

New Hampshire Transmission, LLC
Written Procedures
For the
Federal Energy Regulatory Commission’s
Standards of Conduct
Revision 2.6

Introduction. The Federal Energy Regulatory Commission (FERC) has established Standards of Conduct (SoC), as set forth at 18 C.F.R. § 358 *et. seq.* In 2008, FERC extensively revised the SoC, with further clarifications made in 2009. The SoC establish rules governing the relationship between a transmission provider’s transmission function employees and certain employees of its applicable marketing affiliates. Violation of these standards can have severe consequences for NextEra Energy, Inc. (NextEra), including imposition of civil penalties of up to \$1 million per day per occurrence.

New Hampshire Transmission, LLC’s (NHT) Written Procedures for FERC’s SoC adhere to the regulations as set forth at 18 C.F.R. § 358.7(d). Specifically, NHT’s Written Procedures address each SoC regulation by: (1) restating the regulation; and (2) explaining how NHT, as a transmission provider subsidiary of NextEra, has complied with the regulation and has implemented processes for continued compliance in the future. These Written Procedures serve a dual purpose of: (1) reinforcing to NHT employees the importance of complying with the SoC; and (2) explaining how NHT is complying with the SoC. NHT has instructed its employees that they are to comply with these SoC principles. Violation of these standards by an employee can have immediate consequences, up to and including dismissal from NextEra.

PART 358—STANDARDS OF CONDUCT

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Authority: 15 U.S.C. 717–717w, 3301–3432; 16 U.S.C. 791–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

§ 358.1 Applicability.

(a) This part applies to any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter and conducts transmission transactions with an affiliate that engages in marketing functions.

(b) This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions.

(c) This part does not apply to a public utility transmission provider that is a Commission-approved Independent System Operator (ISO) or Regional Transmission Organization (RTO). If a public utility transmission owner participates in a Commission-approved ISO or RTO and does not operate or control its transmission system and has no access to transmission function information, it may request a waiver from this part.

(d) A transmission provider may file a request for a waiver from all or some of the requirements of this part for good cause.

NHT Compliance. NHT meets the criteria under §358.1(a) and §358.1(b) and therefore is subject to the SoC. The SoC only apply between a transmission provider and employees of affiliates or divisions that engage in marketing functions and that conduct transmission transactions on the affiliated transmission provider's system. Specifically the SoC apply between NextEra Energy Resources, LLC (NEER) and NHT.

§ 358.2 General principles.

(a) As more fully described and implemented in subsequent sections of this part, a transmission provider must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transportation of natural gas or transmission of electric energy in interstate commerce, or with respect to the wholesale sale of natural gas or of electric energy in interstate commerce.

(b) As more fully described and implemented in subsequent sections of this part, a transmission provider's transmission function employees must function independently from its marketing function employees, except as permitted in this part or otherwise permitted by Commission order.

(c) As more fully described and implemented in subsequent sections of this part, a transmission provider and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to the transmission provider's marketing function employees.

(d) As more fully described and implemented in subsequent sections of this part, a transmission provider must provide equal access to non-public transmission function information disclosed to marketing function employees to all its transmission customers, affiliated and non-affiliated, except as permitted in this part or otherwise permitted by Commission order.

NHT Compliance. As explained below, NHT has adopted policies in accordance with these general principles.

§ 358.3 Definitions.

(a) Affiliate of a specified entity means:

(1) Another person that controls, is controlled by or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operates as a functional unit.

(2) For any exempt wholesale generator (as defined under § 366.1 of this chapter), affiliate shall have the meaning set forth in § 366.1 of this chapter, or any successor provision.

(3) “Control” as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 percent or more creates a rebuttable presumption of control.

(b) Internet website refers to the Internet location where an interstate natural gas pipeline or a public utility posts the information, by electronic means, required under this part 358.

