive). Gas Storage Europe (GSE) a division of Gas Infrastructure Europe (GIE) is fully supportive of the voluntary implementation of GGPSSO to ensure the provision of storage services needed by storage users on a fair and non-discriminatory basis.

This Code of Conduct was approved by the GSE Executive on 13 April 2006 to the timeframe agreed at the GSE workshop on GGPSSO held in November 2005. Compliance with this Code of Conduct, monitored through a compliance programme is one way (but not the only way) of ensuring the confidentiality requirements of the GGPSSO are satisfied. This code of conduct is an example of good practice for SSOs and could be adapted by each SSO to its specific case.

The Gas Directive affords SSOs the opportunity to operate storage business within a variety of different organisational structures which assists SSOs to better maintain secure, reliable and efficient operation of their storage systems. Accordingly, SSOs throughout the EU operate as;

- separate entities;
- part of a combined operator;
- part of a vertically integrated company.

All SSOs are required under GGPSSO to treat commercially sensitive information confidentially, especially with regard to any other business of the company, in order to avoid any discrimination between storage users. Therefore, it is required by GGPSSO that no information available to the SSO concerning its storage business is passed to other businesses of the company in advance of this information being provided to all market participants simultaneously.

This Code of Conduct for SSO Staff sets out key compliance rules to convey to the relevant national regulatory authority and any other stakeholder that the GGPSSO requirements in respect of confidentiality are fulfilled.

Any person who requires advice or guidance on the interpretation and operation of this Code can consult their line manager, or the Compliance Officer either directly or through their line manager.

1. Prohibition on SSO Staff disclosing Commercially Sensitive Information

“SSOs should take steps to ensure appropriate arrangements are in place to protect the confidentiality of information¹”

Information received from storage customers by SSOs in their capacity as operators of storage facilities may have commercial significance for parts of the companies involved in a supply business, shipping and trading activities. It is possible that this information will already be protected from disclosure by the duty of confidentiality contained in the standard storage contract or storage codes between the SSO and its customers. Regardless, the GGSSO require that appropriate arrangements are in place to protect the confidentiality of information.

In addition to this customer-specific information relating to the provision of SSO Services, information relating to the operation and running of storage sites may also have commercial significance.

It is therefore essential that customer specific information or information about the operation of the storage site (s) (Commercially Sensitive Information) is not disclosed to other gas shippers or traders and in particular is not disclosed, directly or indirectly, to other businesses unless it is operational information that is disclosed to the market simultaneously.

Interaction of Vertically Integrated Staff with the SSO

SSO staff must not disclose Commercially Sensitive Information to staff from any other business. SSO staff must ensure that such information is released to other businesses and other market participants simultaneously and not otherwise released in any way that may give the other businesses any unfair commercial advantage.

In providing operational information concerning SSO activities, consistent with Transparency requirements contained in the GGSSO, SSO staff must ensure that all customers are treated on a fair and non-discriminatory basis. If any Commercially Sensitive Information is to be published it should be disclosed to all market participants simultaneously in national language and in English on the Internet.

Provision of Services to the SSO from other Businesses (Designated Persons)

As an exception to the general prohibition on disclosure of Commercially Sensitive Information, SSO can disclose such information to Designated Persons but only for the purpose of seeking advice or support. Persons from other businesses who provide services to SSOs are referred to as Designated Persons in this Code of Conduct and Commercially Sensitive Information can be passed to them if necessary for them to provide the services to the SSO without it being a breach of the Code.

To the extent that Designated Persons hold Commercially Sensitive Information, they are bound by the terms of this Code of Conduct in relation to that information and therefore must not disclose that information to other businesses. Only where permitted by the Code of Conduct can services, support, or advice be provided to the SSO by other businesses.

¹ GGSSO – Clause 5.1.

The list below illustrates examples of the types of services other businesses may provide to the SSO subject to the Designated Persons protecting any Commercially Sensitive Information:

- Legal
- Regulatory,
- Company secretarial,
- Human resources,
- Business assurance,
- Taxation,
- Treasury,
- Finance and accounting,
- Insurance,
- Information systems,
- Investor relations,
- Corporate affairs
- Procurement services
- Risk
- Property and Facilities Management
- Health, Safety and Environment (including Occupational Health)
- Audit
- Technical services

2. Prohibition on discrimination in the provision of necessary TPA Services

SSOs must not unduly discriminate between requests for their services or, in any way, give preferential treatment to other businesses such that those businesses could obtain any unfair commercial advantage.

When dealing with all customers treat like with like unless there is an objective and justifiable reason for doing otherwise which should be documented for scrutiny at a later date. This applies to the buying or selling of services, pricing, access to monopoly services and customer service including speed and efficiency.

3. Protection of Commercially Sensitive Information

The areas of separation and information protection need to be understood by more than just those working in the SSO.

