

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**STANDARDS OF CONDUCT FOR TRANSMISSION PROVIDERS
WRITTEN PROCEDURES**

UPDATED JUNE 5, 2009

I. INTRODUCTION.

Louisville Gas and Electric Company and Kentucky Utilities Company (collectively, the “**Companies**”), through their ownership and operation of certain electric transmission facilities used in interstate commerce, are “**Transmission Providers**” required to comply with the regulations promulgated by the Federal Energy Regulatory Commission (the “**Commission**”) in *Standards of Conduct for Transmission Providers*, Order No. 717, 125 FERC ¶ 61,064 (2008)(“*Standards of Conduct*”). The regulations implementing the *Standards of Conduct* are codified at 18 C.F.R. Part 358 (2008).

Although the Companies each own separate transmission facilities, these facilities are jointly operated as a single, integrated electric transmission system (the “**Transmission System**”). All service over the Transmission System is provided by the Companies on a non-discriminatory basis in accordance with the terms and conditions of their Open Access Transmission Tariff (“**OATT**”), as such may be amended, revised or supplemented from time-to-time. The OATT is independently administered by the Southwest Power Pool, Inc. (“**SPP**”), in its role as an Independent Transmission Organization (“**ITO**”).¹

These written procedures (“**Standards of Conduct Written Procedures**”) reflect the Companies’ ongoing commitment to comply with the *Standards of Conduct* and the guidance set forth in Commission’s Policy Statement on Compliance.² The Companies reserve the right to amend, interpret or construe these procedures, and their application, in accordance with developments in regulatory or industry guidance, practices or requirements. Specifically, these procedures advance the two fundamental principles of the *Standards of Conduct*:

- All Transmission Function Employees shall function independently from Marketing Function Employees.

¹ *Louisville Gas & Electric Company, et al.*, 114 FERC ¶ 61,282, order on reh'g, 116 FERC ¶ 61,020 (2006).

² *Compliance with Statutes, Regulations and Orders*, Policy Statement on Compliance, 125 FERC ¶ 61,058 (2008).

- The Companies shall treat all customers taking open access transmission service over the Transmission System on a not unduly discriminatory basis, and shall refrain from operating the Transmission System in a manner that would otherwise provide an undue preference to any person.

All inquiries regarding the *Standards of Conduct* or these Standards of Conduct Written Procedures should be directed to **Steven D. Phillips**, Director, Compliance and Ethics and FERC Standards of Conduct Chief Compliance Officer or his authorized designee(s) (hereinafter, the “**SOC Chief Compliance Officer**”). The contact information for the SOC Chief Compliance Officer is as follows:

By mail: Steven D. Phillips
Director, Compliance and Ethics and
FERC Standards of Conduct Chief Compliance Officer
E.ON U.S. LLC (“**E.ON U.S.**”)
220 West Main Street
Louisville, Kentucky 40202

By telephone: (502) 627-2648 (“**STANDARDS OF CONDUCT HOTLINE**”)

By e-mail: steven.phillips@eon-us.com

Employees may also report any Standards of Conduct issues or concerns through the E.ON U.S. Helpline at (800) 407-7185. If desired, Helpline reports may be made anonymously. However, employees reporting anonymously through the Helpline should provide sufficient detail for the Companies to conduct an informed inquiry into their concerns.

The Companies take their responsibility for promoting full compliance with the *Standards of Conduct* very seriously. Employees may contact the SOC Chief Compliance Officer via the Standards of Conduct Hotline at any time, during regular business hours or thereafter, for purposes of: (1) seeking guidance regarding the scope, application, meaning or intent of the *Standards of Conduct*; and (2) reporting an existing or potential violation of the *Standards of Conduct*, including a failure to comply with these Standards of Conduct Written Procedures. If a potential *Standards of Conduct* issue is identified, employees should contact the SOC Chief Compliance Officer and seek guidance before taking any actions that could result in a violation of the *Standards of Conduct* and these Standards of Conduct Written Procedures.

ANY PERSON WITH KNOWLEDGE OR CONCERNS REGARDING ACTIVITIES THAT MAY HAVE RESULTED, OR COULD RESULT, IN A VIOLATION OF THE STANDARDS OF CONDUCT AND/OR THESE STANDARDS OF CONDUCT WRITTEN PROCEDURES IS EXPECTED AND REQUIRED TO REPORT THEM TO THE SOC CHIEF COMPLIANCE OFFICER WITHOUT DELAY. THERE WILL BE NO RETRIBUTION FOR REPORTS MADE IN GOOD FAITH.

ANY PERSON DETERMINED TO HAVE ENGAGED IN A KNOWING AND WILLFUL VIOLATION OF STANDARDS OF CONDUCT AND/OR THESE STANDARDS OF CONDUCT WRITTEN PROCEDURES MAY BE SUBJECT TO SANCTION INCLUDING, BUT NOT LIMITED TO, DISCIPLINARY ACTION, DISCHARGE OR, WHERE APPROPRIATE, POTENTIAL CIVIL AND/OR CRIMINAL SANCTIONS.

II. PUBLIC AVAILABILITY OF STANDARDS OF CONDUCT COMPLIANCE INFORMATION.

The *Standards of Conduct* regulations require the Companies to make the Standards of Conduct Written Procedures and certain other related *Standards of Conduct* compliance information publicly available without restriction by posting them either on an Open Access Same-Time Information System (“**OASIS**”) operated by, or on behalf of the Companies, or on the Internet. (See 18 C.F.R. § 358.7(d)) In compliance with this requirement, it is the current intention of the Companies, except as noted below, that the Standards of Conduct Written Procedures and other applicable *Standards of Conduct* compliance information be posted on E.ON U.S. LLC’s Internet website at: <http://www.eon-us.com/regulatory/soc.asp> (hereinafter the “**E.ON U.S. Website**”). The E.ON U.S. Website is publicly available without restriction.

Also, certain limited *Standards of Conduct* compliance information will be posted on the Companies’ designated page on the OASIS website maintained by SPP (hereinafter the “**OASIS**”) at: <http://sppoasis.spp.org/OASIS/LGEE>. This information will include, but is not limited to, notices of each waiver granted to an affiliate under the OATT.

Please note that the *Standards of Conduct* compliance information posted on the E.ON U.S. Website may contain links directing users to the OASIS for the information described above. The OASIS is publicly available to appropriate users. Similarly, the OASIS may contain links directing users to the E.ON U.S. Website for selected information.

III. SCOPE AND APPLICATION OF STANDARDS OF CONDUCT WRITTEN PROCEDURES.

These Standards of Conduct Written Procedures set forth the rules and procedures governing the interactions between employees of the Companies designated as Transmission Function Employees and employees of the Companies and their affiliates designated as Marketing Function Employees. The *Standards of Conduct* regulations contain several key definitions, terms, and concepts which have been fully incorporated in these Standards of Conduct Written Procedures. (See 18 C.F.R. § 358.3) In order to assist employees in understanding the scope and application of these Standards of Conduct Written Procedures, certain of these definitions, terms, and concepts are discussed below.

