



Federal Energy
Regulatory Commission
(FERC)
Standards of Conduct

COMPLIANCE PROGRAM MANUAL

Revision 2.0

4/21/2011



FERC Standards of Conduct (SOC) Compliance Program
Manual

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I. **BGE FERC Standards of Conduct (SOC) Compliance Policy Statement**

Baltimore Gas and Electric Company (BGE) is committed to ensuring the enforcement of the FERC Standards of Conduct (SOC) established by the Federal Energy Regulatory Commission (FERC). BGE will promote a culture of compliance throughout the organization to ensure that the requirements of FERC Order. No 717, Part 358 are satisfied.

1.1 *General Responsibilities*

To ensure a strong atmosphere of FERC SOC compliance, all employees and management of BGE shall:

- Understand and comply with all applicable FERC SOC requirements;
- Follow established procedures for ensuring compliance;
- Where appropriate, provide suggestions for improvement of any such procedure established for the purpose of BGE compliance to FERC SOC;
- Report all suspected violations or concerns in compliance with this Policy to the BGE FERC SOC Chief Compliance Officer; and
- Cooperate fully in investigations of potential violations.

The Management of BGE will strive to create and maintain an environment that ensures compliance with all SOC and maintains the highest level of integrity in all actions.

1.2 *Formal BGE FERC SOC Compliance Program*

To ensure compliance with this policy, BGE shall implement and maintain a formal FERC SOC Compliance Program.



II. BGE FERC SOC Compliance Program Overview

2.1 Preface

On October 16, 2008, the Federal Energy Regulatory Commission (FERC) issued [Order No. 717, SOC for Transmission Providers](#). The Order became effective on November 26, 2008. BGE's obligations according to the order are as follows:

- BGE 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 transpiration 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.
- BGE's transmission function employees must function independently from its marketing function employees, except as permitted in this part of otherwise permitted by Commission order.
- BGE 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 function provider's marketing function employees.
- BGE 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.

2.2 Purpose

This FERC SOC Compliance Program Manual describes the FERC SOC Compliance Program at BGE. It identifies the key procedures necessary to ensure that a formal compliance program is in place, maximizes the probability of compliance with SOC, and allows BGE to manage compliance risk.

This Program Manual outlines the following:

- Executive Roles and Accountability
- Program Oversight
- Training Requirements
- Internal Communication
- Administrative Issues
 - Record Retention
 - Program Metrics



2.3 BGE Executive Oversight

BGE's President is ultimately accountable for BGE's FERC SOC compliance.

The BGE FERC SOC Chief Compliance Officer is accountable for the creation and adoption of the BGE FERC SOC Compliance Program. The BGE FERC SOC Chief Compliance Officer's role is to formalize practices and procedures that are part of the BGE FERC SOC Compliance Program, promote a culture of compliance, take ownership of the FERC SOC Compliance Program, and monitor compliance status and activities to mitigate compliance risk.

2.4 FERC SOC Compliance Program Description

The BGE FERC SOC Compliance Program is under the direction and control of the Vice President of Transmission Operations and Planning, who serves as BGE's FERC SOC Chief Compliance Officer. The FERC SOC Compliance Program is administered by the BGE FERC SOC Compliance Program Manager, who is a member of the Reliability & Compliance Assurance (R&CA) organization, or his/her designee with the assistance of various staff.

Accordingly, responsibility for the execution of the BGE FERC SOC Compliance Program is shared between the BGE FERC SOC Compliance Program Manager and the R&CA organization, and oversight of the FERC SOC Compliance Program is conducted by Transmission Operations and Planning under the guidance of the BGE FERC SOC Chief Compliance Officer.

The BGE FERC SOC Compliance Program Manager meets semiannually with the Vice President of Transmission Operations and Planning to cover, at a minimum, the following agenda items:

- Compliance Program Results;
- Recommended Changes to FERC SOC Compliance Program; and
- FERC News/Updates.

Other possible agenda items may include:

- Review of key program metrics;
- Review of new FERC-approved SOC rules;
- Highlighting changes since last review;
- Compliance assessment; and
- Corrective actions being taken to ensure compliance.

2.5 FERC SOC Compliance Program Management

The compliance activities will be managed by the BGE FERC SOC Compliance Program Manager, who is a member of the Reliability & Compliance Assurance (R&CA) organization. The Reliability & Compliance Assurance (R&CA) organization is operated and managed independently of transmission function and market function organizations.



2.6 Summary of Roles and Responsibilities

The following table summarizes the responsibilities of the key BGE groups:

Table 1: Roles and Responsibilities

BGE Group or Key Position	Responsibility
<i>BGE FERC SOC Chief Compliance Officer</i>	<ul style="list-style-type: none">• Provide policy guidance on FERC SOC issues.• Approve BGE compliance policy and program procedures.• Monitor BGE risk.• Manage communication with FERC for BGE FERC
<i>BGE FERC SOC Compliance Program Manager</i>	<ul style="list-style-type: none">• Oversee administration and implementation of FERC SOC Compliance Program.• Provide additional reminders to BGE employees who do not complete the training timely.• Track & report compliance status and associated metrics.• Oversee administration and implementation of enhanced FERC SOC training for all transmission function employees.• Initiate the access revocation process for employees who have not completed FERC SOC training.• Provide relevant posting information to the BGE Social Media & Web Engagement Group for appropriate posting to the BGE website.• Update new employees and employee transfers in the BGE FERC SOC training database.• Conduct internal compliance assessments.



