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**BHE GT&S, LLC’S PROCEDURES TO IMPLEMENT FERC  
ORDER NO. 717 STANDARDS OF CONDUCT FOR  
TRANSMISSION PROVIDERS  
EASTERN GAS TRANSMISSION AND STORAGE, INC.; COVE POINT  
LNG, LP; AND CAROLINA GAS TRANSMISSION, LLC**

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**I. Definitions** *(capitalized terms in these Procedures have the following meanings)*

**Affiliate** means an entity that controls or is controlled by or is under common control (10 percent or more) with Berkshire Hathaway, Inc, including a division that operates as a functional unit. “Control” means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of the Affiliate.

**Critical Energy Infrastructure Information (CEII)** means specific engineering, vulnerability, or detailed design information about proposed or existing critical transmission infrastructure as fully defined in 18 C.F.R. §388.113 (c)(1).

**Chief Compliance Officer (CCO)** means the employee identified on the Internet Website who is responsible for managing compliance with the Standards of Conduct. BHE GT&S’ Chief Compliance Officer is Lois M. Henry, Assistant General Counsel, 10700 Energy Way, Glen Allen, VA 23060 (804) 613-5224, [lois.henry@bhegts.com](mailto:lois.henry@bhegts.com).

**Employee** means employee, contractor, consultant or agent of BHE GT&S, LLC.

**FERC or Commission** means the Federal Energy Regulatory Commission or any successor agency thereof.

**Internet Website** means a location where a BHE GT&S, LLC Transmission Provider posts certain information required by the Standards of Conduct. A Transmission Provider may use its proprietary Information System (e.g., Dekaflo) or Electronic Bulletin Board (EBB) to post certain information required by the Standards of Conduct.

**Intranet Website** means a location on BHE GT&S, LLC's corporate data network that is accessible only to BHE GT&S, LLC employees. Information on this network may be available to all employees (e.g., telephone directory, Ethics and Compliance program Intranet Websites, etc.) or may be restricted to certain employees through software access controls.

**Marketing Affiliate** means Affiliates of BHE GT&S, LLC with Marketing Function Employees, which include: Mico LLC, Mitsui & Co. Energy Marketing and Services (USA) Inc. and Pacific Summit Energy, LLC.

**Marketing Function** means the sales 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 to operate interstate natural gas pipeline transmission facilities; 3) sales of natural gas solely from a seller's own production; 4) sales of natural gas solely from a seller's own gathering or processing facilities; or 5) 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 7(f) of the Natural Gas Act.

**Marketing Function Employee (MFE)** means an employee, contractor, consultant or agent of BHE GT&S, LLC or of an affiliate of BHE GT&S, LLC who actively and personally engages on a day-to-day basis in marketing functions.

**Procedures** means these Procedures designed to Implement FERC Order No. 717, Standards of Conduct for Transmission Providers pursuant to 18 C.F.R. Section 358.7(d).

**Standards of Conduct** means the rules governing the relationship between TFEs and MFEs as established by FERC in Order No. 717, Standards of Conduct for Transmission Providers.

**Transmission** means natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of Part 284 of FERC's regulations.

**Transmission Customer** means any eligible customer, shipper or designated agent that (1) can or does execute a transmission service agreement or (2) can or does receive transmission service, including persons with pending requests for transmission service or information regarding transmission.

**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. Directed at short-term real time operations, including decisions made in advance of real time that are directed at real time operations. Transmission Functions do not include long-range planning.

**Transmission Function Employee (TFE)** 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. The Internet Website will identify the job titles and job descriptions of TFEs. Examples of TFEs include employees in the following areas: Gas Control, System Optimization, Pipeline Operations, Transportation Services, and Interstate Marketing.

Generally, employees in the following areas are NOT TFEs (unless they are involved in day-to-day operations): Field, Maintenance and Construction, Engineers, Technical Support Staff, Human Resources, Information Technology, Storage Engineers, Pipeline Safety, Measurement, Attorneys, Accountants, Risk Management, Regulatory Personnel, Rate Design, Strategic Planning, Clerical.

