

GridLiance Heartland LLC
Written Procedures
For the
Federal Energy Regulatory Commission’s
Standards of Conduct

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

GridLiance Heartland’s (GLH) Written Procedures for FERC’s SoC adhere to the regulations as set forth at 18 C.F.R. § 358.7(d). Specifically, GLH’s Written Procedures address each SoC regulation by: (1) restating the regulation; and (2) explaining how GLH, as a transmission owning subsidiary of NextEra, has implemented processes and is complying with the regulations. These Written Procedures also serve the dual purpose of reinforcing to employees the importance of complying with the SoC by explaining how GLH is complying with the SoC. Employees receive training that they are to comply with these SoC principles. Violation of these standards by an employee can have immediate consequences, up to and including dismissal from NextEra.

PART 358—STANDARDS OF CONDUCT

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

§ 358.1 Applicability.

- (a) This part applies to any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter and conducts transmission transactions with an affiliate that engages in marketing functions.*
- (b) This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions.*
- (c) This part does not apply to a public utility transmission provider that is a Commission-approved Independent System Operator (ISO) or Regional Transmission Organization (RTO). If a public utility transmission owner participates in a Commission approved ISO or RTO and does not operate or control its transmission system and has no access to transmission function information, it may request a waiver from this part.*
- (d) A transmission provider may file a request for a waiver from all or some of the requirements of this part for good cause.*

GLH Compliance with § 358.1

GLH meets the criteria under §358.1(b) and therefore is subject to the SoC. The SoC only apply between a transmission provider and employees of affiliates or divisions that engage in marketing functions and that conduct transmission transactions on the affiliated transmission provider's system. GLH is a public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce. NextEra Energy Marketing, LLC (NEM) and NextEra Energy Resources, LLC (NEER) are NextEra affiliates that may transact on GLH's system, which is under the Midwest Independent System Operator, Inc's. ("MISO") functional control. Thus for GLH, the SoC apply between GLH as the transmission provider and NEM and NEER as the marketing functions.

GLH has contractual agreements with Ameren Services Company (Ameren), a third-party service provider and utilizes NextEra Energy Transmission New York (NEETNY) to perform transmission functions. Ameren and NEETNY personnel manage operations and maintenance for the transmission facilities under a service agreement with GLH, handling 24/7 monitoring and coordination, vegetation management, routine inspections, emergency response, switching operations, and capital maintenance coordination, while ensuring regulatory compliance with NERC Standards. As such, Ameren and NEETNY personnel performing these activities are designated as GLH transmission function employees for purposes of the Standards of Conduct.

No waivers have been requested.

§ 358.2 General principles.

- (a) As more fully described and implemented in subsequent sections of this part, a transmission provider must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transportation of natural gas or transmission of electric energy in interstate commerce, or with respect to the wholesale sale of natural gas or of electric energy in interstate commerce.*
- (b) As more fully described and implemented in subsequent sections of this part, a transmission provider's transmission function employees must function independently from its marketing function employees, except as permitted in this part or otherwise permitted by Commission order.*
- (c) As more fully described and implemented in subsequent sections of this part, a transmission provider and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to the transmission provider's marketing function employees.*
- (d) As more fully described and implemented in subsequent sections of this part, a transmission provider must provide equal access to non-public transmission function information disclosed to marketing*

function employees to all its transmission customers, affiliated and non-affiliated, except as permitted in this part or otherwise permitted by Commission order.

GLH Compliance with § 358.2

As more fully described in subsequent sections, GLH has adopted policies and implemented procedures in accordance with the general principles.

§ 358.3 Definitions.

(a) Affiliate of a specified entity means:

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

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

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

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

(c) Marketing functions means:

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

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

(i) Bundled retail sales,

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

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

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

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

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

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

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

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

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

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

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

(k) Transmission provider means:

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

- (2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter.
- (3) A transmission provider does not include a natural gas storage provider authorized to charge market-based rates.
- (l) Transmission service means the provision of any transmission as defined in § 358.3(f).
- (m) Waiver means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

GLH Compliance with § 358.3

GLH uses these definitions in its SoC compliance program.

§ 358.4 Non-discrimination requirements.

- (a) A transmission provider must strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if the tariff provisions do not permit the use of discretion.
- (b) A transmission provider must apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.
- (c) A transmission provider may not, through its tariffs or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).
- (d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.