BGE Group or Key Position	Responsibility
<i>Manager, Transmission System Operations (TSO)</i>	<ul style="list-style-type: none">• Immediately post information on the OASIS that is determined by the BGE FERC SOC Chief Compliance Officer and/or BGE Legal to be market-sensitive non-public transmission function information that has been improperly disclosed to a marketing function employee.• Immediately post a notice on OASIS reporting whenever BGE has improperly disclosed information that the Commission by law has determined is to be subject to limited dissemination.• In the case of any deviation warranted by an emergency, notify FERC to request an exemption from the posting requirements.• Maintain records of certain information exchanges of non-public transmission function information between BGE transmission function employees and marketing function employees.• Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of a transmission function organizations.
<i>Manager, Substation & Transmission Projects</i>	<ul style="list-style-type: none">• Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the Substation and Transmission Projects organization.
<i>Supervisor, Workload Management–Substation & Transmission</i>	<ul style="list-style-type: none">• Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the Workload Management-Substation & Transmission organization.
<i>Supervisor, TSO Procedures & Training</i>	<ul style="list-style-type: none">• Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the TSO Procedures & Training organization.



BGE Group or Key Position	Responsibility
<i>Manager, Large Projects</i>	<ul style="list-style-type: none"> Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the Large Projects organization.
<i>Supervisor, Operations Computer Support</i>	<ul style="list-style-type: none"> Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the Operations Computer Support organization.
<i>Senior Engineer, Transmission NERC Compliance and Standards</i>	<ul style="list-style-type: none"> Accountable for enhanced FERC SOC training content for transmission function employees and the logging of communications between transmission function employees and marketing function employees.
<i>BGE Legal</i>	<ul style="list-style-type: none"> Determine if information needs to be posted if BGE discloses non-public transmission function information to a marketing function employee. Respond to any compliance inquiries from within the company, and coordinate and manage the FERC audit process.
<i>CE Corporate Audit</i>	<ul style="list-style-type: none"> Upon request, provide an internal audit of the FERC SOC Compliance Program.
<i>CE HR Technology Unit</i>	<ul style="list-style-type: none"> Provide a weekly report of new CE hires and employee transfers to the BGE FERC SOC Compliance Program Manager. Upon request, provide a report of CE employees who are no longer with the company. Upon request, provide an annual report of all current CE employees prior to the annual FERC SOC training rollout.



BGE Group or Key Position	Responsibility
<i>BGE HR Admin. & Compensation Unit</i>	<ul style="list-style-type: none">• Provide a weekly report of new BGE hires and employee transfers to the BGE FERC SOC Compliance Program Manager.• Upon request, provide a report of BGE employees who are no longer with the company.• Upon request, provide an annual report of all current BGE employees prior to the annual FERC SOC training rollout.
<i>BGE Social Media & Web Engagement Group</i>	<ul style="list-style-type: none">• Post to BGE's website 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 within 7 business days of occurrence.• Post to BGE's website employee-staffed facilities shared by any transmission function employees and marketing function employees.• Post potential merger partners to BGE's website.• Post job titles and descriptions of BGE transmission function employees on the BGE website.• Post current written procedures for implementing the SOC on the BGE website.• Post the names and addresses of all BGE affiliates that employ or retain marketing function employees on the BGE website.• Post contact information for BGE's FERC Chief Compliance Officer on the BGE website.
<i>Director, Electric Supply, Demand Response & Forecasting</i>	<ul style="list-style-type: none">• Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the Electric Supply, Demand Response & Forecasting organization.



BGE Group or Key Position	Responsibility
<i>Supervisor, Demand Response–Commercial</i>	<ul style="list-style-type: none">Notify BGE FERC SOC Compliance Program Manager prior to or immediately after any employee transfers into or out of the Demand Response – Commercial organization.
<i>CE Corporate Supervisors</i>	<ul style="list-style-type: none">Ensure that their employees complete the FERC SOC training.
<i>BGE Supervisors</i>	<ul style="list-style-type: none">Ensure that their employees complete the FERC SOC training.
<i>All BGE Employees</i>	<ul style="list-style-type: none">Adhere to all FERC SOC requirements.

2.7 Key Program Metrics

A compliance dashboard shall be created and maintained by the BGE FERC SOC Compliance Program Manager. This dashboard shall consist of leading and lagging metrics to ensure tracking and management of BGE compliance activities.

These metrics may include:

- Number of transmission function employees trained;
- Number of marketing function employees trained;
- Number of BGE employees trained; and
- Number of violations – year to date and total.

2.8 Document Control

The BGE FERC SOC Compliance Program Manager is accountable for the document control of this Program Manual.

III. Records

3.1 Accountability

The BGE FERC SOC Chief Compliance Officer is ultimately accountable for all compliance records to demonstrate auditable compliance with FERC SOC.

The BGE FERC SOC Compliance Program Manager is accountable for maintaining records associated with the enhanced FERC SOC training for all transmission function employees.

The Transmission NERC Compliance and Standards Engineer is accountable for enhanced FERC SOC training content for all transmission function employees and the logging of communications between transmission function employees and marketing function employees.



3.2 Record Types & Retention Period

The FERC SOC training database houses records of FERC SOC training. Records for the enhanced FERC SOC training for all transmission function employees will be maintained by the BGE FERC SOC Compliance Program Manager. Training records shall be retained for a period of five (5) years. TSO logs and records of communications between transmission function employees and marketing function employees shall be retained for a period of five (5) years by the Transmission NERC Compliance and Standards Engineer.