A. TRANSMISSION.

Section 358.3(f) of the *Standards of Conduct* regulations defines, in relevant part, the term “**Transmission**” as “electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection jurisdictional transmission facilities under this part 35” and “natural gas transportation, storage, exchange, backhaul, or displacement service provided under subparts B or G of part 284” of the Commission regulations. (*See* 18 C.F.R. § 358.3(f))

B. TRANSMISSION FUNCTIONS.

The *Standards of Conduct* regulations define the term “**Transmission Functions**” as “the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting or denying of transmission service requests.” (*See* 18 C.F.R. § 358.3(h)) The phrase “day-to-day operations” in this definition is interpreted by the Commission as meaning short-term, real-time transmission system operations, including decisions made in advance of real-time but directed at such real-time operations. In addition to granting or denying requests for transmission service, the following activities are Transmission Functions:

1. Coordinating the actual physical flows of power or gas;
2. Isolating portions of the system to prevent cascades;
3. Imposing transmission loading relief procedures; and
4. Self-supply of ancillary services or the use of owned-demand response resources owned or controlled by Companies to provide ancillary services.

Long range transmission planning and strategic activities, including, but not limited to, integrated resource planning, are not Transmission Functions, so long as these activities do not implicate the day-to-day operation of the Transmission System. Balancing authority activities that are performed separate and apart from activities involving the day-to-day operation of the Transmission System are not Transmission Functions. Transmission rate design activity, in and of itself, is not a Transmission Function.

C. TRANSMISSION FUNCTION EMPLOYEE.

The *Standards of Conduct* regulations define the term “**Transmission Function Employee**” as “an employee, contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in transmission functions.” (*See* 18 C.F.R. § 358.3(i)) A list of the job titles and job descriptions of the Companies’ Transmission Function Employees is posted on the E.ON U.S. Website or OASIS (as applicable).

D. TRANSMISSION FUNCTION INFORMATION.

The *Standards of Conduct* regulations broadly define the term “**Transmission Function Information**” as “information relating to transmission functions.” (See 18 C.F.R. § 358.3(j)) Transmission Function Information covered by the *Standards of Conduct*, includes, but is not limited to, the following types of information:

1. Available transmission capability;
2. Price;
3. Curtailments;
4. Storage; and
5. Transmission customer information.

The definition of Transmission Function Information includes both public and non-public information. However, the scope and application of the *Standards of Conduct* is specifically limited to **NON-PUBLIC** Transmission Function Information.

E. MARKETING FUNCTIONS.

The *Standards of Conduct* regulations adopt two definitions for the term “**Marketing Functions.**” (See 18 C.F.R. § 358.3(c)) Because the Companies each own electric transmission facilities and the Louisville Gas and Electric Company occasionally engages in wholesale sales of natural gas through its local gas distribution business unit, each definition is addressed immediately below.

1. DEFINITION OF MARKETING FUNCTIONS APPLICABLE TO ELECTRIC OPERATIONS.

Section 358.3(c)(1) of the *Standards of Conduct* regulations defines Marketing Functions as “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, financial or physical transmission rights, all as subject to the exclusion for bundled retail sales....” (See 18 C.F.R. § 358.3(c)(1)) Sales for resale of ancillary services to third-parties, including sales into a competitive wholesale energy market administered by regional transmission organization/independent system operator are Marketing Functions. However, the process of making transmission reservations and the scheduling of open access transmission service are not a Marketing Functions under Section 358.3(c)(1).

2. DEFINITION OF MARKETING FUNCTIONS APPLICABLE TO NATURAL GAS OPERATIONS.

The *Standards of Conduct* regulations (*See* 18 C.F.R. § 358.3(c)(2)) define Marketing Functions as “the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:

1. Bundled retail sales;
2. Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities;
3. Sale of natural gas solely from a seller’s own production or solely from a seller’s own gathering or processing facilities; and
4. Sales by an intrastate natural gas pipeline, by a Hinshaw intrastate pipeline exempt from the Natural Gas Act, or by a local distribution company making an on-system sale.”

F. MARKETING FUNCTION EMPLOYEES.

The *Standards of Conduct* regulations define “**Marketing Function Employee**” as an “employee, contractor, consultant or agent of the transmission provider or of an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.” (*See* 18 C.F.R. § 358.3(d))

A list of the names and addresses of the Companies’ affiliates that employ or retain Marketing Function Employees is posted on the E.ON U.S. Website or OASIS (as applicable).

G. COMPLIANCE STATUS OF E.ON U.S. SERVICES INC. EMPLOYEES.

Certain officers and directors, corporate support staff, and certain other operational and non-operational personnel employed by E.ON U.S. Services Inc. (“**ServCo**”) may be assigned to a position designated as a Transmission Function Employee and Marketing Function Employee for Standards of Conduct compliance purposes.³ ServCo employees assigned to a Transmission Function Employee position are subject to, and shall comply with, the provisions of the *Standards of Conduct* and these Standards of Conduct Written Procedures applicable to Transmission Providers and their Transmission Function Employees. Servco employees assigned to a Marketing Function Employee position shall comply with any provision of the *Standards of Conduct* and these Standards of Conduct Written Procedures applicable to Marketing Function Employees.

³ ServCo (as a corporate entity) does not engage in any energy-related activities for: (1) its own benefit; or (2) the benefit of any affiliate in the E.ON U.S. LLC corporate family.

H. OTHER E.ON PERSONNEL.

For purposes of these Standards of Conduct Written Procedures, the term “**E.ON Personnel**” shall include all: (1) the personnel, including officers and directors, directly employed by the Companies; and (2) personnel, including officers and directors, directly employed by ServCo and assigned, dedicated, or working on behalf of the Companies or their affiliates, that are **NOT** assigned to a designated Marketing Function Employee position. All E.ON Personnel are required to comply with the No Conduit Rule at all times. (*See* Section V of these Standards of Conduct Written Procedures and 18 C.F.R. § 358.6)

IV. PROTOCOLS AND PROCEDURES IMPLEMENTING THE INDEPENDENT FUNCTIONING RULE.

A fundamental rule of the *Standards of Conduct* requires that, except in permitted circumstances, Transmission Function Employees must function independently from Marketing Function Employees. (*See* 18 C.F.R. § 358.5) To satisfy this requirement, the Companies are required to ensure the structural separation and independent operation of their Transmission Function Employees from Marketing Function Employees. As set forth in Section III.H, above, E.ON Personnel may not act as a conduit for purposes of conveying non-public Transmission Function Information to Marketing Function Employees.

A. SEPARATION OF FUNCTIONS AND INDEPENDENT OPERATION; GENERALLY.

1. Structural Separation. The Transmission System is operated from two transmission system control centers (the “**Transmission System Operating Centers**”). The Transmission System Operating Centers are the only facilities used by the Companies to operate the Transmission System.
 - a. Physical Separation. The Transmission System Operating Centers are physically separate and distinct from the facilities used to house Marketing Function Employees.
 - b. Shared Facilities. Transmission Function Employees do not share common work facilities with Marketing Function Employees, except for certain Transmission Function Employees whose work space is located in the E.ON U.S. Center, 220 West Main Street, Louisville, Kentucky. This same address is the location of Marketing Function Employees, although work facilities are appropriately segregated.
 - c. Compliance Obligations if Facilities Shared in Future. If, at any time, Transmission Function Employees and Marketing Function Employees are

housed in or share other common work facilities, the SOC Chief Compliance Officer shall, in coordination with the Companies' Corporate Security personnel (collectively, the "**Corporate Security Dept.**"), ensure that appropriate card reader or key pad security systems or other suitable methods are installed to restrict Marketing Function Employees from accessing the portion of such shared facilities used for Transmission Functions. In addition, the SOC Chief Compliance Officer, in coordination with the Corporate Communications personnel (collectively, the "**Corporate Communications Dept.**"), shall post a complete list of any such shared facilities, including the types of facilities shared and their respective addresses.