**Transmission Function Information** means information relating to Transmission Functions, as defined above, that is not otherwise also available to the general public without restriction, or all users of the Internet Website, as applicable. This can include, but is not limited to, past, present and future information about transmission maintenance schedules, transmission customer information, curtailments of transmission service, available transmission capacity, including storage, transmission service requests and request status, transmission service pricing offers, transmission outages, expansion plans and schedules, and Cove Point LNG, LP ship schedules.

**Transmission Provider** means Eastern Gas Transmission and Storage, Inc., Cove Point, LNG, LP or Carolina Gas Transmission, LLC.

## **II. Applicability**

These Procedures implement the Standards of Conduct and apply to the relationship and communications between TFEs (including employees with Transmission Function Information) and MFEs. All TFEs, MFEs, and all other employees, including senior management and supervisory personnel, are responsible for adhering to these Procedures.

## **III. General Principles of the Standards of Conduct**

The general principles of the Standards of Conduct are as follows:

- A. A Transmission Provider must treat all customers on a not unduly discriminatory basis, and must not grant undue preferences, especially to its Affiliates;
- B. A Transmission Provider's TFEs must function independently from its Affiliate MFEs;
- C. A Transmission Provider must not disclose or use a conduit to disclose non-public Transmission Function Information to its Affiliate MFEs; and
- D. A Transmission Provider must provide equal access to non-public Transmission Function Information to all its customers, except in the case of confidential customer information or Critical Energy Infrastructure Information (CEII).

#### **IV. General Rules & Requirements of the Standards of Conduct**

The general rules and requirements of the Standards of Conduct include the following:

- A. Non-Discrimination Requirements (See Section V below)
- B. Independent Functioning Rule (See Section VI below)
- C. No-Conduit Rule (See Section VII below)
- D. Transparency Rule (See Sections VIII and XI below)

#### **V. Non-Discrimination Requirements**

A Transmission Provider must treat all Transmission Customers, whether affiliated or not, on a not unduly discriminatory basis, and must not operate its Transmission system to give preferential benefits to its Marketing Affiliates. This requirement shall be implemented pursuant to the following standards:

- A. A Transmission Provider will strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service if these tariff provisions do not permit the use of discretion.
- B. A Transmission Provider will 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 non-discriminatory manner if the tariff provisions permit the use of discretion.
- C. A Transmission Provider may not, through its tariff or otherwise, give undue preference to any person or entity in matters relating to the sale or purchase of transmission service (including issues of price, curtailment, scheduling, priority, ancillary services or balancing).

1. Tariff Waivers – To the extent that a Transmission Provider waives a tariff provision in favor of an Affiliate; it must be posted on its Internet Website. The Transmission Provider must also maintain a log of such waivers which must be retained for five years. “Exercises of discretion” that are allowed in the Transmission Provider’s tariff, or which have been approved by the Commission, do NOT have to be posted or recorded in the waiver log.
- D. A Transmission Provider will process all similar requests for transmission service in the same manner and within the same time period.

## **VI. Independent Functioning Rule**

- A. GENERAL RULE: TFEs must function independently of any MFEs, which means they shall not perform any Marketing Functions or perform any work for any MFE, except as noted below.
- B. GENERAL RULE: MFEs will not conduct Transmission Functions for a Transmission Provider.
- C. Facilities:
  1. If TFEs work in the same building as MFEs, the TFEs’ workspace shall be physically separated and restricted to the maximum extent practical from MFEs. Shared facilities that staff both TFEs and MFEs are listed on the Internet Website.
  2. MFEs will not have access to a Transmission Provider’s Gas Control facility or any similar Transmission Provider facilities used for day-to-day transmission operations or reliability functions that differ in any way from the access available to other Transmission Customers. Access to these facilities will be restricted by cardkey or other appropriate means on a 24-hour basis.
  3. MFEs will not have access to a Transmission Provider’s commercial function and system operations area that differs in any way from the access available to other Transmission Customers. Access to these facilities will be restricted by cardkey or other appropriate means on a 24-hour basis. MFEs may have access to these areas upon appropriate registration/sign-in and will be escorted throughout the visit.
    - a. CardKey Access
      - (i) An automated “Employee Transfer/Termination Notification” program will alert Cardkey administrators to revoke applicable facility access from

employees that have been transferred or terminated from a TFE position.

- (ii) BHE GT&S, LLC's Corporate Security or other appropriate personnel will review cardkey access lists to ensure their accuracy.