IV. BGE Communications Regarding Compliance

4.1 Accountability

The BGE FERC SOC Compliance Program Manager is accountable for the content of communications concerning BGE's FERC SOC compliance efforts. He or she is also accountable for implementing the initial and annual BGE-wide communication of the program, as well as ensuring that regular communications are provided.

V. Training

All training requirements are satisfied as delineated in this section. Upon completion of the corporate FERC SOC training, the employee will be electronically certified and can print a certification.

Enhanced FERC SOC training is additional training developed by TSO to provide transmission function employees more detailed information affecting TSO procedures. Enhanced FERC SOC training is required for all transmission function employees as outlined in Sections 5.2 and 5.3.

The BGE FERC SOC Compliance Program Manager shall be responsible for ensuring that the FERC SOC Training Program and the Enhanced FERC SOC Training is implemented annually. Employees are required to complete the training each calendar year.



5.1 BGE Employees

FERC Order NO. 717 mandates that BGE annually train certain classes of employees on the FERC SOC. Transmission function employees and market function employees as defined in [§ 358.3 \(Definitions\)](#), as well as officers, directors, supervisory employees, and any other employee likely to become privy to transmission function information must be trained. All new employees in the categories described above are required to be trained within 30 days of hire. All training will be computer based training (CBT).

BGE's goal, as a risk management decision, is to also train the balance of BGE employees (not described above) in the FERC SOC to make all employees aware of the No Conduit Rule. BGE endeavors to train these employees within the same time frame as those employees in the required categories mentioned above, even though this is not a requirement of FERC Order No. 717.

The BGE FERC SOC Employee Training Process for BGE employees is as follows:

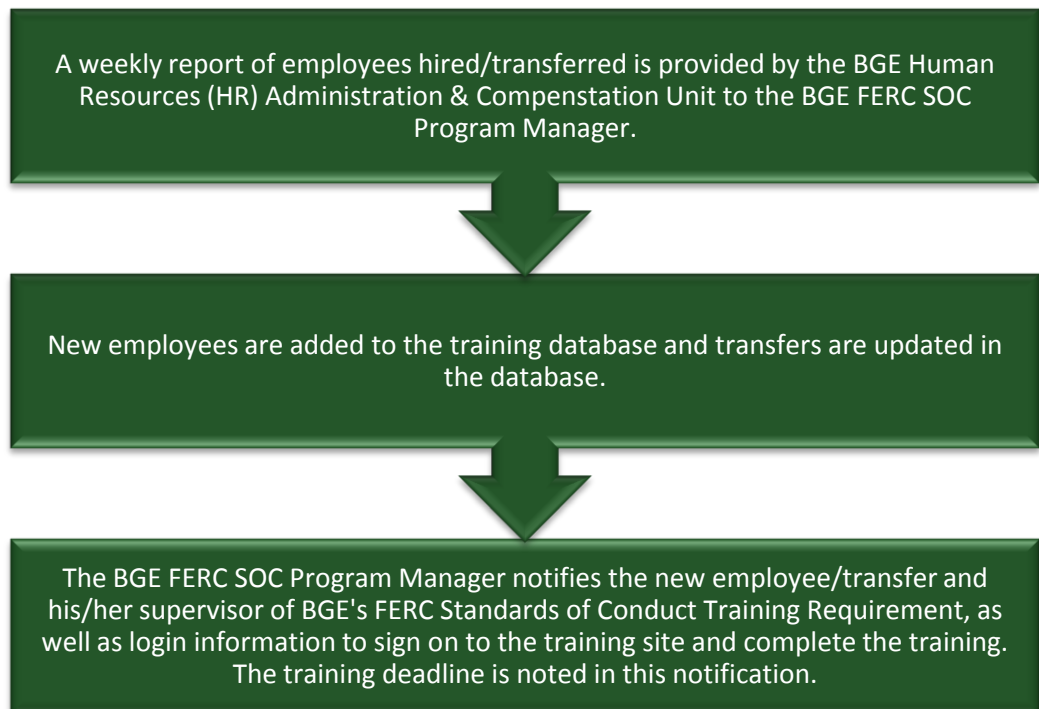


Figure 1: BGE FERC SOC Employee Training Process for BGE Employees



The initial employee training notification letter will allow new employees two weeks to complete the training. The training database is monitored weekly to make sure these employees have completed the training by the deadline. An e-mail reminder will be sent to the employee's supervisor within three days of the two week deadline if the training has not been completed. Supervisors are responsible for making sure their employees complete the training. Employees who have not completed the training by the two week deadline will be referred to the Director of Reliability & Compliance Assurance (R&CA) who will follow up with the appropriate supervision.

5.2 BGE Control Room Transmission Function Employees

BGE Control Room transmission function employees are transmission function employees, working in Transmission System Operations, stationed in the Electric Operations Building (EOB). TSO requires employees in this category to take Enhanced FERC SOC Training for Control Room employees. Employees are required to complete the training within thirty days of joining a Control Room transmission function organization; however, it is expected that it be completed within two weeks. BGE Control Room transmission function employees are identified by BGE Legal and the FERC SOC Chief Compliance Officer as those working within the following organizations:

- Transmission System Operations Control Room (1B-D1-02)
- Transmission System Operations Outage Scheduling (1B-D1-06)

This training will be provided and monitored by the BGE FERC SOC Program Manager. This training further details documentation requirements for interactions between marketing and transmission function employees. Training records will be maintained by the BGE FERC SOC Program Manager. Refer to the TSO Enhanced FERC Standards of Conduct Compliance Document (Appendix C).