2. Independent Operation. The Companies' Transmission Function Employees are distinct from and operate independently of Marketing Function Employees.
 - a. Generally. Marketing Function Employees are prohibited from conducting Transmission Functions.
 - b. Physical Access to Transmission System Operating Centers Restricted. Marketing Function Employees' ability to access the Transmission Control Centers is restricted through the use of card reader and electronic keypad or other suitable security systems.
 - Marketing Function Employees shall not be permitted access to the Transmission System Operating Centers in a manner that differs materially from terms and conditions upon which all other Transmission Customers are permitted access to such facilities. This rule shall remain in full force and effect twenty-four (24) hours/day, seven (7) days/week, and 365 days/year.
 - Absent permitted exceptions, such as emergency conditions affecting system reliability, Marketing Function Employees that require access to the Transmission Control Centers shall submit a written request (via hard copy or electronic format) to the SOC Chief Compliance Officer setting forth: (1) the proposed date and time that access to the Transmission System Control Centers is required; and (2) a verifiable and legitimate business purpose for seeking access to such facilities. The SOC Chief Compliance Officer shall review the request as promptly as possible and approve or deny the request. The SOC Chief Compliance Officer shall maintain a written record of each such decision. The Companies shall make such records available for inspection by the Commission consistent with the Commission's regulations.
 - The Companies shall maintain a written log book at each Transmission System Operating Center for purposes of

documenting the instances in which any visitor, whether Marketing Function Employees, or a representative(s) of an unaffiliated third-party, visits these facilities. The written log book should contain the: (1) name of the visitor; (2) name of company represented by visitor; (3) purpose of the visit; (4) date of the visit; (5) time of the visit; (6) signature of visitor; (7) whether the visitor's company is an affiliate; and (8) the Transmission Function Employee(s) or other E.ON Personnel hosting the visitor.

- The Companies shall maintain the written log book for a period of five (5) years. The Companies shall make the written log book available for inspection by the Commission consistent with the Commission's regulations.

3. Books and Records. The Companies shall maintain all books and records relating to the operation of the Transmission System separately from those of maintained by internal functionalized business units or affiliates that employ or retain Marketing Function Employees.

- a. All books and records maintained by the Companies relating to the operation of the Transmission System (with the limited exception of invoices and Accounts Receivable documentation from Transmission Customers) are stored: (1) in areas, including the Transmission System Operating Centers, where access by Marketing Function Employees is restricted via card reader or electronic keypad security systems; or (2) in locked file cabinets or secured storage areas at other facilities that are accessible to Marketing Function Employees (*e.g.*, corporate headquarters).
- b. The Companies shall make their books and records available for inspection by the Commission consistent with the Commission's regulations.
- c. Notwithstanding anything herein, the Companies are permitted to share or store information as may be necessary or advisable to support or meet applicable federal, state or local requirements of governmental, administrative or judicial entities having jurisdiction over the Companies, including reporting, disclosure, record-keeping, or other activities.

B. GUIDANCE REGARDING E.ON PERSONNEL THAT ARE NOT SUBJECT TO THE INDEPENDENT FUNCTIONING RULE.

1. Generally. E.ON Personnel, including supervisors, managers and corporate executives (collectively, "**Supervisory Personnel**"), that are not actively and personally involved on a day-to-day basis in Transmission or Marketing Functions are not subject to the structural separation and independent operation

- requirements set forth in Section IV.A of these Standards of Conduct Written Procedures. Such personnel may interact and engage in communications with Transmission Function Employees on an unrestricted basis, so long as they comply with the requirements of the No Conduit Rule set forth in Section V of these Standards of Conduct Written Procedures.
- a. The following positions are not actively and personally engaged in day-to-day Transmission Functions or Marketing Functions, so long as E.ON Personnel assigned to these positions function in their stated capacity: (1) lawyers; (2) accountants; (3) accounting, (4) tax, (5) finance, treasury, rates, regulatory and legislative affairs; (6) environmental affairs; (7) safety, security and compliance; (8) risk and project management personnel; (8) billing personnel; (9) travel personnel; (10) Human Resources Dept. (“**HR Dept.**”) personnel; (11) corporate communications/public affairs personnel; (12) clerical workers/secretaries; and (13) information technology Dept. (“**IT Dept.**”) personnel.
 - b. E.ON Personnel engaged in field, maintenance and construction activities, and long-range and strategic planning activities (including long-range transmission planning) are not Transmission Function Employees, so long as they function in their stated capacity.
 - c. The omission of any positions from the listing in Section IV.B.1.a, above, does not necessarily exclude those positions from falling within the parameters of Section IV.B.1.a or constitute a final determination regarding whether or not those positions fall within the definitions of Transmission Function Employees or Marketing Function Employees.
2. Guidance Applicable to Supervisory Personnel. The exercise of normal course corporate governance and oversight obligations, as well as the participation in long-range and strategic planning activities and the development of general policies and parameters for negotiating wholesale contracts, will not convert Supervisory Personnel into Transmission Function Employees or Marketing Function Employees (as applicable). Any Supervisory Personnel responsible for regularly carrying out or supervising the details of Transmission or Marketing Function activities shall be treated as Transmission or Marketing Function Employees (as applicable) and are subject to the structural separation and independent operation requirements set forth in Section IV.A of these Standards of Conduct Written Procedures.
 3. Guidance Regarding Participation in Marketing Functions. Supervisory Personnel who are not involved in the negotiation of an electric energy or gas sale, and who do not oversee or provide input into the details of negotiations being carried out by other employees (*e.g.*, by editing and revising material elements of a contract), but rather approve or reject contracts negotiated by such employees are not Marketing Function Employees.

- a. On rare occasions, Supervisory Personnel may have tangential involvement in wholesale contract negotiations, such as being called in to meet with a counterparty. Such participation in these negotiations will not convert Supervisory Personnel into Marketing Function Employees.
 - b. Supervisory Personnel may review contracts over a specified dollar amount consistent with their assigned corporate governance obligations and the Companies' risk management policies. Such action will not convert Supervisory Personnel into Marketing Function Employees.
4. Guidance Regarding Participation in Transmission Functions. Supervisory Personnel that regularly carry out or supervise the details of the following activities must be treated as Transmission Function Employees and are subject to the structural separation and independent operation requirements set forth in Section IV.A of these Standards of Conduct Written Procedures.:
- a. Granting and denying requests for transmission service;
 - b. Coordination of physical flows of power or gas;
 - c. Isolating portions of the system to prevent cascades;
 - d. Imposing transmission loading relief procedures; and
 - e. Providing ancillary services from owned generation or demand response resources.

