



## **Corporate Procedure -- FERC Standards of Conduct**

Revision 1, Published on November 18, 2011

**Category: Miscellaneous**

**Effective Date: October 27, 2008**

**Information Contact: Associate General Counsel**

**Responsible Officer: Sr. Vice President - General Counsel**

### **PURPOSE:**

The Federal Energy Regulatory Commission ("FERC") has promulgated regulations entitled "Standards of Conduct," 18 C.F.R. Part 358. The Standards of Conduct set forth legal requirements applicable to any public utility that owns, operates or controls facilities used for the transmission of such electric energy in interstate commerce. Cleco Corporation and/or its affiliates and subsidiaries ("Cleco") have filed Transmission Service Tariffs with the Federal Energy Regulatory Commission consistent with the Commission's final rule on Open Access Non-Discriminatory Transmission Services. Cleco is committed to providing transmission services to third parties on a non-discriminatory basis and will not provide transmission services for its own bulk wholesale transactions in a manner that is preferential to the service provided to third parties.

### **PROCEDURE:**

#### **General Rules**

The FERC Standards of Conduct set forth two general principles: (1) a transmission provider's personnel engaged in transmission system operations must function independently from the transmission provider's marketing personnel and from its marketing affiliate(s); and (2) a transmission provider must treat all transmission customers, affiliated and non-affiliated, on a non-discriminatory basis, and must not operate its transmission system to preferentially benefit its marketing affiliates.

Cleco, as 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.

#### **Independent Functioning**

Cleco's transmission function employees must function independently from the marketing function employees, except as permitted by Commission order.

Marketing function employees are not permitted to conduct transmission functions or have access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers. Transmission function employees are not permitted to conduct marketing functions. An employee's FERC designation can be found in the Cleco Phonebook database.

### **Restrictions on Access to Transmission Information**

Cleco personnel who are engaged in transmission system operations and reliability functions are prohibited from disclosing to Cleco marketing function personnel any non-public transmission or market information, including through communications off the OASIS, through access to information not posted on the OASIS that is not at the same time available to the general public without restriction, or through information on the OASIS that is not at the same time publicly available to all OASIS users.

Employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to marketing function employees.

Cleco must provide equal access to non-public transmission function information to all its transmission function customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information ("CEII").

An employee who discloses non-public transmission function information, in a manner contrary to the FERC Standards of Conduct, must immediately contact the legal department. Cleco will post the information that was disclosed on its Internet website or the fact that the information was disclosed if it is CEII as defined in 18 CFR §388.113(c)(1).

### **Postings on the public Internet**

Cleco will post on its Internet website:

- the name and contact information of Cleco's designated Chief Compliance Officer.
- the names and addresses of all its affiliates that employ or retain marketing function employees;
- a complete list of shared facilities;
- information concerning potential merger partners;

- the job titles and job descriptions of its transmission function employees;
- any transfer of a transmission function employee to a position as a marketing function employee;
- any transfer of a marketing function employee to a position as a transmission function employee;
- the name of the chief compliance officer and his/her contact information;
- authorizations from non-affiliated Transmission Customer(s) who voluntarily consent, in writing, to allow the Transmission Provider to disclose non-public market information to a Marketing Affiliate.
- written procedures implementing the FERC Standards of Conduct.

### **Implementing the Tariff**

Cleco will 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. Cleco 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 not unduly discriminatory manner, if the tariff provisions permit the use of discretion. Cleco will 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). Cleco will process all similar requests for transmission services in the same manner and within the same period of time.

### **Implementing the FERC Standards of Conduct**

Cleco will implement measures to ensure that the FERC Standards of Conduct (18 CFR §§358.5 and 358.6) are observed by affected employees. Written procedures will be distributed to all transmission function employees, marketing function employees, officer, directors, supervisory employees and any other employees who are likely to become privy to transmission function information. Annual training on these procedures will be conducted for applicable employees, culminating in an electronic or written certification by the employee of completion of training. Employees who are newly classified in one of the categories above will receive training within 30 days of employment or job change.

### **Books and Records**

Cleco, as a transmission provider, must maintain its books of account and records separately from those of its affiliates and these must be available for FERC inspection.

### **SYSTEM EMERGENCIES**

During system emergencies and/or any condition that could, in the sole discretion of the system operator, endanger and/or adversely affect system reliability, the Standards of Conduct shall be deemed suspended to the extent necessary to address the emergency and/or condition. During these circumstances, personnel engaged in transmission system operations or reliability functions shall take whatever steps are necessary to maintain system reliability during an emergency, notwithstanding that this could otherwise constitute a violation of the Standards of Conduct and/or these procedures.

Any emergency resulting in a deviation from the Standards of Conduct will be posted on Cleco's OASIS site within 24 hours of the deviation. The deviation will also be reported to FERC within 24 hours, either by telephone, fax or email.

### **Related Policies and Procedures**

- FERC Affiliate Restrictions
- FERC Compliance
- NERC, NAESB, and SPP Compliance
- Disciplinary Action
- FERC Affiliate Restrictions
- Use of Shared Directories

### **Summary of Changes**

03/31/2010 -- Revision 0 imported from old database.

11/18/2011 -- Revision 1 contains the following changes:

- Revised to update per FERC regulations.