5.3 BGE Non-Control Room Transmission Function Employees

BGE Non-Control Room transmission function employees are transmission function employees not working in Transmission System Operations. TSO requires employees in this category to take Enhanced FERC SOC Training for non-control room employees. Employees are required to complete the training within thirty days of joining a non-Control Room transmission function organization; however, it is expected that it be completed within two weeks. BGE non-Control Room transmission function employees are identified by BGE Legal and the FERC SOC Chief Compliance Officer as those working within the following organizations:

- Operations Computer Support (1B-A1-02)
- Transmission System Operations Procedures & Training (1B-D0-05)
- Transmission System Operations (1B-D1-01)
- Transmission System Operations Support Staff (1B-D1-03)
- Workload Management – Substation & Transmission (1D-B3-02)
- Substation & Transmission Projects (1D-C0-04)
- Large Projects (1D-C0-05)

This training will be provided and monitored by the FERC SOC Compliance Program Manager. This training further details documentation requirements for interactions between marketing and transmission function employees. Training records will be maintained by the FERC SOC Compliance Program Manager for five (5) years. Refer to the Enhanced FERC Standards of Conduct Compliance Document (Appendix C).

5.4 Constellation Energy (CE) Corporate Employees

BGE's goal, as a risk management decision, is to train Constellation Energy (CE) corporate employees (Company Code 018) on the FERC SOC as it does with the balance of BGE employees being trained in the FERC SOC to make these employees aware of the No Conduit Rule. The training is provided to all employees in this category. In addition, all direct reports to the Constellation Energy (CE) President and CEO, as well as other personnel with the same organization code as the CE President's direct reports are provided the training. BGE endeavors to train these employees within the same time frame as those in the required categories for BGE employees. The exceptions are the following organizations (company code 018) who are Constellation Energy market function organizations (not BGE market function organizations):

- CER Management Office (Retail Energy) (A0-00-02)
- Corporate Strategy & Development (A3-00-04)



The BGE FERC SOC Employee Training Process for CE corporate employees is as follows:

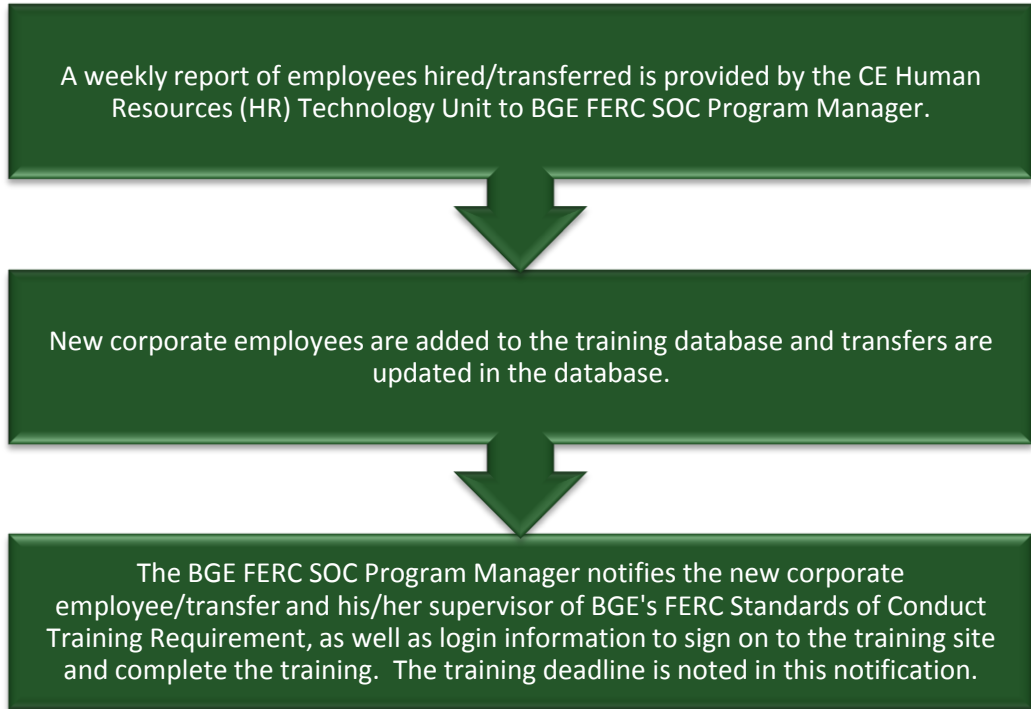


Figure 2: BGE FERC SOC Employee Training Process for CE Corporate Employees

The initial employee training notification letter will allow new employees two weeks to complete the training. The training database is monitored weekly to check on the training status of these employees. A reminder will be sent to the employee's supervisor within three days of the two week deadline if the training has not been completed. CE corporate supervisors will be responsible for making sure their employees complete the training.

