

**PROCEDURES OF SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
TO IMPLEMENT THE FEDERAL ENERGY REGULATORY COMMISSION'S
STANDARDS OF CONDUCT – ORDER NO. 717 NOVEMBER 11, 2019**

I. APPLICABILITY

(a) These Procedures apply to the relationship between: (i) Transmission System Operations (TSO), the Transmission Function Employees of Southern Indiana Gas and Electric Company, d/b/a Vectren Energy Delivery of Indiana – South (hereafter, VEDI), the Transmission Provider; and (ii) Wholesale Power Marketing (WPM), the Marketing Function Employees of VEDI. Vectren Corporation (hereafter Vectren), the parent company for VEDI, is a wholly-owned subsidiary of CenterPoint Energy, Inc.

II. GENERAL PRINCIPLES

(a) The Transmission Provider's employees engaged in Transmission Functions must operate independently from the Transmission Provider's Marketing Function Employees.

(b) The Transmission Provider must treat all Transmission Customers, affiliated and non-affiliated, on a non-discriminatory basis, and must not operate its transmission system to preferentially benefit its Marketing Function Employees.

III. 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, and
- (2) For any exempt wholesale generator, as defined under 18 C.F.R. § 366.1, affiliate shall have the meaning set forth in 18 C.F.R. § 366.1, or any successor provision.

(b) Control (including the terms "controlling," "controlled by," and "under common control with"), as used in these Procedures, includes, but is not limited to, 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 or policies of a company. A voting interest of 10 percent or more creates a rebuttable presumption of control.

(c) 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 18 C.F.R. Part 358.

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(d) Marketing Functions perform a sale or brokering for resale of natural gas or electric energy in interstate commerce. Marketing Function 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.

Marketing Functions do not include:

- (i) Bundled retail sales or
 - (ii) Sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity.
- (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.

(e) Marketing Function Employee means an employee, contractor, consultant or agent of a Transmission Provider or of an affiliate of a

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Transmission Provider who actively and personally engages on a day-to-day basis in Marketing Functions. Marketing Function Employees include all persons who negotiate or provide input into the details of wholesale power sales contracts.

Marketing Function Employees do not include:

- (1) Persons who set general negotiation parameters for wholesale power sales contracts; or
- (2) Persons who review, approve or execute wholesale power sales contracts.

VEDI's Marketing Function Employees include:

Wholesale Power Marketing (WPM) employees who negotiate or provide input into the details of wholesale power sales contracts.

(f) Open Access Same-time Information System or OASIS refers to the Internet location where a public utility posts the information, by electronic means, required by 18 C.F.R. Part 37. For purposes of these Procedures, the OASIS is the OASIS of Midwest Independent System Operator (MISO) www.oasis.oati.com/SIGE.

(g) 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 18 C.F.R. Part 35; and natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of 18 C.F.R. Part 284.

(h) 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.

(i) Transmission Functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, such as:

- (1) Transmission system operation and management, including maintenance and switching;
- (2) Reliability;

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- (3) Interconnections; and
- (4) Granting and denying transmission requests.

For Standards of Conduct purposes, Transmission Functions do not include performing system impact studies, facilities studies, and transmission planning.

(j) 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.

VEDI's Transmission Function Employees include:

Transmission System Operations (TSO) employees.

(k) Transmission Function Information means information relating to Transmission Functions.

- (1) Transmission Function Information includes information such as:
 - (i) Transmission system information (e.g., ATC and customer tie-line data), including historic data;
 - (ii) System status, including line loading, equipment status, scheduled outages, curtailments, schedules and loading alarms, including historic data; and
 - (iii) Transmission operating procedures.
- (2) Transmission Function Information does not include information that does not pertain to day-to-day transmission operations, such as:
 - (i) Information about transmission construction; and
 - (ii) Information about transmission or interconnection studies.

(l) Transmission Provider means:

- (1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate

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commerce; or

- (2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of 18 C.F.R. Part 284.

A Transmission Provider does not include a natural gas storage provider authorized to charge market-based rates.

VEDI is the Transmission Provider.

(m) Transmission service means the provision of any Transmission as defined in 18 C.F.R. § 358.3(f) and in Section III (g) of these Procedures.

(n) Waiver means the determination by a Transmission Provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

IV. INDEPENDENT FUNCTIONING

(a) Separation of Functions.