Supervisory Personnel responsible for providing general corporate oversight and establishing policy direction regarding Transmission Functions, but do not plan, direct, organize or execute such Transmission Functions are not Transmission Function Employees.

C. EMPLOYEE TRANSFERS SUBJECT TO THE STANDARDS OF CONDUCT.

1. General Rule. Employees may be transferred between a designated Transmission Function Employee position and a designated Marketing Function Employee position, so long as: (1) such transfers are not used as a means to circumvent the *Standards of Conduct* or these Standards of Conduct Written Procedures; and (2) notice of such transfers shall be posted on the E.ON U.S. Website or OASIS (as applicable).
 - a. The HR Dept. shall notify (verbally, in writing, or electronically) the SOC Chief Compliance Officer of the transfer of any employee between a designated Transmission Function Employee position and a designated Marketing Function Employee position reasonably promptly in connection with such transfers.

- b. Employees that are transferred out of a designated Transmission Function Employee position are subject to the No Conduit Rule and are prohibited from sharing any non-public Transmission Function Information, which they were previously privy to, with Marketing Function Employees.
2. Notice of Employee Transfer Posted. The SOC Chief Compliance Officer shall, in coordination with the Companies' HR and Corporate Communications Depts., post notice of the transfer of any employee between a designated Transmission Function Employee position and a designated Marketing Function Employee position on the E.ON U.S. Website or OASIS (as applicable) ("**Transfer Notice**") within seven (7) business days of the effective date of such transfer. All Transfer Notices shall contain the following information and shall remain posted on the E.ON U.S. Website or OASIS (as applicable) for a minimum period of ninety (90) days:
 - a. Name of the transferring employee;
 - b. The respective titles held by the employee while performing each function (*i.e.*, as a Transmission Function Employee or Marketing Function Employee (as applicable)); and
 - c. The effective date of the transfer.
3. Disabling Transferred Employees Access to Transmission Facilities and Non-Public Transmission Function Information.
 - a. Promptly in connection with the effective date of the transfer of an employee out of a designated Transmission Function Employee position, the SOC Chief Compliance Officer shall, in coordination with Transmission Energy Management System ("**EMS**") personnel and with the HR, Corporate Security, and IT Depts., ensure that such employee:
 - No longer has inappropriate physical access to the Transmission System Operating Centers via the card reader or electronic keypad security systems;
 - No longer has inappropriate access to non-public Transmission Function Information on shared computer systems (including the EMS and local area network ("**LAN**")), databases, or other software application through the use of password protection software; and
 - E-mail rights are appropriately restricted in order to prevent access to, and dissemination of, non-public Transmission Function Information consistent with Section V.A.5.e, below.

- b. The Corporate Security, Transmission EMS, and IT Depts. shall confirm in writing (via hard copy or e-mail) to the SOC Chief Compliance Officer that the transferred Transmission Function Employee's ability to physically access the Transmission System Operating Centers or access non-public Transmission Function Information on shared computer systems has been disabled.
4. Cycling of Employees Expressly Prohibited. The Companies recognize that transferring employees multiple times (*i.e.*, cycling) between a designated Transmission Function Employee position and Marketing Function Employee position is not consistent with the independent functioning rule under the *Standards of Conduct*. In order to ensure that employee transfers do not compromise the independent functioning of the Transmission Function Employees and Marketing Function Employees, the SOC Chief Compliance Officer, in coordination with the HR Dept., shall monitor the employee transfers and, if necessary, prohibit a proposed transfer in order to avoid potential cycling of employees between Transmission and Marketing Functions.
5. Temporary Transfer Assignments Prohibited. There will be no temporary transfer assignments of employees between designated Transmission Function Employee and Marketing Function Employee positions.

D. POSTING REQUIREMENTS.

Unless stated otherwise in these Standards of Conduct Written Procedures, the rules and procedures setting forth the Companies obligations to post information in compliance with the *Standards of Conduct* independent functioning requirement are set forth in Section VIII below.

E. CROSS-FUNCTIONAL MEETINGS JOINTLY ATTENDED BY TRANSMISSION FUNCTION EMPLOYEES AND MARKETING FUNCTION EMPLOYEES.

1. Generally. As set forth herein, the Companies recognize that certain, non-exempted (see below) cross-functional business meetings jointly attended by Transmission Function Employees and Marketing Function Employees (“**Cross-Functional Meetings**”) create potential risks regarding the sharing of non-public Transmission Function Information or impairment of the independent functioning rule of the *Standards of Conduct*. In order to: (1) ensure that improper disclosures do not take place during Cross Functional Meetings; and (2) maintain independent operations between Transmission Function Employees and Marketing Function Employees, the procedures and protocols in this Section IV.E shall be followed.
2. General Scope and Application. The requirements of this Section IV.E shall apply to all Cross-Functional Meetings that address legitimate business *matters* affecting the operations of the Transmission System. These meetings include, but

are not limited to, operational meetings and federal or state energy regulatory policy discussions.

3. Attendance by SOC Chief Compliance Officer. To the extent reasonably practicable, the SOC Chief Compliance Officer shall attend all Cross-Functional Meetings.
 - a. To the extent that discussions during Cross-Functional Meetings reach topics that risk the disclosure of non-public Transmission Function Information in violation of the *Standards of Conduct*, the SOC Chief Compliance Officer shall advise attendees that the discussions may not involve the disclosure of such non-public Transmission Function Information, unless expressly permitted by the *Standards of Conduct*.
 - b. The SOC Chief Compliance Officer shall ensure that real-time operational trading or marketing plans of Marketing Function Employees are not disclosed in the presence of Transmission Function Employees.
 - c. The SOC Chief Compliance Officer shall take written high-level notes or minutes of the meeting for purposes of creating an auditable trail regarding Cross-Functional Meetings.
 - d. To the extent that an impermissible disclosure of non-public Transmission Function Information does take place during such Cross-Functional Meetings, the SOC Chief Compliance Officer is responsible for ensuring that such disclosure is posted in a timely manner in accordance with Section V.B.3 and Section VIII.A.5, below.
4. Protocol for Cross-Functional Meetings If SOC Chief Compliance Officer Is Not Available. In light of fact that the SOC Chief Compliance Officer may be unable to cover every Cross-Functional Meeting held during a given period, the following procedures must be followed to ensure that such meetings are consistent with the *Standards of Conduct*.
 - a. The employees attending Cross-Functional Meeting shall acknowledge the application of the *Standards of Conduct* and one of those employees shall assume the role of taking written notes or minutes documenting the meeting. If the meeting occurs through a recorded phone call, then no separate written notes or minutes are required.
 - b. Upon the conclusion of such Cross-Functional Meeting, the employee taking the notes shall forward a copy of the written notes or minutes to the SOC Chief Compliance Officer. If the meeting was the result of a recorded phone call, then no further action is required.