5.5 Non-BGE/CE Employees

Contractors, consultants, or agents of BGE/CE who actively and personally engage on a day-to-day basis in transmission functions will be required to be trained on the FERC SOC. Individuals seeking logical access to applications containing transmission function information or unescorted physical access to the EOB Control Facility or Owings Mills Facility (OMF) Alternate Control Facility will also be trained (see Section XI (Access Requests) and note below for exceptions). For those contractors/consultants requiring FERC SOC Training without needing an [Access Request](#), the BGE FERC SOC Employee Training Process for non-BGE employees is as follows:



Figure 3: BGE FERC SOC Employee Training Process for Non-BGE/CE Employees

The initial employee training notification letter will allow new non-BGE/CE employees two weeks to complete the training. The training database is monitored weekly to make sure these employees have completed the training by the deadline. A reminder will be sent to the non-BGE/CE employee's supervisor within three days of the two week deadline if the training has not been completed. BGE/CE supervisors will be responsible for making sure their non-BGE/CE employees complete the training.



If an [Access Request](#) is submitted for an application containing transmission function information, an automatic notification will be sent to BGE FERC SOC Compliance Program Manager. In this case, the BGE FERC SOC Compliance Program Manager will notify the non-BGE/CE employee and his/her BGE/CE supervisor of BGE's FERC SOC Training Requirement, as well as login information to sign on to the training site and complete the training. The [Access Request](#) training deadline expires in five business days. The individual must complete the training before the access request expires to get approval for the application.

NOTE: BGE building maintenance or other non-technical contractors who provide custodial cleaning and other craft type services are exempted from the FERC SOC training requirement upon completing an [Access Request](#) through the Access Request System. Security contractors requiring access to the Electric Operations Building (EOB) Control Facility or Owings Mills Facility (OMF) Alternate Control Facility (ACF) will submit an [Access Request](#) through the Access Request System. This will initiate their FERC SOC training requirement.

5.6 ***Training Frequency***

BGE must provide annual training on the FERC SOC to all of its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employee likely to become privy to transmission function information. This training is required to be completed each calendar year. If an employee is unable to complete training due to not being at work, he/she must complete the training after returning to work.

The material for the training site was developed by the Edison Electric Institute (EII) in conjunction with Skadden, Arps, Slate, Meagher & Flom LLP & Affiliates. The Bivings Group creates and maintains the current training database for BGE. BGE will keep records of the training database for five years.

Each year, prior to FERC SOC training rollout, a list of current BGE employees is provided by the BGE Human Resources Administration & Compensation Unit. Similarly, a list of current Constellation Energy (CE) corporate employees is provided by the CE Human Resources Technology Unit. BGE provides The Bivings Group with these lists to establish a baseline for training/re-training BGE employees and CE corporate employees for the current year. The Bivings Group archives the old information and creates a new training database containing employees who are required to take the training. A leadership letter is sent prior to the start of the training to notify and remind all BGE/CE corporate leadership of the upcoming annual FERC SOC training requirement. Subsequent to the leadership letter rollout, the BGE FERC SOC Compliance Program Manager rolls out the training to employees who are required to complete the FERC SOC training. The training is usually rolled out in the first quarter of the calendar year. At that time employees will be notified of the



completion deadline for the training. Employees will be sent reminders during the last two weeks before the completion deadline.

Contractors and consultants who were trained and are currently in the training database will be assessed on their continued need for FERC SOC training. The BGE FERC SOC Compliance Program Manager will contact their BGE/CE supervisors. Other contractors and consultants needing training or no longer working on the project will be updated at that time.

Employees who have separated from the company prior to the FERC training requirement deadline and who have not completed the training will be removed from the training database and documented appropriately.

VI. Internal Compliance Assessment Review

6.1 Accountability

The BGE FERC SOC Chief Compliance Officer, or Legal, at the request of the BGE FERC SOC Chief Compliance Officer, is accountable for requesting an Internal Compliance Assessment Review. The BGE FERC SOC Compliance Program Manager is the accountable party for auditing compliance to applicable requirements.

6.2 Frequency of Review

The BGE FERC SOC Chief Compliance Officer may request an Internal Compliance Assessment Review of compliance activities.

6.3 Process

The BGE FERC SOC Compliance Program Manager shall recommend a schedule for Internal Compliance Assessment Reviews to the BGE FERC SOC Chief Compliance Officer. The BGE FERC SOC Chief Compliance Officer may also request "spot check" assessments outside of the established schedule.

For an assessment of compliance with a specific requirement, the assessment will be led by a member of the Reliability & Compliance Assurance (R&CA) organization.

For an assessment of the FERC SOC Compliance Program, the assessment will be led by Constellation Corporate Audit and the team will be comprised of the BGE FERC SOC Compliance Program Manager, Legal, and other support staff as needed.

6.4 Assessment Findings

Internal assessment findings will be released to the BGE FERC SOC Chief Compliance Officer.



6.5 Mitigation Process

The BGE FERC SOC Chief Compliance Officer will work with the BGE FERC SOC Compliance Program Manager, and/or transmission function and market function organization(s) to develop and implement recommendations resulting from these Internal Compliance Assessment Reviews.

VII. Compliance Monitoring

7.1 FERC Audits

FERC may periodically perform a formal audit of BGE's compliance status.

A. Accountability

BGE Legal is accountable for coordinating and managing the FERC audit process.

B. Planning & Preparation

In conjunction with BGE Legal, the BGE FERC SOC Chief Compliance Officer shall notify the BGE FERC SOC Compliance Program Manager of any upcoming audits of BGE.

In conjunction with BGE Legal, an action plan for the audit will be developed and administered by the BGE FERC SOC Compliance Program Manager.

In conjunction with BGE Legal, the BGE FERC SOC Compliance Program Manager will coordinate and conduct pre-audit reviews no later than 1 month before the scheduled audit to review the supporting material for the audit and to prepare for the audit.