#### 4. Emergency Exception

In emergency circumstances affecting system reliability, a Transmission Provider may take whatever steps necessary to keep or restore system operation, including exchanging non-public Transmission Function Information between TFEs and MFEs necessary to maintain or restore operation of the transmission system.

Record of Communication – Record **must** be made as soon as practicable. Please refer to Section VIII.B.1.b for further details.

### **VII. No Conduit Rule**

- A. GENERAL RULE: A Transmission Provider is prohibited from using anyone as a conduit for the disclosure of non-public Transmission Function Information to its MFEs.
- B. GENERAL RULE: Transmission Provider employees, contractors, consultants or agents AND employees, contractors, consultants, or agents of an Affiliate with MFEs are prohibited from disclosing non-public Transmission Function Information to MFEs.

### **VIII. Information Exchanges**

#### A. Posting of Prohibited Disclosures:

- 1. Non-Public Transmission Information –Provider must immediately post non-public Transmission Function Information on the Internet Website if a Transmission Provider inadvertently discloses such information to an MFE.
- 2. Non-Public Transmission Customer Information and CEII –A Transmission Provider must immediately post notice on the Internet Website that the Customer Information or CEII information has been disclosed.
- 3. Exceptions to Posting:

- a. Customer Voluntary Consent - If a non-affiliated transmission customer consents in writing to allow a Transmission Provider to share its customer information with an MFE, a Transmission Provider may share such information. A Transmission Provider will post notice of the consent on the Internet Website (EBB) of the consent along with a statement that it “did not provide any preferences, either operational or rate-related, in exchange for the voluntary consent.”
- b. Specific Requests Relating to Transmission Provider Service – A Transmission Provider is not required to disclose on the Internet Website information regarding a Marketing Affiliate’s specific request for transmission service (i.e., confirmations, nominations, schedules with upstream producers, interconnecting pipelines), including discussions with the Marketing Affiliate with respect to the Marketing Affiliate’s participation in capacity expansion or new development projects. This exception does not apply to outages or other system conditions.
- c. Emergencies – A Transmission Provider may share non-public Transmission Function Information between TFEs and MFEs to maintain or restore operation of the transmission system or generating units. A record of any such meetings or communications under this exception must be maintained. See Section VIII.B.1.b for further details.

B. Communications Between TFEs and MFEs:

- 1. GENERAL RULE: Order No. 717 and its regulations permit joint meetings between TFEs and MFEs as long as non-public transmission function information is not shared and the meetings do not relate to transmission or marketing functions. A joint meeting includes, but is not limited to, face-to-face meetings, telephone and conference calls.
  - a. Permitted Meetings or Communications Requiring Recordation between TFEs and MFEs where non-public Transmission Function Information is shared include a situation where the topic of the meeting is in response to an emergency concern that requires information sharing in order to maintain or restore operation of the transmission system (record of meeting or communication must be made and retained as explained in Section VIII.B.1.b below).
  - b. Record of Joint Meetings between TFEs and MFEs
    - (i) Required Recordation - TFEs and MFEs must make a contemporaneous record of information exchanges that are permissible under this Section VIII.B. The record must be maintained for a period of five years. The

record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like; however, the record must be retrievable. In an emergency when a contemporaneous record cannot be made, the record must be made as soon as practicable after the fact.

- (ii) Recommended Recordation – For exchanges between TFEs and MFEs that are permissible and where non-public Transmission Function Information is **not** disclosed, the Ethics and Compliance Department recommends a contemporaneous record be made and maintained for a period of five years as best practice. The record may consist of handwritten or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like.
- (iii) Employees participating in a joint meeting must be reminded to comply with the restrictions on the exchange of non-public Transmission Function Information beyond what is allowed by the rules and regulations of FERC. Further, the joint meeting should only be held if the topic of the meeting is one of the permissible topics. If it is unclear whether the topic is permissible, employees are directed to seek clearance from the Ethics and Compliance Department.

C. Information Access “Best Practices”:

1. To implement the no-conduit requirement, the following “best practices” procedures should be followed by a Transmission Provider to ensure proper access to non-public transmission information:
  - a. A Transmission Provider should use the Internet Website to publicly disseminate to transmission customers, including its Marketing Affiliates, information required to be posted pursuant to the Standards of Conduct or other Commission regulations. All postings shall comply, if applicable, with the requirements of Part 284 of FERC’s regulations.
  - b. BHE GT&S, LLC’s IT department has erected and maintains appropriate password requirements, firewalls, and other security measures for all Transmission Provider’s information systems.