(c) Marketing functions means:

(1) in the case of public utilities and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity; and

(2) in the case of interstate pipelines and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:

(i) Bundled retail sales,

(ii) Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities,

(iii) Sales of natural gas solely from a seller’s own production,

(iv) Sales of natural gas solely from a seller’s own gathering or processing facilities, and

(v) On-system sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, by a local distribution company, or by a local distribution company operating under section 7(f) of the Natural Gas Act.

(d) Marketing function employee means an employee, contractor, consultant or agent of a transmission provider or of an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.

(e) Open Access Same Time Information System or OASIS refers to the Internet location where a public utility posts the information required by part 37 of this chapter, and where it may also post the information required to be posted on its Internet website by this part 358.

(f) Transmission means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with jurisdictional transmission facilities, under part 35 of this chapter; and natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of part 284 of this chapter.

(g) Transmission customer means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.

(h) Transmission functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

(i) Transmission function employee means an employee, contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in transmission functions.

(j) Transmission function information means information relating to transmission functions.

(k) Transmission provider means:

- (1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce; or
- (2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter.
- (3) A transmission provider does not include a natural gas storage provider authorized to charge market-based rates.

(l) Transmission service means the provision of any transmission as defined in § 358.3(f).

(m) Waiver means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

NHT Compliance. NHT uses these definitions to develop a SoC compliance program, including training material and posting information. As part of NHT's training, employees subject to the training requirements have been educated on the meaning and importance of the definitions used in the SoC.

§ 358.4 Non-discrimination requirements.

(a) A transmission provider must strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if the tariff provisions do not permit the use of discretion.

(b) A transmission provider 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 transmission customers in a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.

(c) A transmission provider may not, through its tariffs or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).

(d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.

NHT Compliance. NHT transmission function employees (TFEs) have been trained to: strictly enforce all tariff provisions if discretion is not allowed; apply all tariff provisions in a fair and impartial manner if discretion is allowed; not give undue preference with respect to the sale or purchase of transmission service to any customer; and process all similar transmission requests in the same manner and time period.

§ 358.5 Independent functioning rule.

(a) General rule. Except as permitted in this part or otherwise permitted by Commission order, a transmission provider's transmission function employees must function independently of its marketing function employees.

(b) Separation of functions.

(1) A transmission provider is prohibited from permitting its marketing function employees to:

- (i) Conduct transmission functions; or
- (ii) Have access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers.

(2) A transmission provider is prohibited from permitting its transmission function employees to conduct marketing functions.

NHT Compliance. No marketing function employees (MFEs) are permitted to conduct transmission functions. Similarly, TFEs are prohibited from conducting marketing functions. Additionally, TFEs engaged in transmission system operations have been trained that they must function independently from NEER's MFEs.

NHT restricts access to its transmission system control centers and other areas where transmission functions are performed via security cards and/or physically separate locations. No MFE is permitted unescorted access to these areas. Access for NHT transmission customers to these areas is also escorted at all times and thus no different than access available to MFEs.

Meetings including both TFEs and MFEs are not barred as long as the meetings do not relate to transmission functions or marketing functions and the no-conduit rule is obeyed. Employees should share presentations with the General Counsel prior to holding joint meetings to enable a review of the information to be shared to ensure that it is permitted to be shared. Employees should also consult the Chief Compliance Officer (CCO) with any additional questions or concerns regarding the independent functioning requirement.

§ 358.6 No conduit rule.

(a) A transmission provider is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to its marketing function employees.

(b) An employee, contractor, consultant or agent of a transmission provider, and an employee, contractor, consultant or agent of an affiliate of a transmission provider that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any of the transmission provider's marketing function employees.

NHT Compliance. All employees, contractors, consultants, or agents likely to receive non-public transmission function information are trained on the no-conduit requirements.

§ 358.7 Transparency rule.

(a) Contemporaneous disclosure.

(1) If a transmission provider discloses non-public transmission function information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of § 358.6, the transmission provider must immediately post the information that was disclosed on its Internet website.