C. Coordination

The BGE FERC SOC Compliance Program Manager shall work with the FERC audit team to schedule meetings, provide work space, supply documentation and other support necessary to conduct the audit.

Audit Teams will be asked to direct the preliminary and final audit report to the BGE FERC SOC Compliance Program Manager.



D. Communication of Results

Preliminary audit results will be shared by the BGE FERC SOC Compliance Program Manager with the BGE FERC SOC Chief Compliance Officer.

All communications between the FERC audit team and BGE shall occur through the BGE FERC SOC Compliance Program Manager to ensure proper tracking of compliance status for open items.

The BGE FERC SOC Compliance Program Manager shall distribute the final audit report to the BGE FERC SOC Chief Compliance Officer.

E. Violation Notification

If the FERC audit team identifies a violation in the preliminary audit and/or final audit reports the BGE FERC SOC Compliance Program Manager shall immediately notify the BGE FERC SOC Chief Compliance Officer.

VIII. Independent Functioning Requirement

BGE shall adhere to the independent functioning requirement of the SOC by maintaining both a physical and a functional separation between its electric transmission function employees and all affiliated marketing employees. Physical separation shall be maintained by limiting access to areas housing electric transmission information, including computer systems and databases, to transmission function employees and designated non-marketing function employees who have received FERC SOC training including the No Conduit Rule. Functional separation shall be maintained by prohibiting marketing function employees from conducting transmission functions, prohibiting transmission function employees from conducting marketing functions and limiting electric transmission system operations to transmission function employees.

BGE satisfies the requirements of this rule by housing transmission function employees and marketing employees in separate physical locations and preventing marketing function employees from performing transmission functions or having access to transmission function information. Access to the Transmission System Control Center requires an [Access Request](#) form and the appropriate security checks, security procedures, and appropriate training before access can be granted. Also, the transmission function employees are prevented from performing marketing functions. BGE software applications containing transmission function information are restricted from access to marketing function employees.



IX. No Conduit Rule

Company employees and contractors, consultants and agents working on behalf of transmission function employees may not act as a conduit to communicate electric transmission system information to marketing or energy affiliate employees in accordance with the No Conduit Rule.

Notwithstanding the requirement to maintain both a physical and a functional separation between BGE and all affiliated marketing employees, BGE may take whatever steps are necessary to maintain electric transmission system reliability during emergency circumstances.

BGE manages this requirement by offering training to BGE employees and CE corporate employees on the FERC SOC to make them aware of this rule. Contractors and consultants who have access to transmission function information are also trained in the FERC SOC training to make sure they are aware of this rule.

X. Non-Discrimination Requirement

BGE 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.

BGE 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.

BGE 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).

BGE must process all similar requests for transmission in the same manner and within the same period of time.

BGE satisfies this requirement under the [PJM agreement \(Consolidated Transmission Owners Agreement Rate Schedule FERC No. 42\)](#), BGE transferred its rights and responsibilities to PJM for administering the PJM tariff.



XI. Access Requests

11.1 Applications Requiring Access Requests

The following applications potentially contain transmission function information. FERC SOC training will be required before access to these applications will be granted. An [Access Request](#) is required.

- Energy Control System (ECS)
- BGE Ratings Application
- BGE Witness Voice Logger
- BGE OMS Web Outage Request
- CEG Business Objects – BGE Outage Management (Attribute: BO OMSP TSO Infoview User)
- BGE OSI PI Datalink
- BGE OSI PI Processbook
- BGE PI Admin
- TSO Logs
- #D37 – Electric Transmission System Events Report

11.2 Buildings Requiring Access Requests

Unescorted access to the following areas requires FERC SOC training:

- Electric Operations Building (EOB) Control Facility
- Owings Mills Facility (OMF) Alternate Control Facility

These areas of the building contain transmission function information. FERC SOC training will be required before unescorted access to these buildings will be granted. An [Access Request](#) is required.

Upon submittal of an [Access Request](#), the individual will be placed in the BGE FERC owner's queue. The request will be reviewed by the BGE FERC SOC Compliance Program Manager to determine whether he/she is in an organization that is allowed access to transmission function information and whether the FERC training requirement has been met. If both criteria are met, the [Access Request](#) will be approved by the BGE FERC SOC Compliance Program Manager. The date of completion of the FERC SOC Training will be noted in the [Access Request](#) along with the employee's organization number. If he/she is in an organization allowed to have access to transmission function information but has not completed the FERC Training, he/she will be notified along with his/her supervisor and requestor that the training requirement must be completed prior to access being granted. The [Access Request](#) will expire within 5 business days of entering the BGE FERC owner's queue if the FERC Training has not been completed. Marketing function employees will be denied access and an explanation will be provided with the reason for denial.



11.3 Access Revocation

Employees who have not completed the FERC SOC training by December 1st will have their access revoked from the applications and buildings noted in Sections 11.1 (Applications Requiring Access Requests) and 11.2 (Buildings Requiring Access Requests).

The BGE FERC SOC Compliance Program Manager will provide the names of employees who have not completed the training to the application owners and/or corporate security to verify whether these individuals have access to any of the FERC SOC applications. As an alternative, the BGE FERC SOC Compliance Program Manager may request a list of employees having access to the FERC SOC applications to verify FERC SOC completion. Access to all FERC SOC applications will be revoked for those employees who have not completed the training. The BGE FERC SOC Compliance Program Manager will initiate the revocation process.