Such measures include:

- (i) Transmission Function Information that is accessible via BHE GT&S, LLC’s Internet website, Intranet or internal computer applications shall be protected from access by MFEs.

- (ii) BHE GT&S MFEs have a “Mkt Function” designation in their company e-mail identifier.
- (iii) An automated program monitors employee terminations and transfers daily and sends a notification to the CCO (or its designee) or applicable system administrators when a qualifying event occurs. When applicable, the CCO (or its designee) will adjust access to all affected computer systems, physical facilities and employee e-mail addresses to prevent inclusion on prior distribution lists.

## **IX. Additional Employee Responsibilities**

### **A. General:**

1. All BHE GT&S, LLC employees are individually responsible for strict compliance with Standards of Conduct and these Procedures. BHE GT&S, LLC does not condone or tolerate violations of the Standards of Conduct. Employees who fail to comply with these Standards of Conducts may be subject to disciplinary actions up to, and including, termination. In addition to the requirements set forth in these Procedures, all employees are asked when appropriate to consider the safeguards described below.
2. Prior to sharing Transmission Function Information with any Employee outside of the BHE GT&S Transmission Provider organization, employees should check to see whether the recipient is allowed to receive the Transmission Function Information under the Standards of Conduct. If you are unsure about whether the information is Transmission Function Information, or whether the requestor is an MFE, consult the Company Directory, ask your supervisor or contact the Ethics and Compliance Department.
3. It is recommended that employees clearly mark all e-mails, documents or other communications that contain Transmission Function Information with the following header or another substantially similar message: “This communication contains Transmission Function Information as defined by 18 C.F.R. §358.3 (j) and must be kept confidential. DO NOT copy or forward to any Marketing Function Employee without express clearance from BHE GT&S, LLC’s Ethics and Compliance or Legal Departments.”
4. When possible, Employees should protect Transmission Function Information that is sent via an electronic method with passwords or non-copying/non-forwarding features enabled.
5. All Employees also must strictly comply with the “No Conduit” rule. The “No Conduit” rule means that although certain employees may have access to non-

public Transmission Function Information in order to perform their job function, they may never be a “conduit” or pass this Transmission Function Information to MFEs. Employees of Marketing Affiliates who are not considered MFEs must be diligent not to pass any non-public Transmission Function Information to MFEs. Also, employees who provide a corporate service function for both a Transmission Provider and Marketing Affiliates should not pass non-public Transmission Function Information to any MFE.

6. In summary, Employees should abide by the following requirements:
  - a. Know the extent of your access to Transmission Function Information.
  - b. Never act as a “conduit” by providing this information to an MFE.
  - c. If you are uncertain about whether the information is Transmission Function Information, or whether the requestor is an MFE, consult the Company Directory, ask your supervisor, or the Ethics and Compliance Department.
  - d. Make sure Transmission Function Information received from a Transmission Provider is clearly marked as such to prevent inadvertent sharing of information.

**B. Marketing Function Employees:**

1. MFEs must be aware of the information restrictions and the Independent Functioning Rules that apply between TFEs and MFEs. Generally, MFEs may not have access to Transmission Function Information unless it is obtained via a public source (e.g., the Internet Website). Also, MFEs must operate separately from TFEs.
2. In practice, MFEs should abide by the following requirements:
  - a. Do not gain or attempt to gain access to Transmission facilities, including computer systems, or Transmission Function Information by any means. If you have access to Transmission facilities or Transmission Function Information or if you feel you have received access inappropriately, do not review the information and report the incident immediately to your supervisor, or the Ethics and Compliance Department.
  - b. If Transmission Function Information is obtained inadvertently or otherwise in violation of the Standards of Conduct or these Procedures, do not use the information in any capacity and report the incident immediately to your supervisor, or the Ethics and Compliance Department.