GLH Compliance with § 358.4

GLH's revenue requirements and applicable rates and charges for transmission access over the MISO-controlled grid and the terms and conditions for transmission expansion and interconnection are set forth in the MISO Tariff, which is on file at FERC. GLH does not itself operate or control the scheduling of electric transmission capacity on its jurisdictional transmission system. Therefore, GLH does not have the ability to apply discretion, give undue preference, or discriminatorily process requests for transmission service, on its transmission system that is under MISO functional control.

§ 358.5 Independent functioning rule.

§ 358.5(a) Independent functioning rule.

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

GLH Compliance with § 358.5(a)

As more fully described in (b) below, GLH has adopted policies and implemented procedures in accordance with the general rule. Training on GLH's SoC includes the requirement that transmission function employees must function independently from marketing function employees.

§ 358.5(b) Independent functioning rule.

- (b) Separation of functions.
- (1) A transmission provider is prohibited from permitting its marketing function employees to:
- (i) Conduct transmission functions; or

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

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

GLH Compliance with § 358.5(b)

Functional Separation

Certain employees of NEER's Business Management division and NEM may transact on GLH's system and these employees will be referred to herein as "GLH marketing function employees". No GLH marketing function employees are permitted to conduct GLH transmission functions. Similarly, GLH transmission function employees are prohibited from conducting marketing functions.

Physical Separation

GLH transmission function employees are located in St. Louis, MO, Glen Carbon, IL and Clifton Park, NY, and certain transmission function employees work remotely from home. GLH's marketing function employees are all located in Juno Beach, Florida and thus do not share facilities with GLH transmission function employees.

§ 358.6 No conduit rule.

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

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

GLH Compliance with § 358.6

All employees, contractors, consultants or agents, likely to become privy to GLH non-public transmission function information receive training that they are prohibited from disclosing, or using anyone as a conduit for the disclosure of, non-public transmission function information to GLH marketing function employees.

§ 358.7 Transparency rule.

§ 358.7(a) Transparency rule.

(a) Contemporaneous disclosure.

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

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

GLH Compliance with § 358.7(a)

(1) In the event that GLH non-public transmission function information, other than identified in paragraph 358.7(a)(2), is shared in a manner contrary to the requirements of Section 358.6, GLH will immediately post the information that was disclosed on its Internet website.

(2) In the event critical energy infrastructure information (CEII), or other information subject to limited dissemination, is shared in a manner contrary to the requirements of Section 358.6, GLH will immediately post notice on its Internet website that the information was disclosed, but will not post the information itself.

§ 358.7(b) Transparency rule.

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

GLH Compliance with § 358.7(b)

GLH's transmission function employees may discuss with GLH marketing function employees specific requests submitted by the GLH marketing function employees for transmission service. GLH is not required to contemporaneously disclose such information.

§ 358.7(c) Transparency rule.

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

GLH Compliance with § 358.7(c)

A transmission customer of GLH may voluntarily consent, in writing, to allow GLH to share that customer's non-public information with GLH marketing function employees. GLH does not provide any preferences, either operational or rate-related, in exchange for voluntary consent. GLH will post on its Internet website notice of the consent with a statement that it did not provide any preferences, either operational or rate-related, in exchange for the voluntary consent.

§ 358.7(d) Transparency rule.

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

GLH Compliance with § 358.7(d)

GLH's Written Procedures are posted on its Internet website.

§ 358.7(e) Transparency rule.

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

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

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

(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.

GLH Compliance with § 358.7(e)

- (1) GLH posts the names and addresses of all its affiliates that employ or retain marketing function employees on its Internet website.
- (2) If applicable, GLH posts a complete list of employee-staffed facilities shared by its transmission function employees and its marketing function employees, including facility type and the addresses of the facilities.
- (3) If applicable, GLH posts information concerning potential merger partners as affiliates that may employ or retain marketing function employees. GLH will post information concerning the potential merger partner within seven days after the potential merger is announced. This information will be posted on GLH's Internet website.

§ 358.7(f) Transparency rule.

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

- (1) A transmission provider must post on its Internet website the job titles and job descriptions of its transmission function employees.*
- (2) A transmission provider must post a notice on its Internet website of any transfer of a transmission function employee to a position as a marketing function employee, or any transfer of a marketing function employee to a position as a transmission function employee. The information posted under this section must remain on its Internet website for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted must include:*
 - (i) The name of the transferring employee,*
 - (ii) The respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and*
 - (iii) The effective date of the transfer.*

GLH Compliance with § 358.7(f)

- (1) GLH posts the job titles and job descriptions of its transmission function employees on its Internet website.
- (2) In the event a transmission function employee transfers to a position as a marketing function employee or vice versa, a notice of such transfer will be posted to the Internet website and will remain posted for 90 days. Information posted will include the employee's name, the employee's respective titles held while performing each function, and the effective date of the transfer.