XII. Transparency Rules

BGE satisfies all transparency rule requirements in this section as detailed below.

Either BGE's Transmission Systems Operations (TSO) Unit or Reliability & Compliance Assurance (R&CA) organization provides updates to post any disclosures that FERC requires on either the [OASIS](#) or [BGE internet website](#). TSO submits the required posts to PJM to make the updates to [OASIS](#) for Contemporaneous Disclosures (Section 12.1) and Emergency Deviations (Section 12.2). Reliability & Compliance Assurance (R&CA) submits the required posts to the BGE Social Media & Web Engagement Group to make the updates to the [BGE internet website](#) for Shared Facilities (Section 12.3), Potential Merger Partners (Section 12.4), Employee Transfers (Section 12.5), Job Titles and Descriptions (Section 12.6), Procedures for Implementing SOC (Section 12.7), Affiliate Information (Section 12.8), and/or BGE FERC Compliance Officer Contact Information (Section 12.9).

Posting of information on the [BGE internet website](#) must be within seven (7) business days of any change, along with the date that the information was posted.

12.1 Contemporaneous Disclosures

If BGE discloses non-public transmission function information to a marketing function employee, BGE Legal or the FERC SOC Chief Compliance Officer will make the determination as to whether the information needs to be posted. If it is determined that the information needs to be posted, BGE's Transmission Systems Operations (TSO) Unit must immediately post the information that was disclosed on the [OASIS](#).

If BGE discloses non-public transmission customer information or any other information that the Commission by law has determined is to be subject to limited dissemination, BGE must immediately post notice on the [OASIS](#) that the information was disclosed.



This information will be posted by the Transmission System Operations (TSO) Unit.

Refer to the Enhanced FERC Standards of Conduct Compliance Document (Appendix C).

12.2 Emergency Deviations

In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts BGE's normal business operations, the posting requirement may be suspended. If the disruption lasts longer than one month, BGE's Transmission System Operations (TSO) Unit must notify the Commission (FERC) and may seek a further exemption from the posting requirements. The TSO Unit will post the required information to the [OASIS](#). Refer to the Enhanced FERC Standards of Conduct Compliance Document (Appendix C).

12.3 Shared Facilities

Employee-staffed facilities shared by any transmission function employees and marketing function employees will be posted on the [BGE website](#) by BGE's Social Media & Web Engagement Group, who will receive that information from the BGE FERC SOC Compliance Program Manager.

12.4 Potential Merger Partners

The BGE Legal Department provides the necessary information concerning potential merger partners to the BGE FERC SOC Compliance Program Manager. The BGE FERC SOC Compliance Program Manager will then review and escalate that information to the BGE Social Media & Web Engagement Group for posting. BGE's Social Media & Web Engagement Group will post information on the [BGE website](#) concerning potential merger partners as affiliates that may employ or retain marketing function employees, within 7 business days after the potential merger is announced.

12.5 Employee Transfers

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 will be posted to [BGE's website](#) within 7 business days of occurrence by BGE's Social Media & Web Engagement Group, who will receive that information from the BGE FERC SOC Compliance Program Manager. The information must remain posted on [BGE's website](#) for 90 days. Information provided will include the following:

- Name of the transferring employee;
- Respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee); and
- Effective date of transfer.



The following transmission function organizations will notify the BGE FERC SOC Compliance Program Manager via e-mail of any employees transferring into or out of the transmission function organizations prior to or immediately when this occurs for posting purposes:

- Operations Computer Support (1B-A1-02)
- Transmission System Operations Procedures & Training (1B-D0-05)
- Transmission System Operations (1B-D1-01)
- Transmission System Operations Control Room (1B-D1-02)
- Transmission System Operations Support Staff (1B-D1-03)
- Transmission System Operations Outage Scheduling (1B-D1-06)
- Workload Management – Substation & Transmission (1D-B3-02)
- Substation & Transmission Projects (1D-C0-04)
- Large Projects (1D-C0-05)

The following marketing function organizations will notify the BGE FERC SOC Compliance Program Manager via e-mail of any employees transferring into or out of the marketing function organization prior to or immediately when this occurs for posting purposes:

- Electric Supply, Demand Response, Forecasting (1K-A1-01)
- Demand Response – Commercial (1K-A1-05)

Additionally, a weekly report of employee transfers is provided by the BGE Human Resources Administration & Compensation Unit and the CE Human Resources Technology Unit.

12.6 Job Titles and Descriptions

Job titles and descriptions of BGE transmission function employees will be posted on the [BGE website](#) by BGE's Social Media & Web Engagement Group, who will receive that information from the BGE FERC SOC Compliance Program Manager.

12.7 Procedures for Implementing SOC

Current written procedures for implementing the SOC will be posted on the [BGE website](#) by BGE's Social Media & Web Engagement Group, who will receive that information from the BGE FERC SOC Compliance Program Manager.

Refer to the SOC Compliance Policy (Appendix B).

12.8 Affiliate Information

The names and addresses of all BGE affiliates that employ or retain marketing function employees will be posted on the [BGE website](#) by BGE's Social Media & Web Engagement Group, who will receive that information from the BGE FERC SOC Compliance Program Manager.



12.9 BGE FERC Chief Compliance Officer

The contact information for BGE's FERC Chief Compliance Officer will be posted on the [BGE website](#) by BGE's Social Media & Web Engagement Group, who will receive that information from the BGE FERC SOC Compliance Program Manager.