- c. Pursuant to Section V.B.3 and Section VIII.A.5, below, attendees shall without delay report to the SOC Chief Compliance Officer any disclosures of non-public Transmission Function Information occurring during the Cross-Functional Meeting, in order to allow for timely posting by the SOC Chief Compliance Officer.
5. Exempted Meetings. Meetings of a general corporate (*e.g.*, non-business or non-operational) nature jointly attended by Transmission Function Employees and Marketing Function Employees are not subject to the requirements of this Section IV.E. Such exempted meetings include, but are not limited to, matters involving general corporate policy of, and news regarding, the Companies and their affiliates, E.ON U.S. LLC or E.ON AG, employee benefit matters (*i.e.*, retirement programs, medical plans, mentoring programs, training programs, child daycare meetings, employee outreach assistance, etc.), safety and security matters; training, education and professional development matters; participation in charitable organizations or matters, and recreational outings sponsored by the Companies or E.ON U.S. Transmission Function Employees and Marketing Function Employees attending such meetings shall nevertheless fully comply with the *Standards of Conduct* and refrain from engaging in any discussions or other communications regarding non-public Transmission Function Information. Should a disclosure of non-public Transmission Function Information occur, the employees shall without delay report the disclosure to the SOC Chief Compliance Officer for posting on the E.ON U.S. Website or OASIS (as applicable) in accordance with Section V.B.3 and Section VIII.A.5, below.

V. PROTOCOLS AND PROCEDURES FOR IMPLEMENTING NO CONDUIT AND TRANSPARENCY RULES.

In compliance with the *Standards of Conduct* regulations, the Companies shall enforce on an ongoing basis the following rules and procedures which are designed to ensure that Marketing Function Employees are not provided with preferential treatment over non-affiliated customers via the exchange of non-public Transmission Function Information. The No Conduit Rule is as critical to the regulatory scheme of the *Standards of Conduct* as the Independent Functioning Rule.

The Companies are prohibited from using anyone (*i.e.*, employee, supervisor, manager or corporate executive) as a conduit for the disclosure of non-public Transmission Function Information to their Marketing Function Employees. Further, an employee, contractor, consultant or agent of the Companies, and an employee, contractor, consultant or agent of the Companies' affiliates engaged in Marketing Functions, is prohibited from disclosing non-public Transmission Function Information in their possession to Marketing Function Employees.

The following protocols and procedures have been developed by the Companies for purposes of facilitating compliance with the No Conduit and Transparency Rules of the *Standards of Conduct*. (See 18 C.F.R. §§ 358.6 and 358.7)

A. RESTRICTED ACCESS TO NON-PUBLIC TRANSMISSION FUNCTION INFORMATION ON SHARED COMPUTER SYSTEMS, SOFTWARE AND DATABASES .

1. General Rule. The Companies shall ensure that:
 - a. Marketing Function Employees may only have access to Transmission Function Information on shared computer systems, databases and software applications that is otherwise available to all Transmission Customers without restriction (*e.g.*, information posted on the E.ON US Website or the OASIS, as applicable).
 - b. Marketing Function Employees may not have access to non-public Transmission Function Information on shared computer systems, databases and software applications that is not otherwise available to the general public without restriction (*e.g.*, information not posted on the E.ON US Website or the OASIS, as applicable).
2. Implementation Measures. Marketing Function Employees have access to a common EMS, which is utilized to operate the Transmission System and dispatch generation, and to a common LAN. Such personnel are restricted via password protection software from viewing non-public Transmission Function Information on these shared systems.
 - a. Information Restricted Via Password Protection Software. Marketing Function Employees are barred through the use of password protection software from accessing the following non-public Transmission Function Information: (1) interchange schedules of individual customers; (2) interchange schedules grouped by company/interface; (3) tie flows by company/interface; (4) individual actual tie flows; (5) all transmission/distribution status data; (6) all transmission/distribution analog data (with the exception of loading levels on interruptible loads); (7) network analysis load flow cases and associated parameters and data; (8) transmission/distribution alarm/event data; (9) system voltages; (10) historical transmission/distribution analog data; (11) historic hourly tie data (individually or by company); and (12) historic hourly schedule data (individually or by company).
 - b. Information Accessible on Shared Computer Systems for Generation Dispatch Purposes. Generation Dispatchers may have access to the following generation-related information on shared computer systems: (1) total system load; (2) unit status and load information for the generators

controlled by subsidiaries of E.ON U.S., LLC; (3) system frequency; (4) area control error; (5) aggregate net scheduled interchange; (6) scheduled unilateral inadvertent flows; (7) aggregate actual interchange (net actual tie flows); (8) fuel prices; (9) spinning and supplemental reserves; (10) unit production costs; (11) unit tuning parameters (formula for response to automatic generation control); (12) aggregate load forecasts (for own systems and wholesale requirements customers); (13) loading levels on interruptible loads; (14) voltage levels at plant substations for system control purposes; and (15) historical data for (a) net interchange schedule, (b) net actual interchange, (c) scheduled unilateral inadvertent flows, and (d) total system load.

- c. Coordination of Applicable Ancillary Service and Generator Dispatch Information. The coordination of applicable ancillary services and generation dispatch requirements for transmission reliability and security will be handled by telephone by authorized Marketing Function Employees in the same manner as with other Transmission Customers.
3. Control of Database Information. The SOC Chief Compliance Officer shall, in coordination with the Transmission EMS and IT Depts., maintain a master list of all shared databases, computer systems or other software applications (if any) that contain non-public Transmission Function Information for which access must be restricted under the *Standards of Conduct*. The Companies shall make such master list available for inspection by the Commission consistent with the Commission's regulations.
4. Requests to Upgrade Existing or Install New Shared Systems Containing Non-Public Transmission Function Information. The SOC Chief Compliance Officer, Transmission EMS Dept., and IT Dept. shall coordinate to ensure that the SOC Chief Compliance Officer is informed of all requests approved by the Transmission EMS and IT Depts. to upgrade existing, or install new, databases, software systems or other related software applications (if any) on shared computer systems that contain non-public Transmission Function Information. Before the approved request may be implemented, the SOC Chief Compliance Officer shall review the request for purposes of ensuring that IT access control mechanism(s) are implemented to prevent Marketing Function Employees from accessing such non-public Transmission Function Information on the upgraded or newly installed databases, computer systems or other software applications.
5. Disabling Access to Non-Public Transmission Function Information on Shared Systems. As set forth in Section IV.C.3, above, with the transfer of an employee out of an identified Transmission Function Employee position, the Companies shall, in coordination with the HR, Transmission EMS, and IT Depts., ensure that appropriate IT access control mechanisms(s) are implemented so that the transferred employee may no longer access non-public Transmission Function

Information on all shared databases, computer systems (including the EMS and LAN), and other software applications (if any).

- a. For any employee transferring from a Transmission Function Employee position to a Marketing Function Employee position, access rights shall be discontinued within one (1) business day.
- b. For any employee departing a Transmission Function Employee position through a voluntary termination, *e.g.*, retirement, employment elsewhere, *etc.*, access rights shall be terminated with five (5) business days, as appropriate.
- c. For any employee transferring from a Transmission Function Employee position to a position which is not a Marketing Function Employee position, access rights shall be discontinued, if appropriate, within thirty (30) calendar days.
- d. For any employee departing a Transmission Function Employee position through involuntary termination, access rights shall be discontinued within one (1) business day by disabling the employee's E.ON U.S. Network Access and the employee's key card access to all of the Companies' facilities.
- e. For all such departures or transfers, e-mail access rights shall also be restricted, as appropriate, within the timeframes above.