- (1) Except in emergency circumstances affecting system reliability, the Transmission Function Employees of the Transmission Provider must operate independently of the Transmission Provider's Marketing Function Employees.

(i) The Transmission Provider is prohibited from permitting its Marketing Function Employees to:

- Conduct Transmission Functions; or
- 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.

(ii) The Transmission Provider is prohibited from permitting its Transmission Function Employees to conduct Marketing functions.

Implementation Procedures:

- TSO and WPM have separate workspaces. TSO's work space is at the Wagner Center, 1 North Main, Evansville, IN 47711, and WPM's workspace is at

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One Vectren Square, 211 NW Riverside Drive, Evansville, IN 47708. In addition, TSO's work space is protected by locks, key card access and a sign-in log for any non-key card access. WPM's personnel are not permitted to enter the TSO workspace. TSO's computers are protected by passwords and firewalls.

- (2) Notwithstanding any other provision in this section, in emergency circumstances affecting system reliability, the Transmission Provider may take whatever steps are necessary to keep the system in operation.

Implementation Procedures:

As part of the Standards of Conduct training, employees have been instructed to immediately report any deviations from the Standards of Conduct as a result of emergency circumstances affecting system reliability to Shane Kimzey, Deputy General Counsel & Chief E&C Compliance Officer, or to his alternate, John Price, Director, Ethics, Compliance, & Associate General Counsel,, to allow them to make any necessary postings or reports to FERC.

- (3) The Transmission Provider's officers, directors, managers and/or other supervisory personnel may supervise both Transmission Function Employees and Marketing Function Employees provided that the officer, director, manager and/or other supervisory personnel is not a Transmission Function Employee or a Marketing Function Employee.

Implementation Procedures:

- Lynnae Wilson, Chief Business Officer, Indiana Electric Utility Business, is the first level officer that supervises both Transmission Function Employees and Marketing Function Employees. She is not a Transmission Function Employee or a Marketing Function Employee.

V. NO CONDUIT RULE

- (a) Internal Communications. 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.

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(b) Communications with Affiliates. 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.

(c) Officers, Directors, Managers or Other Supervisory Personnel. A Transmission Provider may share non-public Transmission Function Information with its officers, directors, managers or other supervisory personnel who are not Marketing Function Employees. Consistent with Section V (a), officers, directors, managers or other supervisory personnel must not act as a conduit for the disclosure of non-public Transmission Function Information to its Marketing Function Employees.

Implementation Procedures:

- The No Conduit Rule applies to all persons at Vectren.
- Transmission Function Employees should not inform Marketing Function Employees that transmission information will be posted or has been posted on the OASIS.
- Computer access to non-public Transmission Function Information is password protected, with a firewall between TSO and other Vectren corporate operations.
- Publicly-available transmission information (such as information discussed in open Midcontinent Independent System Operator (MISO) meetings or information posted on the OASIS or Internet) is not covered by the No Conduit Rule in this Section of the Procedures.
- Except as provided in this Section, there should be **no communications** (no e-mails, phone calls, joint meetings...) between Transmission Function Employees and Marketing Function Employees concerning non-public Transmission Function Information.
 - There can be communications or joint meetings on non-operational matters (e.g., health care benefits) and concerning information that does not constitute non-public Transmission Function Information.

(d) Exceptions for System Operations. Transmission Function Employees may discuss with Marketing Function Employees non-public Transmission Function Information (i) pertaining to compliance with FERC-approved NERC Reliability Standards, (ii) to maintain or restore operation

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of the transmission system or generating units, or (iii) that may affect generator dispatch. This exception includes, among other subjects:

- (1) Meeting to prepare for NERC and RF reliability audits;
- (2) Aggregate tie line data (not customer-specific);
- (3) Voltage levels; and
- (4) Redispatch to avoid transmission overloads.

Implementation Procedures:

The communication must be recorded contemporaneously. 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 five years. The meetings and discussions must comply with Vectren's Joint Meeting Protocol.

(d) Exception for Specific Transactions. Transmission Function Employees may share with Marketing Function Employees information related solely to the Marketing Function's specific request for transmission service.

- (1) Scoping meetings in conjunction with specific transmission requests are permissible; they need not be posted or transcribed, as they are for generator interconnection scoping meetings.
- (2) Information about an outage that affects only service to a Transmission Provider's Marketing Function may be shared without posting. But no information about the status of the transmission system that affects other Transmission Customers may be shared without posting.