12.10 Books and Records

BGE's books of account and records are maintained separately from its affiliates that employ marketing function employees.

XIII. Recordation of Certain Information Exchanges

Records of certain information exchanges of non-public transmission function information between BGE transmission function employees and marketing function employees must be maintained. A record of what was generally discussed along with the date and persons involved are required for these information exchanges. The Transmission Systems Operations (TSO) Unit documents such exchanges. These records must be kept for 5 years. Refer to the Enhanced FERC Standards of Conduct Compliance Document (Appendix C).

XIV. Program Review and Revision

The BGE FERC SOC Compliance Program Manager, the Director of Reliability & Compliance Assurance (R&CA), and/or the BGE FERC SOC Chief Compliance Officer shall suggest changes, when necessary, to this FERC SOC Compliance Program.

At a minimum, the BGE FERC SOC Compliance Program Manager shall initiate a review of the FERC SOC Compliance Program each calendar year. The BGE FERC SOC Compliance Program Manager will present these recommended changes to the BGE FERC SOC Chief Compliance Officer for adoption. The BGE FERC SOC Chief Compliance Officer shall formally review the manual and approve changes (if any).

XV. Transition Plan

Once the BGE FERC SOC Chief Compliance Officer issues a formal approval of the FERC SOC Compliance Program, the BGE FERC SOC Compliance Program Manager shall transition to full compliance with the FERC SOC Compliance Program within one calendar year of the date of approval.



Appendix A: Definitions and Acronyms

BGE: Baltimore Gas & Electric

CE: Constellation Energy

CECG: Constellation Energy Commodities Group. The wholesale energy operation for Constellation Energy, Inc.

FERC: The Federal Energy Regulatory Commission

FERC SOC Training: an educational and training program mandated by the United States Federal Government as a result of FERC Order No. 717.

Marketing Functions: (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) Sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, or by a local distribution company making an on-system sale.

Marketing Function Employee: an employee, contractor, consultant, agent of a transmission provider, or an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.

Marketing Function Employees (Identified): The FERC SOC Chief Compliance Officer, in conjunction with BGE's Legal Department has identified the following organizations as performing marketing functions by reviewing the organization charts and the definition of marketing function employees:

- Electric Supply, Demand Response, Forecasting (1K-A1-01)
- Demand Response – Commercial (1K-A1-05)

Maryland Public Service Commission (PSC) Affiliate Regulations Training: training which highlights the state level restrictions relating to BGE's relationship with other Constellation Energy (CE) companies.

OASIS: Open Access Same Time Information System. An internet-based system for obtaining services related to electric power transmission in North America.

PJM: Pennsylvania New Jersey Maryland Interconnection LLC (*Mid-Atlantic Region Power Pool*). PJM Interconnection coordinates the continuous buying, selling and delivery of wholesale electricity through the Energy Market.



Transmission Functions: the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service request.

Transmission Function Information: information relating to transmission functions.

Transmission Function Employee: an employee, contractor, consultant, agent of a transmission provider, or an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.

Transmission Function Employees (Identified): The FERC SOC Chief Compliance Officer, in conjunction with the BGE Legal Department has identified the following organizations as performing transmission functions by reviewing the organization charts and the FERC definition of transmission functions:

- Operations Computer Support (1B-A1-02)
- Transmission System Operations Procedures & Training (1B-D0-05)
- Transmission System Operations (1B-D1-01)
- Transmission System Operations Control Room (1B-D1-02)
- Transmission System Operations Support Staff (1B-D1-03)
- Transmission System Operations Outage Scheduling (1B-D1-06)
- Workload Management – Substation & Transmission (1D-B3-02)
- Substation & Transmission Projects (1D-C0-04)
- Large Projects (1D-C0-05)



Appendix B: FERC Order No. 717, Part 358 – Standards of Conduct

In consideration of the foregoing, the Commission revises part 358, Chapter I, Title 18, Code of Federal Regulations, to read as follows:

1. Part 358 is revised to read as follows:

PART 358—STANDARDS OF CONDUCT

Sec.

§ 358.1 Applicability.

§ 358.2 General principles.

§ 358.3 Definitions.

§ 358.4 Non-discrimination requirements.

§ 358.5 Independent functioning rule.

§ 358.6 No conduit rule.

§ 358.7 Transparency rule.

§ 358.8 Implementation requirements.

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.

§ 358.2 General principles.

(a) 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) 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) 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) A transmission provider 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.

§ 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) Sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, or by a local distribution company making an on-system sale.

(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.

§ 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.



§ 358.5 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.

(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.

§ 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.

§ 358.7 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.

(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.

(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.

(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.

(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.

(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.

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

(1) A transmission provider must update on its Internet website 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 website postings required by this part must be sufficiently prominent as to be readily accessible.

(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 hand-written or typed notes,



electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.

(2) The non-public information subject to the exclusion in § 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.

(i) Posting of waivers. A transmission provider must post on its Internet website notice of each waiver of a tariff provision that it grants in favor of an affiliate, unless such waiver has been approved by the Commission. The posting must be made within one business day of the act of a waiver. The transmission provider must also maintain a log of 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.

§ 358.8 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.

(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.

(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 website.

(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.



FERC Standards of Conduct (SOC) Compliance Program
Manual

Approval Date: April 27, 2011

Effective Date: April 29, 2011

Appendix C contains CONFIDENTIAL information.

This document may be available upon request.

Contact J. Andrew Dodge for more information at 410-470-7540.