§ 358.7(g) Transparency rule.

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

- (1) A transmission provider must update on its Internet Web site the information required by this part 358 within seven business days of any change, and post the date on which the information was updated. A public utility may also post the information required to be posted under part 358 on its OASIS, but is not required to do so.*
- (2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts a transmission provider's normal business operations, the posting requirements in this part may be suspended by the transmission provider. If the disruption lasts longer than one month, the transmission provider must so notify the Commission and may seek a further exemption from the posting requirements.*
- (3) All Internet Web site postings required by this part must be sufficiently prominent as to be readily accessible.*

GLH Compliance with § 358.7(g)

- (1), (3) Unless a shorter timeframe is set out in the regulations, GLH updates as applicable the information listed in Section 358.7 within seven business days of any change and posts the date

on which the information was updated. GLH's website postings are sufficiently prominent as to be readily accessible.

(2) In emergency situations affecting normal business operations, GLH may suspend the posting requirements. If the disruption lasts longer than one month, GLH will notify the Commission and may seek a further exemption from the posting requirements.

§ 358.7(h) Transparency rule.

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

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

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

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

GLH Compliance with § 358.7(h)

If it becomes necessary for GLH to provide GLH marketing function employees with non-public transmission function information necessary to maintain or restore operation of GLH's system, GLH will make and retain a contemporaneous record of such information exchange, except in cases of emergency, when recordation will be made as soon after the fact as practicable. GLH will retain such records for five years.

§ 358.7(i) Transparency rule.

(i) Posting of waivers. A transmission provider must post on its Internet Web site notice of each waiver of a tariff provision that it grants in favor of an affiliate, unless such waiver has been approved by the Commission. The posting must be made within one business day of the act of a waiver. The transmission provider must also maintain a log of the acts of waiver, and must make it available to the Commission upon request. The records must be kept for a period of five years from the date of each act of waiver.

GLH Compliance with § 358.7(i)

GLH will post on its website notice of each waiver of a tariff provision it grants in favor of an affiliate, unless such waiver has been approved by the Commission. The notice will be posted on GLH's website within one business day of the act of a waiver. GLH will also maintain a written log of such acts of waiver, available to the Commission upon request. GLH's written log and records of such postings will be kept for five years from the date of each act of waiver.

§ 358.8 Implementation requirements.

§ 358.8(a) Implementation requirements.

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

GLH Compliance with § 358.8(a)

GLH is in compliance with 18 CFR Part 358.

§ 358.8(b) Implementation requirements.*(b) Compliance measures and written procedures.**(1) A transmission provider must implement measures to ensure that the requirements of §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates.**(2) A transmission provider must distribute the written procedures referred to in § 358.7(d) to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.***GLH Compliance with § 358.8(b)**

GLH has implemented measures, described in these Written Procedures, to ensure that the requirements of the Independent Functioning rule and the No Conduit rule are observed by GLH and the employees of its affiliates. Electronic copies of these Written Procedures are provided to GLH transmission function employees, GLH marketing function employees, and GLH officers, directors, supervisory employees, and other NextEra employees likely to become privy to non-public transmission function information.

§ 358.8(c) Implementation requirements.*(c) Training and compliance personnel.**(1) A transmission provider must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. The transmission provider must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this section, within the first 30 days of their employment. The transmission provider must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.**(2) A transmission provider must designate a chief compliance officer who will be responsible for standards of conduct compliance. The transmission provider must post the name of the chief compliance officer and provide his or her contact information on its Internet Web site.***GLH Compliance with § 358.8(c)**

(1) Annual training is provided to all employees listed in 358.8(b)(2); GLH transmission function employees, marketing function employees, officers, directors, supervisory employees, and other employees likely to become privy to non-public transmission function information. New employees receive training within the first 30 days of their employment. Each employee who takes the training certifies, either electronically or in writing, that s/he completed the training.

(2) NextEra's Chief Compliance Officer for the FERC SoC is posted on the GLH Internet website.

§ 358.8(d) Implementation requirements.*(d) Books and records. A transmission provider must maintain its books of account and records (as prescribed under parts 101, 125, 201 and 225 of this chapter) separately from those of its affiliates that employ or retain marketing function employees, and these must be available for Commission inspections.***GLH Compliance with § 358.8(d)**

GLH maintains separate books of account and records from those of its affiliates with marketing function employees. GLH's books are available for Commission inspection.