(e) The No Conduit Rule Also Applies to Customer Information. Customer information is non-public information about a Transmission Customer's transmission service. This includes information about the Transmission Customer's request for service and transmission usage.

VI. TRANSPARENCY RULE

(a) Contemporaneous Disclosure.

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- (1) If a Transmission Provider discloses non-public Transmission Function Information, other than information identified in paragraphs (a)(2) and (b) of this Section, in a manner contrary to the requirements of 18 C.F.R. § 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 18 C.F.R. § 358.6, non-public Transmission Customer Information, critical energy infrastructure information (CEII) as defined in 18 C.F.R. § 388.113(c)(1) 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 Internet website that the information was disclosed.

However, 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 for the Standards of Conduct 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.

Implementation Procedures:

- The Contemporaneous Disclosures are posted on the Vectren corporate website at:
<https://www.vectren.com/information/rates>
- These disclosures are also posted at:
www.oasis.oati.com/SIGE.
- Information to be posted on the MISO OASIS is to be communicated to the Chief Compliance Officer immediately, and thereafter communicated to the MISO OASIS for posting within the deadlines set out above.
- All postings are archived for five years.

(b) Exclusion for Specific Transaction Information. As described in Section V (d) above, the Transmission Provider's Transmission Function Employee may discuss with its Marketing Function Employee a specific

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request for transmission service submitted by the Marketing Function Employee. The Transmission Provider is not required to contemporaneously disclose information otherwise covered by 18 C.F.R. § 358.6 if the information relates solely to a Marketing Function Employee's specific request for transmission service.

(c) Voluntary Consent Provision. The 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.

Implementation Procedures:

- The Voluntary Consents are posted on the Vectren corporate website at:
<https://www.vectren.com/information/rates>
- These disclosures are also posted at:
www.oasis.oati.com/SIGE.

(d) Posting Written Procedures on the Internet Website. The Transmission Provider must post on its Internet Website current written procedures implementing the Standards of Conduct.

Implementation Procedures:

- The Written Procedures are posted on the Vectren corporate website at:
<https://www.vectren.com/information/rates>
- These disclosures are also posted at:
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(e) Identification of Affiliate Information on the Public Internet.

- (1) The Transmission Provider must post on its Internet Website the names and addresses of all its affiliates that employ or retain Marketing Function Employees.

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- (2) The 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.
- (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.

Implementation Procedures:

- The Affiliate Information is posted on the Vectren corporate website at:
<https://www.vectren.com/information/rates>
 - These disclosures are also posted on:
www.oasis.oati.com/SIGE.
- (f) Identification of Employee Information on the Internet Website.
- (1) The Transmission Provider must post on its Internet Website the job titles and job descriptions of its Transmission Function Employees.
 - (2) The 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 18 C.F.R. Part 358. 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

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(iii) The effective date of the transfer.

Implementation Procedures:

- The Employee Information is posted on the Vectren corporate website at:
<https://www.vectren.com/information/rates>
- These disclosures are also posted at:
www.oasis.oati.com/SIGE.
- Any transfers that are covered by this Section of the Procedures must be reported to the Chief Compliance Officer not less than two business days prior to the effective date of the transfer to allow for communication and posting on the Internet Website prior to the effective date of the transfer.

(g) Timing and General Requirements of Postings on the Public Internet.

- (1) The Transmission Provider must update on its Internet Website the information required by 18 C.F.R. 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.
- (2) All Internet Website postings required by Part 358 must be sufficiently prominent as to be readily accessible.
- (3) As described in Section VI (a) above, 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.

Implementation Procedures:

- All Standards of Conduct postings required by Part 358 and these Procedures are posted on the Vectren corporate website at <https://www.vectren.com/information/rates>

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- These disclosures are also posted at:
www.oasis.oati.com/SIGE
- Information to be posted on the MISO OASIS is to be communicated to the Chief Compliance Officer immediately, and thereafter communicated to the MISO OASIS for posting within the deadlines set out above.
- All postings are archived for five years.

(h) Exclusion for and recordation of certain information exchanges. As described in Section IV above:

(1) Notwithstanding the requirements of 18 C.F.R. §§ 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 18 C.F.R. § 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 18 C.F.R. § 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.