**X. Chief Compliance Officer (CCO) Responsibilities.**

A. Duties of the CCO (or its designee) include:

1. Identify and maintain a list of employees that must receive Standards of Conduct training. Ensure that all affected employees receive the necessary training on an annual basis.
2. Provide guidance on the FERC Standards of Conduct to all affected employees.
3. Monitor employee transfers between TFEs and MFEs. Ensure that appropriate actions are taken for employees that transfer into or out of a Transmission Provider organization and change from TFEs to MFEs, and vice versa. Actions include necessary postings on Internet Websites and restrictions to facilities, including any computer systems.
4. Ensure proper documentation of Standards of Conduct issues and matters. Ensure that documentation is retained for requisite statutory period.
5. Monitor and update informational postings to ensure that data is current and correct, consistent with the procedures described in Section XI below.

## **XI. Informational Posting Procedures**

A. Information to be Posted: The following information shall be maintained on each Transmission Provider's Internet Website by the CCO (or its designee). The CCO will update this information within seven business days of any change and will post the date the information was updated.

1. Names and addresses of Marketing Affiliates.
2. Complete list of employee-staffed facilities that are shared by both TFEs and MFEs.
3. The job titles and job descriptions of all TFEs.
4. Name and address of potential merger partners to a Transmission Provider that may employ or retain MFEs, within seven days after the potential merger is announced. For purposes of the Standards of Conduct, once a potential merger is announced the Standards of Conduct will apply as if the entity were already acquired or merged.
5. Information on employee transfers. The name of a TFE who transfers to a position as an MFE, or any transfer of an MFE to a position as a TFE. The information must be posted on the Internet Website for 90 days, and include the

name of the transferring employee, the respective title held in the Transmission Function and Marketing Affiliate, and the effective date of the transfer. This information will be derived and kept current by Human Resources' information provided via automated reports.

6. Information Disclosure. A Transmission Provider must immediately post any non-public Transmission Function Information, non-public Transmission Customer Information or CEII that was disclosed to MFEs. See Section VIII.A above.
7. Waivers. Notice of each waiver of a tariff provision that a Transmission Provider grants in favor of an Affiliate, unless such waiver has been approved by the FERC. See Section V.C.1 above.
8. Name of Chief Compliance Officer. Name and contact information of BHE GT&S, LLC's FERC Standards of Conduct CCO.
9. Notice of Customer Voluntary Consent. Notice of customer voluntary consent to allow a Transmission Provider to disclose customer information to MFEs. See Section VIII.A.3.a above.
10. These Procedures. These Procedures will be kept current by the Ethics and Compliance Department in conjunction with the CCO and BHE GT&S' Transmission Providers.

## **XII. Training Procedures.**

### **A. Written Procedures:**

1. Required employees will receive an Intranet Website link to provide assistance and guidance on compliance. The link will include documents related to Standards and Codes of Conduct, helpful tools/guides and frequently asked questions. It will also include these Procedures. Such information will be provided to the following employees:
  - a. Transmission Function Employees.
  - b. Marketing Function Employees.
  - c. Officers, Directors, Supervisory and other employees of BHE GT&S, LLC or a Transmission Provider who are likely to become privy to Transmission Function Information.
2. All Employees of BHE GT&S, LLC have access to these Procedures through the Internet Website or the searchable Intranet Website.

### **B. Training:**

1. The following employees will be trained regarding FERC Standards of Conduct annually. These employees are required to certify (by signature or electronic certification) that they have participated in training:
  - a. Transmission Function Employees;
  - b. Marketing Function Employees;
  - c. Officers, Directors, Supervisory and other employees, contractors, or agents of BHE GT&S, LLC or a Transmission Provider who are likely to become privy to Transmission Function Information.
2. New Employees

New TFEs, MFEs, officers, directors, supervisory employees, and any other employees, contractors, or agents likely to become privy to Transmission Function Information will be trained as soon as possible upon commencing employment, but no later than thirty (30) days after commencement. These employees are required to certify (by signature or electronic certification) that they have completed the training.

### **XIII. Other**

A. Fines/Penalties:

FERC can impose fines of over \$1 million per day per violation.

B. BHE GT&S, LLC's Commitment to Compliance:

BHE GT&S, LLC does not condone and will not tolerate violations of the Standards of Conduct. Employees that violate the Standards will be subject to disciplinary action, up to and including termination.

C. Contacts:

Employees should report any concerns immediately to your supervisor or the Ethics and Compliance Department.

**Assistant General Counsel – Ethics and Compliance:**

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