“Cost effective solutions should be implemented to ensure that the SSO and the supply business are not located in the same place. The SSO and the supply business should be located in separate buildings, provided such a measure is proportionate.”²

Any group containing both SSO and supply business should examine cost effective solutions to ensure the SSO can be located in separate physical locations. Consideration should be given by SSOs as to the extent to which proving effective firewalls exist between the SSO and the supply business are more cost effective than locating the SSO in a separate building.

“If supply and storage are part of an integrated company, regardless of the internal structure of the company, or when there are no separate computer systems, specific confidentiality duties must be clearly defined.”³

² GGSSO – 5.1 (d)

³ GGSSO – 5.1 (c)

Vertically Integrated Undertakings

In order to protect commercially sensitive information within the GGPSSO, firewalls between the SSO and the other businesses should be configured to prevent access to SSO systems and facilities by people in other businesses. The existence and operation of those firewalls may be audited.

New IT systems being developed in vertically integrated undertakings should be developed separately for the storage business.

Where offices are shared with the SSO, all staff should adhere to the separation arrangements put in place. Where access to offices is restricted staff should not attempt to gain access to restricted areas.

Staff movement

Commercially Sensitive Information must be protected when employees transfer from the SSO business to any other business. The same is also true of any Designated Person within Shared Services who has provided services to the SSO who moves toward other businesses.

There is no restriction in terms of commercially sensitive information on employees moving into the SSO arising from the GGPSSO.

4. Compliance with this Code of Conduct will be supervised by a Compliance Officer.

“The arrangements to implement the above requirements should include a code of conduct for staff (including a compliance programme), supervised by a Compliance Officer.”⁴

The Code of Conduct will be supervised for compliance by Compliance Officers. It is common for business assurance and/or external auditors to report on compliance of the Code of Conduct. The GGPSSO require that as a minimum the SSO should be able to demonstrate compliance to the relevant National Regulatory Authority upon request.

The GGPSSO require all employees to behave in a particular way. The Compliance Officers for the SSO and for the other businesses should be appointed to guide and advise on the Code of Conduct but it is the primary responsibility of each employee to ensure understanding and compliance with this Code.

Where can I go for advice or guidance?

The Compliance Officers and/or line managers will guide, advise and supervise compliance with (inter alia) the GGPSSO but compliance must rest with the individuals in the SSO and those providing services to them.

General Duty of Confidentiality

In instances where standard storage contracts/storage codes (as required by GGPSSO 1.2 (b)) contain references to the confidentiality of protected information (information obtained by SSOs in their interaction with their customers) then this Code reinforces those provisions. Furthermore this Code of Conduct reiterates to all SSO staff any obligations with regard to confidential information held in the course of their employment and/or any other specific confidentiality agreement.

⁴ GGPSSO – 5.1(c)



Disciplinary Action

A breach of this Code constitutes misconduct on the part of the member of staff concerned and will be dealt with under disciplinary procedures (and may lead to dismissal).

INTERPRETATION

All defined terms contained within the GGPSSO shall have the same meaning.

Other business: In this Code of Conduct, other business shall mean an affiliate company or any part of a company not involved in the provision of storage services. TSOs could be excluded from the definition of “Other business” when information between TSOs and SSOs need to be exchange for cooperation purposes (cf. §10 of GGPSSO).

Code of Conduct: A document produced by the SSO as required by the GGPSSO 5.1, an example of which is provided in this document.

Combined Operator – Has the meaning given in Article 15 of the Gas Directive

Commercially Sensitive Information – *means the following:*

- **Customer-specific information:** Information which is specific to an individual storage customer (relating to a customer’s booking of capacity at the storage site(s) or its nominations for the injection or the withdrawal of gas.
- **Operational information:** Information relating to the operation of the storage site (s) which includes information relating to storage capacity, gas-in-storage inventories, aggregated inflows and outflows, and the day-to-day operation and maintenance.

Information will not be Commercially Sensitive Information:

- where the information is Customer-specific information, and it is either disclosed back to the supplier of that information or is disclosed in accordance with their consent;
- if it is disclosed only to a Designated Person to enable that person to provide the SSO with advice or support;
- if it is otherwise publicly available or, if Operational information, is disclosed simultaneously to all market participants as required by GGPSSO.

Designated Persons – any persons within Shared Services providing services to the SSO.

Gas Directive – *European Directive 2003/55/EC*

Shared Services – shall mean services provided to the SSO by inter alia Legal, Regulatory Affairs, Secretariat, HR, Business Assurance, Taxation, Treasury, Insurance, Investor Relations, Corporate Affairs, IS, Procurement, Risk Management, Property and Facilities Management, Health, Safety and Environment, Occupational Health provided by the Corporate Centre;

Vertically Integrated Company – Meaning given in Article 2 (20) of the Gas Directive