(2) If a transmission provider discloses, in a manner contrary to the requirements of § 358.6, non-public transmission customer information, critical energy infrastructure information (CEII) as defined in § 388.113(c)(1) of this chapter or any successor provision, or any other information that the Commission by law has determined is to be subject to limited dissemination, the transmission provider must immediately post notice on its website that the information was disclosed.

NHT Compliance. NHT employees with access to non-public transmission function information have been trained that they are not to share such information with MFEs. Additionally, physical and computer access is restricted to areas where non-public transmission function information is maintained. In the event that non-public transmission function information is shared, NHT will post on its Open Access Same Time Information System (OASIS) website the time and date the information was shared, and a copy of the information shared, unless it falls under the provisions of § 358.7(a)(2), in which case the notice will be posted. The NHT OASIS website is linked to NEER's public website.

(b) Exclusion for specific transaction information. A transmission provider's transmission function employee may discuss with its marketing function employee a specific request for transmission service submitted by the marketing function employee. The transmission provider is not required to contemporaneously disclose information otherwise covered by § 358.6 if the information relates solely to a marketing function employee's specific request for transmission service.

(c) Voluntary consent provision. A transmission customer may voluntarily consent, in writing, to allow the transmission provider to disclose the transmission customer's non-public information to the transmission provider's marketing function employees. If the transmission customer authorizes the transmission provider to disclose its information to marketing function employees, the transmission provider must post notice on its Internet website of that consent along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

NHT Compliance. NHT TFEs are trained on the exclusion for discussing a specific request for transmission service submitted by an MFE. NHT TFEs with access to transmission customer information are trained on the process by which a transmission customer may consent to disclosure of the transmission customer's non-public information to the MFEs. NHT will post the customer's written consent on the OASIS website, along with the statement that it did not provide any preferences, operational or rate related, for the customer's voluntary consent.

(d) Posting written procedures on the public Internet. A transmission provider must post on its Internet website current written procedures implementing the standards of conduct.

NHT Compliance. These written compliance procedures are posted on the OASIS website.

(e) Identification of affiliate information on the public Internet.

(1) A transmission provider must post on its Internet website the names and addresses of all its affiliates that employ or retain marketing function employees.

NHT Compliance. NHT posts on the OASIS website the names and addresses for all NextEra affiliates that employ or retain MFEs.

(2) A transmission provider must post on its Internet website a complete list of the employee-staffed facilities shared by any of the transmission provider's transmission function employees and marketing function employees. The list must include the types of facilities shared and the addresses of the facilities.

NHT Compliance. NHT posts on the OASIS website a complete list of employee-staffed facilities shared by TFEs and MFEs, if applicable. The list includes the type of facility and the address, if applicable.

(3) The transmission provider must post information concerning potential merger partners as affiliates that may employ or retain marketing function employees, within seven days after the potential merger is announced.

NHT Compliance. NHT will post information concerning potential merger partners within seven days after the potential merger is announced on the OASIS website.

(f) Identification of employee information on the public Internet.

(1) A transmission provider must post on its Internet website the job titles and job descriptions of its transmission function employees.

NHT Compliance. The job titles and job descriptions of TFEs are posted on the OASIS website.

(2) A transmission provider must post a notice on its Internet website of any transfer of a transmission function employee to a position as a marketing function employee, or any transfer of a marketing function employee to a position as a transmission function employee. The information posted under this section must remain on its Internet website for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted must include:

- (i) The name of the transferring employee,
- (ii) The respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and
- (iii) The effective date of the transfer.

NHT Compliance. NHT posts the name of employees transferring from TFE to MFE positions (or vice versa) as well as titles for each position and the date of the transfer. This information is retained on the OASIS website for 90 days.

(g) Timing and general requirements of postings on the public Internet.

(1) A transmission provider must update on its Internet website the information required by this part 358 within seven business days of any change, and post the date on which the information was updated. A public

utility may also post the information required to be posted under part 358 on its OASIS, but is not required to do so.