B. RESTRICTIONS ON THE DISCLOSURE OF NON-PUBLIC TRANSMISSION FUNCTION INFORMATION AND PERMITTED EXCLUSIONS.

1. General Rule. Absent emergency conditions affecting system reliability and exemption provisions listed in Section V.C, below, E.ON Personnel are prohibited from:
 - a. Disclosing to Marketing Function Employees any non-public Transmission Function Information through: (1) non-public communications conducted off the E.ON U.S. Website or OASIS (as applicable); (2) access to information not posted on the E.ON U.S. Website or OASIS (as applicable) that is not contemporaneously available to the public; or (3) information on the E.ON U.S. Website or OASIS (as applicable) that is not at the same time publicly available.
 - b. Sharing with Marketing Function Employees any information acquired from Transmission Customers or potential Transmission Customers, or developed in the course of responding to requests for transmission service or ancillary services, except to the limited extent such information is

contemporaneously made available via posting on the E.ON U.S. Website or OASIS (as applicable).

2. Implementation Measures. Absent emergency conditions affecting system reliability or unless specifically exempted herein, E.ON Personnel should not engage in communications, whether in person, via telephone, by Internet/Intranet e-mail, or facsimile, with Marketing Function Employees regarding non-public Transmission Function Information, if access to such covered information is not: (1) at the same time publicly available to the general public without restriction on the E.ON U.S. Website or OASIS (as applicable); or (2) at the same time publicly available to all users of the E.ON U.S. Website or OASIS (as applicable).
3. Prompt Reporting of Improperly Disclosed Information. The SOC Chief Compliance Officer should be contacted without delay via the **STANDARDS OF CONDUCT HOTLINE OR BY E-MAIL AS SET FORTH IN SECTION I**, above, if any non-public Transmission Function Information that is not: (1) contemporaneously available to the general public without restriction on the E.ON U.S. Website or the OASIS (as applicable); or (2) contemporaneously available to all users of the E.ON U.S. Website or the OASIS (as applicable), is or has been disclosed by E.ON Personnel in a manner contrary to the requirements of the *Standards of Conduct* or these Standards of Conduct Written Procedures. There will be no retribution for any reports of actual or alleged disclosures of such information that are made in good faith.

C. EXCLUSIONS TO RESTRICTIONS ON THE DISCLOSURE OF NON-PUBLIC TRANSMISSION FUNCTION INFORMATION.

1. Customer Voluntarily and Expressly Consents to the Disclosure of Information. E.ON Personnel, as defined in Section III.H above, may share covered information regarding a Transmission Customer with Marketing Function Employees, provided that the Transmission Customer voluntarily consents, in writing, to the disclosure of such information. In each such instance, the following procedures shall be followed:
 - a. A copy of the Transmission Customers' written consent shall be forwarded to the SOC Chief Compliance Officer for recordkeeping;
 - b. The Companies shall post a notice of the consent on the E.ON U.S. Website or OASIS (as applicable) along with a statement that the Companies did not provide any preferences, either operational or rate-related, to the non-affiliated customer in exchange for its express, voluntary consent to disclose information; and
 - c. The SOC Chief Compliance Officer shall maintain the written consent for five (5) years. The Companies shall make such written consent available

for inspection by the Commission consistent with the Commission's regulations.

2. Transaction Specific Requests for Transmission Service by Marketing Function Employees. The Companies are not required to contemporaneously disclose to existing Transmission Customers and potential Transmission Customers non-public Transmission Function Information if it relates solely to a Marketing Function Employee's specific request for transmission service. To the extent that a specific request for transmission service by a Marketing Function Employee involves the development and construction of generator interconnection facilities, the Companies shall fully comply with the requirements adopted by the Commission in *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, III FERC Stats. & Regs. [Regulations Preambles] ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220 (2004).
3. Disclosure of Non-Public Transmission Function Information Relating to Compliance with Approved Reliability Standards. The Companies are not required to contemporaneously disclose exchanges of non-public Transmission Function Information between Transmission Function Employees and Marketing Function Employees pertaining to compliance with Reliability Standards approved by the Commission.
 - a. Except during emergency conditions, such exchanges of non-public Transmission Function Information must be contemporaneously recorded via hand-written or typed notes, electronic records, such as e-mails, or recorded voice exchanges and retained for a five (5) year period. During emergency conditions, such recording shall be completed as described in Section VII.C.5 below.
 - b. To the extent practicable, any meetings jointly attended by Transmission Function Employees and Marketing Function Employees to discuss compliance with approved Reliability Standards shall follow (as applicable) the Cross-Functional Meeting Protocols set forth in Section IV.E.4 of these Standards of Conduct Written Procedures.
 - c. All exchanges of non-public Transmission Function Information pursuant to this Section V.C.3 shall be limited in scope to the information relevant to the Reliability Standard(s) at issue.
4. Disclosures of Non-Public Transmission Function Information Relating to Maintaining or Restoring the Operation of the Transmission System or Generation Units or That May Affect the Dispatch of Generating Units. The Companies are not required to contemporaneously disclose exchanges of non-public Transmission Function Information between Transmission Function Employees and Marketing Function Employees pertaining to maintaining or restoring the

operation of the Transmission System or generating units or that may affect the dispatch of generating units.

- a. Except during emergency conditions, such exchanges of non-public Transmission Function Information must be contemporaneously recorded via hand-written or typed notes, electronic records, such as e-mails, or recorded voice exchanges and retained for a five (5) year period. During emergency conditions, such recording shall be completed as described in Section VII.C.5 below.
- b. To the extent practicable, any meetings jointly attended by Transmission Function Employees and Marketing Function Employees to discuss maintaining or restoring the operation of the Transmission System or generating units, or that may affect the dispatch of generating units, shall follow (as applicable) the Cross-Functional Meeting Protocols set forth in Section IV.E.4 of these Standards of Conduct Written Procedures.
- c. All exchanges of non-public Transmission Function Information pursuant to this Section V.C.4 shall be limited in scope to the information relevant to maintaining and restoring the operation of the Transmission System or generating units at issue or affecting the dispatch of the generating units at issue.

5. Disclosures of Non-Public Transmission Function Information During Generation Redispatch Events. The Companies are not required to contemporaneously disclose exchanges of non-public Transmission Function Information between Transmission Function Employees and Marketing Function Employees engaged in regulated generation dispatch functions (“**Generation Dispatchers**”). In such situations, Generation Dispatchers and Transmission Function Employees shall follow the following procedures and protocols:

- a. Generation Redispatch Orders Provided Transmission Function Employees. Except in emergency conditions discussed in Section VII.C below, if good utility practice would require a Transmission Function Employee to provide instructions, or information, regarding the dispatch of the Companies’ regulated generation resources directly to Generation Dispatchers, such instructions shall be limited to information which may affect the dispatch of the Companies regulated generating units and, as appropriate under the circumstances, may include information necessary to maintain or restore operation of the Transmission System or generating units.
 - Any communications involving non-public Transmission Function Information must be contemporaneously recorded and retained for a period of five years. The record may consist of hand-written or

typed notes, electronic records, such as e-mails, or recorded voice exchanges.