(g) Posting of waivers. The 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

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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.

Implementation Procedures:

- These postings are on the Vectren corporate website at: <https://www.vectren.com/information/rates>
- The disclosures are also posted at: www.oasis.oati.com/SIGE.
- Information to be posted on the MISO OASIS is to be communicated to the Chief Compliance Officer immediately, and thereafter communicated to the MISO OASIS for posting within the deadlines set out above.
- All postings are archived for five years.

VII. NON-DISCRIMINATION REQUIREMENTS

(a) The 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) The 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) The 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).

(1) As a general rule, Transmission Function Employees may not provide training to Marketing Function Employees unless the training is available to non-affiliates and is publicized by an Internet posting.

(2) Transmission Function Employees may provide Black Start Training to Marketing Function Employees if they actually need the training to maintain reliability.

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

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VIII. IMPLEMENTATION PROCEDURES

(a) Effective Date. The 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) The Transmission Provider must implement measures to ensure that the requirements of Independent Functioning Rule and No Conduit Rule, 18 C.F.R. §§ 358.5 and 358.6 respectively, are observed by its employees and by the employees of its affiliates.

Implementation Procedures:

The Compliance Measures and Written Procedures are posted at: <https://www.vectren.com/information/rates>

The disclosures are also posted at:
www.oasis.oati.com/SIGE.

- (2) The Transmission Provider must distribute the written procedures referred to in 18 C.F.R. § 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.

Implementation Procedures:

Initially, these Procedures shall be provided to the Transmission Provider's Transmission Function Employees, Marketing Function Employees, officers, directors, supervisory employees, and any other employees likely to become privy to Transmission Function Information. Then, the Procedures will be provided to these personnel not less than once every calendar year thereafter.

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(c) Training and Compliance Personnel.

- (1) The 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.

Implementation Procedures:

There shall be annual training of Transmission Function Employees, Marketing Function Employees, officers, directors, supervisory employees, and any other employees likely to become privy to Transmission Function Information.

- TSO, WPM and persons who are likely to become privy to Transmission Function Information shall be trained in the Standards of Conduct.

- (2) The 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.

Implementation Procedures:

The Chief Compliance Officer is Shane Kimzey, Deputy General Counsel & Chief E&C Compliance Officer, or to his alternate, John Price, Director, Ethics, Compliance, & Associate General Counsel. The Chief Compliance Officer is responsible for:

- (i) Ensuring the timely posting on the Internet Website, as required by these Procedures, of information such as changes in organization, transfers of employees, mergers, and impermissible disclosures of non-public Transmission Function Information by Transmission Function Employees to

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Marketing Function Employees;

- (ii) Updating these Procedures as necessary to maintain compliance with the Standards of Conduct;
- (iii) Overseeing or conducting Standards of Conduct training of all employees, officers and directors who are required to receive training by these Procedures and maintaining signed certificates of training for all persons who have received such training;
- (iv) Distributing the Standards of Conduct procedures to employees in compliance with Section VIII(b)(2).
- (v) Serving as a point of contact for questions or concerns relating to compliance with the Standards of Conduct and these Procedures. Shane Kimzey, the Chief Compliance Officer can be reached at telephone: 713-207-7591 and e-mail address: shane.kimzey@centerpointenergy.com. His alternate, John Price, Director, Ethics, Compliance, & Associate General Counsel, can be reached at telephone: 713-207-7786 and e-mail address: john.price@centerpointenergy.com.
- (vi) Ensuring compliance with the Standards of Conduct and these Procedures through periodic audits and reviews of compliance and, where necessary, taking action to ensure compliance;
- (vii) Retaining for five years records of evaluations and audits of Standards of Conduct compliance and actions taken to ensure compliance or correct instances of non-compliance with the Standards of Conduct;
- (viii) Receiving all reports of non-compliance with the Standards of Conduct and/or these Procedures and taking necessary corrective

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actions, including, where necessary, the posting of information on the OASIS and making reports to the FERC.

(d) Books and Records. The Transmission Provider must maintain its books of account and records (as prescribed under 18 C.F.R. Parts 101, 125, 201 and 225) separately from those of its Affiliates that employ or retain Marketing Function Employees, and these must be available for Commission inspections.

Implementation Procedures:

Each Affiliate of VEDI maintains its own books and records.