NHT Compliance. NHT posts the information required in part 358 on the OASIS within seven business days and posts the date on which the information was updated on the website.

(2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts a transmission provider's normal business operations, the posting requirements in this part may be suspended by the transmission provider. If the disruption lasts longer than one month, the transmission provider must so notify the Commission and may seek a further exemption from the posting requirements.

(3) All Internet website postings required by this part must be sufficiently prominent as to be readily accessible.

(h) Exclusion for and recordation of certain information exchanges.

(1) Notwithstanding the requirements of §§ 358.5(a) and 358.6, a transmission provider's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in § 358.7(h) (2), in which case the transmission provider must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record must be made of the exchange as soon as practicable after the fact. The transmission provider shall make the record available to the Commission upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.

(2) The non-public information subject to the exclusion in § 358.7(h) (1) is as follows:

- (i) Information pertaining to compliance with Reliability Standards approved by the Commission, and
- (ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.

NHT Compliance. NextEra has trained the TFEs of NHT, MFEs of NEER, as well as all other applicable employees on this requirement. Both the TFEs and MFEs involved in communications subject to this clause are required to take contemporaneous notes of such communications, including the names, date, time, duration and subject matter of the communications, and retain such records for five years.

(i) Posting of waivers. A transmission provider must post on its Internet website notice of each waiver of a tariff provision that it grants in favor of an affiliate, unless such waiver has been approved by the Commission. The posting must be made within one

business day of the act of a waiver. The transmission provider must also maintain a log of the acts of waiver, and must make it available to the Commission upon request. The records must be kept for a period of five years from the date of each act of waiver.

NHT Compliance. Any discretionary actions are posted on OASIS in the Notices section. The posted information sets forth any circumstances in which NHT exercised discretion under its tariff. If such an exercise of discretion does take place with respect to an affiliate, NHT will post these acts on the OASIS website within one business day of the exercise of discretion.

§ 358.8 Implementation requirements.

(a) Effective date.

A transmission provider must be in full compliance with the standards of conduct on the date it commences transmission transactions with an affiliate that engages in marketing functions.

(b) Compliance measures and written procedures.

(1) A transmission provider must implement measures to ensure that the requirements of §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates.

(2) A transmission provider must distribute the written procedures referred to in § 358.7(d) to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.

NHT Compliance. NHT has distributed these written materials to all employees. The procedures are also provided to all newly hired employees as part of their employment written package.

(c) Training and compliance personnel.

(1) A transmission provider must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. The transmission provider must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this section, within the first 30 days of their employment. The transmission provider must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.

NHT Compliance. NHT provides annual training on the SoC to all its TFEs, MFEs, supervisory employees who supervise TFE or MFE employees and employees who are likely to come in contact with transmission function information along with their supervisors. Applicable officers and directors are also trained annually. The training

program includes an electronic certification or a written certificate that the employee has completed the training.

(2) A transmission provider must designate a chief compliance officer who will be responsible for standards of conduct compliance. The transmission provider must post the name of the chief compliance officer and provide his or her contact information on its Internet website.

NHT Compliance. NextEra's Chief Compliance Officer (CCO) for the FERC Standards of Conduct is Scott Seeley, Vice President of Compliance and Corporate Secretary. To contact Scott Seeley, please either: (1) submit an online report on our secure Web portal at: <https://nee.alertline.com> or call the 24 hour Hotline at: 888.906.9NEE (888.906.9633). This information is posted on the NHT OASIS website.

(d) Books and records. A transmission provider must maintain its books of account and records (as prescribed under parts 101, 125, 201 and 225 of this chapter) separately from those of its affiliates that employ or retain marketing function employees, and these must be available for Commission inspections.

NHT Compliance. NHT maintains separate books of account and records for NHT and its Affiliates. These books and records are available for Commission inspection.