- To the extent practicable, any meetings jointly attended by Transmission Function Employees and Generation Dispatchers to discuss matters that may affect the dispatch of generating units or, as appropriate under the circumstances, may include information necessary to maintain or restore operation of the Transmission System or generating units, shall follow (as applicable) the Cross-Functional Meeting Protocols set forth in Section IV.E of these Standards of Conduct Written Procedures.
- b. Disclosure by Third-Party Transmission Provider. If a Third Party Transmission Provider, including, but not limited to, a regional transmission organization or unaffiliated reliability coordinator, discloses non-public Transmission Function Information during the course of a generation dispatch discussion with Generation Dispatchers, the Generation Dispatchers and, if applicable, Transmission Function Employees **SHALL NOT COMMENT** except as necessary to execute the generation dispatch order.
- c. Subsequent Actions; Third Party Transmission Provider Disclosure; Generation Dispatcher Obligations.
- Generation Dispatchers privy to the disclosure of non-public Transmission Function Information by a Third Party Transmission Provider shall comply with the following procedures and protocols.
 - Generation Dispatchers shall not use any non-public Transmission Function Information disclosed by the Third Party Transmission Provider to engage in any wholesale power trades or further disclose such information to other Marketing Function Employees.
 - Upon the conclusion of the generation redispatch event, the Generation Dispatcher shall create a written record briefly outlining the nature and circumstances surrounding the disclosure by the Third Party Transmission Provider, and without unreasonable delay, forward such written record to the SOC Chief Compliance Officer. The SOC Chief Compliance Officer shall maintain a copy of the written record of the disclosure in his files.

VI. ADMINISTRATION OF TARIFFS RELATING TO THE SALE OR PURCHASE OF OPEN ACCESS TRANSMISSION SERVICE.

As set forth in Section I above, the Companies function as a “provider” of jurisdictional open access transmission service and have a formal OATT on file with the Commission. SPP, in its role as the ITO, functions as the independent administrator of the OATT. The Companies shall continue to provide services to all customers under the OATT on a comparable and non-discriminatory basis.

A. STRICT ENFORCEMENT OF TARIFF PROVISIONS THAT DO NOT PERMIT THE USE OF DISCRETION.

Transmission Function Employees with tariff administration responsibilities shall strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service to the extent such OATT provisions do not permit the use of discretion.

B. FAIR AND IMPARTIAL ENFORCEMENT OF TARIFF PROVISIONS THAT PROVIDE FOR THE USE OF DISCRETION.

Transmission Function Employees with tariff administration responsibilities shall enforce and 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. All permissible tariff waivers and tariff discounts under the OATT shall be documented as outlined in Section VII.A and Section VII.B below, respectively.

C. NO UNDUE PREFERENCE FOR TRANSMISSION CUSTOMERS.

The Companies shall not, through their tariffs or otherwise, give undue preference to any Transmission Customer in matters relating to the sale or purchase of transmission service (including, but not limited to, matters involving pricing, curtailments, scheduling, and imbalance management).

D. PROCESSING TRANSMISSION SERVICE REQUESTS

The Companies shall process all similar requests for transmission service, whether from an affiliate or a non-affiliated Transmission Customer, in the same manner and within the same period of time.

VII. DOCUMENTATION OF TARIFF WAIVERS, TARIFF DISCOUNTS, AND EMERGENCY CONDITIONS.

A. DOCUMENTATION OF TARIFF WAIVERS.

1. General Definition of a Tariff Waiver. A waiver of the Companies’ OATT is “a determination to do or not do something that is specifically required to be done or not done” by the Companies’ OATT. This conforms to the Commission’s

comments in Order No. 717. (See Docket No. RM07-1-000; Order No. 717 at ¶ 215).

2. Log Detailing Tariff Waivers Granted in Favor of Affiliates. Transmission Function Employees with tariff administration responsibilities shall maintain a written log (“**Tariff Waiver Log**”) detailing each waiver of a tariff provision granted by the Companies in favor of an affiliate (unless such waiver has been approved by the Commission). (See 18 C.F.R. § 358.7(i)) At a minimum, the Tariff Waiver Log shall include (a) the date on which the waiver is granted, (b) the name of the Companies granting the waiver, (c) the affiliate to whom the waiver is granted, (d) the specific OATT provision(s) which is(are) being waived, and (e) the reason(s) underlying the waiver grant. The Companies shall maintain all documentation supporting each waiver in the Tariff Waiver Log for up to five (5) years. On request of the Commission, the Companies shall provide the Tariff Waiver Log, and all supporting documentation for the five-year period preceding the Commission’s request, to the Commission consistent with the Commission’s regulations.
3. Reporting of Tariff Waivers. The involved Transmission Function Employees shall report such waiver, in writing, to the SOC Chief Compliance Officer without delay after such waiver is granted. Such reports shall be made with enough lead time to allow the posting described in Section VIII.A.4 below.
4. Posting of Tariff Waivers. Following notice to the SOC Chief Compliance Officer pursuant to Section VII.A.3, the SOC Chief Compliance Office shall, in coordination with the Director of Transmission and the Corporate Communications Dept., as necessary, ensure that a notice of each waiver of a tariff provision granted in favor of the Companies’ affiliates is posted on the E.ON U.S. Website or OASIS (as applicable) within one (1) business day of the granting of each such waiver, unless such waiver has been approved by the Commission.

B. DOCUMENTATION OF TARIFF DISCOUNTS.

1. General Definition of Tariff Discounts. In general, a tariff discount occurs when the Companies offer transmission services or ancillary services at any rate less than that posted in the Companies’ OATT.
2. Announcement of Tariff Discounts. The Companies shall announce all offers of any Tariff Discounts, whether for transmission services or ancillary services, to all potential customers by posting same on the Companies’ Website or OASIS (as applicable). This announcement must be posted prior to the Companies’ responding to any requests for Tariff Discounts, except in the case of requests for next-hour service.

3. Log Detailing Tariff Discounts. Transmission Function Employees with tariff administration responsibilities shall maintain a written log detailing offers of Tariff Discounts (“**Tariff Discount Log**”). At a minimum, the Tariff Discount Log shall include (a) the amount of the discount, (b) tariff provisions (*i.e.*, transmission service or ancillary service) to which the discount applies, (c) quantity(ies) to which the discount may be applicable, (d) the duration of the discount’s availability, and (e) any other relevant terms and conditions related to the discount. The Companies shall maintain all documentation supporting each tariff discount in the Tariff Discount Log for up to five (5) years. The Companies shall provide the Tariff Discount Log, and all supporting documentation for the five-year period preceding the Commission’s request, to the Commission consistent with the Commission’s regulations.
4. Reporting of Tariff Discounts. The involved Transmission Function Employees shall report offers of Tariff Discounts, in writing, to the SOC Chief Compliance Officer without delay after such discount has been offered. Such reports shall be made with enough lead time to allow the posting described in Section VIII.A.4 below.
5. Posting and Retention of Tariff Discounts. As provided in 18 C.F.R. § 37.6, all of the Companies’ offers of Tariff Discounts shall be posted on the E.ON U.S. Website or OASIS (as applicable) for at least thirty (30) days.

C. DOCUMENTATION OF EMERGENCY CONDITIONS.

1. General Definition of Emergency Conditions. In general, emergency conditions shall include, but not be limited to, earthquakes, floods, fires, hurricanes, tornadoes, ice storms, extreme heat or cold conditions, and other conditions which may severely disrupt the Companies’ normal business operations. Furthermore, such events shall be deemed to have created emergency conditions following agreement between the Director, Transmission, or his designee, and the SOC Chief Compliance Officer.
2. Impact of Emergency Conditions on Non-Transmission Function Employees. All non-Transmission Function Employees (except Marketing Function Employees, who may not be pressed into such service) pressed into service to perform Transmission Functions under emergency conditions shall not be considered Transmission Function Employees as a result of their work during the emergency conditions. All such employees shall provide a list of their activities during the emergency to the SOC Chief Compliance Officer as soon as practicable after the conclusion of the emergency conditions. This information shall include a description of the activities performed, and the dates and times such activities were performed.
3. Documentation and Posting of Data in Emergency Conditions. As soon as practicable following emergency conditions, the SOC Chief Compliance Officer

shall create a written file documenting periods when emergency conditions existed. Each file may include (a) a description of the emergency conditions and the duration thereof, (b) non-Transmission Function Employees performing Transmission Functions during the emergency conditions including the dates, times, and nature of their activities, and (c) any guidance provided to these employees. The SOC Chief Compliance Officer shall prepare or complete applicable recording and posting requirements which may have been suspended during the emergency. If the posting disruption exceeds one (1) month, the SOC Chief Compliance Officer must notify the Commission and seek a further exemption.

4. Retention of Emergency Condition Documentation. The SOC Chief Compliance Officer shall maintain all documentation related to the emergency conditions for up to five (5) years. The Companies shall make all documentation related to the emergency condition available for inspection by the Commission consistent with the Commission's regulations.
5. Disclosure of Non-Public Transmission Function Information during Emergency Conditions. If during emergency conditions Transmission Function Employees and Marketing Function Employees exchange non-public Transmission Function Information (a) to comply with Reliability Standards approved by the Commission, or (b) to maintain or restore operations of the Companies' Transmission System or generating units or that may affect the dispatch of generating units, the immediate recordation requirements of Sections V.C.3 and V.C.4 shall not apply. Instead, the record of the exchange must be made as soon as practicable after the fact.

VIII. PROTOCOLS AND PROCEDURES GOVERNING POSTING REQUIREMENTS.

A. INFORMATION REQUIRED TO BE POSTED IN COMPLIANCE WITH THE TRANSPARENCY RULE.

1. Identification of Employee, Affiliate and Facility Information: The SOC Chief Compliance Officer shall, in coordination with the Corporate Communications Dept., the IT Dept., the HR Dept., Director of Transmission and any other applicable business unit, ensure that the information described below is maintained on the E.ON U.S. Website in compliance with the *Standards of Conduct*. In addition, the SOC Chief Compliance Officer, the Corporate Communications Depts., the HR Dept., and the IT Dept. shall work together to ensure that updates are posted on the E.ON U.S. Website within seven (7) business days of the effective date of any change or revision thereto (and shall post the date on which the information was updated).
 - a. Identification of Transmission Function Employees. A complete and updated list of the job titles and job descriptions of Transmission Function Employees.

- b. Identification of Marketing Function Affiliates. A complete and updated list of the names of all affiliates that employ or retain Marketing Function Employees.
 - c. Employee Transfer Information. As set forth in Section IV.C.2, above, the SOC Chief Compliance Officer shall, in coordination with the Companies' Corporate Communications and HR Depts., post Transfer Notices on the E.ON U.S. Website or OASIS (as applicable) within seven (7) business days of the effective date of the transfer of an employee to the Companies' Transmission Function from a Marketing Function position, or to a Marketing Function position from a Transmission Function position. All Transfer Notices shall be posted on the E.ON U.S. Website or OASIS (as applicable) for a minimum period of ninety (90) days.
 - d. Shared Facilities. A complete and updated list of any work facilities shared by Transmission Function Employees and any Marketing Function Employees. Such postings shall describe the types of facilities shared and the addresses of such facilities.
2. Standards of Conduct Written Procedures. A copy of these Standards of Conduct Written Procedures, as updated, revised or supplemented from time to time, will be posted on the E.ON U.S. Website or OASIS (as applicable). Any updates, revisions or supplements to these Standards of Conduct Written Procedures will be posted on the E.ON U.S. Website or OASIS (as applicable) within seven (7) business days of the effective date for such updates, revisions or supplements.
3. Merger Information. The SOC Chief Compliance Officer, in coordination with the Corporate Communications Dept., shall post all relevant information regarding potential merger partners on the E.ON U.S. Website or OASIS (as applicable) within seven (7) days of the public announcement of a proposed merger. Consistent with general Commission policy, the Companies shall treat a potential merger partner and its subsidiaries and affiliates as if they are *de facto* affiliates of the Companies during the pendency of a merger transaction. Within seven (7) business days of the consummation of a pending merger transaction, the SOC Chief Compliance Officer, in conjunction with the Corporate Communications and IT Depts., shall formally update the Standards of Conduct Written Procedures and other *Standards of Conduct* compliance information, including, but, not limited to organization charts and other materials that must be posted on the E.ON U.S. Website.
4. Waivers of Tariff Provisions Granted in Favor of Affiliates; Tariff Discounts. All Tariff Waivers granted in favor of an affiliate, and all Tariff Discounts, shall be documented, including related postings, as outlined in Sections VII.A and VII.B, respectively, above.

5. Improperly Disclosed Non-Public Transmission Function Information. Should any E.ON Personnel improperly disclose non-public Transmission Function Information, the SOC Chief Compliance Officer must be contacted without delay pursuant to the procedures and protocols of Section V.B.3, above. The SOC Chief Compliance Officer, in coordination with the Corporate Communications Dept., shall post all relevant information regarding any improper disclosure as required by the *Standards of Conduct*.

B. MONITORING AND AUDIT OF POSTING PROCEDURES.

The SOC Chief Compliance Officer shall, in coordination with the Corporate Communications and IT Depts., monitor the informational postings required by the *Standards of Conduct* and these Standards of Conduct Written Procedures for compliance and accuracy, and shall perform periodic audits of the informational posting, data collection, evaluation, and posting process to assess whether additional rules and/or procedures need to be developed.

IX. TRAINING.

Section 358.8(c)(1) of the *Standards of Conduct* regulations require that the Companies provide annual Standards of Conduct training to all Transmission Function Employees, Marketing Function Employees, and E.ON Personnel that are likely to become privy to Transmission Function Information. (See 18 C.F.R. 358.8(c)(1)) All new employees assigned to a designated Transmission or Marketing Employee position or a position that is likely to become privy to Transmission Function Information must receive Standards of Conduct training within the first 30 days of their employment. Each employee undergoing Standards of Conduct training must certify electronically or in writing that they have completed the training.

Written Procedures Implementing Standards of Conduct for Transmission Providers

Procedure Title

June 5, 2009

Effective Date

Steven D. Phillips, Director, Compliance and Ethics

Prepared by



6/5/09

Signature & Date

Paul W. Thompson, Senior Vice President, Energy Services

Approved by



6/5/2009

Signature & Date

**John R. McCall, Executive Vice President, General Counsel, Corporate Secretary,
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Approved by



6/10/09

Signature & Date