

# ENERGY TRANSFER INTERSTATE PIPELINES

## FERC STANDARDS OF CONDUCT - IMPLEMENTATION PROCEDURES

### I. APPLICABILITY AND GENERAL STATEMENT OF COMPLIANCE

On October 16, 2008, the Federal Energy Regulatory Commission ("FERC" or "Commission") issued Order No. 717 ("Order 717"), which revised the FERC's Standards of Conduct regulations contained in Part 358 of the FERC's regulations (as may be further revised from time to time, the "Standards of Conduct"). The Standards of Conduct apply to any interstate natural gas pipeline Transmission Provider that conducts transmission transactions with an Affiliate that engages in Marketing Functions ("Marketing Affiliate"). These Standards of Conduct implementation procedures ("Implementation Procedures") apply to any Energy Transfer Transmission Provider which conducts transmission transactions with a Marketing Affiliate, effective with the commencement of any such transmission transactions. See Appendix A for a list of applicable Energy Transfer Transmission Providers Website addresses.

These Implementation Procedures, as may be revised from time to time, describe the procedures that each Energy Transfer Transmission Provider has implemented to comply with the Standards of Conduct. These Implementation Procedures also reflect each Transmission Provider's commitment to full compliance with the Standards of Conduct, including compliance with the general principles concerning nondiscriminatory and nonpreferential conduct, the independent functioning of Transmission Function Employees and Marketing Function Employees, the prohibited use of anyone as a conduit to disclose non-public Transmission Function Information to Marketing Function Employees, and the transparency requirements applicable to non-public Transmission Function Information and Customer Information.

These Implementation Procedures have been distributed to all Transmission Providers' Transmission Function Employees, Marketing Function Employees, officers, directors, supervisory employees, and any other Employees likely to become privy to Transmission Function Information. To the extent that any Energy Transfer Transmission Provider is conducting transmission transactions with a Marketing Affiliate, and is therefore subject to the Standards of Conduct, the information required by the Standards of Conduct to be posted on the Transmission Provider's website, including these Implementation Procedures, may be accessed by selecting on the Transmission Provider's website Informational Postings, then Standards of Conduct, and then the subheading corresponding to the specific type of information desired. The website address for each Transmission Provider is included in Appendix A to these Implementation Procedures. Unless otherwise defined in these Implementation Procedures, capitalized terms used herein shall be defined as set forth in the Standards of Conduct.

### II. NON-DISCRIMINATION REQUIREMENTS

The Standards of Conduct require a Transmission Provider to treat all of its Transmission Customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and will 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 in interstate commerce. In particular, Transmission Provider:

- (a) will strictly enforce all tariff provisions relating to the sale and purchase of open-access transmission service, if the tariff provisions do not permit the use of discretion;

- (b) 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;
- (c) 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); and
- (d) will process all similar requests for transmission service in the same manner and within the same period of time.

### **III. INDEPENDENT FUNCTIONING REQUIREMENTS**

The Standards of Conduct require a Transmission Provider's Transmission Function Employees to function independently of its Marketing Function Employees, unless otherwise permitted by the Standards of Conduct or by Commission order. Transmission Provider has accordingly implemented policies and procedures to assure the independent functioning of its Transmission Function Employees and its Marketing Function Employees. In accordance with the Standards of Conduct, the term "Employee," when used in these Implementation Procedures in reference to Transmission Function Employees and Marketing Function Employees, shall include the respective employees, contractors, consultants, and agents of Transmission Provider and its Marketing Affiliates.

Transmission Provider does not employ any Marketing Function Employees. Therefore, all references in these Implementation Procedures to Transmission Provider's Marketing Function Employees refer more specifically to the Marketing Function Employees of its Marketing Affiliates. Transmission Provider does not permit any Transmission Function Employees to perform Marketing Functions, or any Marketing Function Employees to perform Transmission Functions. Transmission Provider has identified its Transmission Function Employees and posted their job titles and descriptions on its website under the Job Titles-Descriptions subheading. Transmission Provider has also posted the names and addresses of its Marketing Affiliates on its website under the Affiliate Names and Addresses subheading.

Unless otherwise indicated on Transmission Provider's website, the respective work areas of Transmission Provider's Transmission Function Employees and Marketing Function Employees are not located in the same facility. Transmission Provider will post on its website, under the Shared Facilities subheading, the type and address of any facility in which both Transmission Function Employee and Marketing Function Employee work areas are located. For any such Shared Facility, the Transmission Function Employee and Marketing Function Employee work areas are located in separate areas, and Marketing Function Employee access to Transmission Function Employee work areas is restricted through the use of card keys or other locking devices. In addition, Transmission Provider has restricted Marketing Function Employee access to Transmission Provider's Gas Control facilities, and to all other Transmission Function Employee work areas, through the use of card keys or other locking devices. Transmission Provider maintains floor plans that indicate the locations of various employee groups by function, including the respective locations of Transmission Function Employee and Marketing Function Employee work areas. If a Transmission Function Employee or a Marketing Function Employee transfers to a different work area location, such transferring Employee's new work area location will be consistent with Transmission Provider's physical separation of Transmission Function Employee and Marketing Function Employee work areas.

Transmission Provider has implemented logical separation protocols that restrict Marketing Function Employee access to computer files, applications, and databases that contain non-public Transmission Function

Information. Access to such files, applications, and databases is controlled through the use of logon IDs and password verification, and is limited to personnel who are not Marketing Function Employees. Appropriate management and system owner approvals must be obtained before access to any such files, applications, or databases is granted, and such access may not be granted to any Marketing Function Employee. Prior to any transfer of a Transmission Function Employee to a position as a Marketing Function Employee, such Transmission Function Employee's access to electronic data containing non-public Transmission Function Information will be terminated. Physical data and records maintained by Transmission Function Employees which contain Transmission Function Information are maintained and stored within the Transmission Function Employee locations, and is therefore not shared with or accessible to Marketing Function Employees, who are restricted from accessing these locations. As required by the Standards of Conduct, Transmission Provider maintains its books of account and records separately from those of its Marketing Affiliates.

#### **IV. NO - CONDUIT REQUIREMENTS**

The Standards of Conduct prohibit a Transmission Provider and its employees, contractors, consultants and agents from disclosing, or using any person as a conduit to disclose, non-public Transmission Function Information to the Transmission Provider's Marketing Function Employees. Transmission Provider has accordingly implemented policies and procedures to assure that it will not use anyone as a conduit for the disclosure of non-public Transmission Function Information to its Marketing Function Employees. All of Transmission Provider's employees, contractors, consultants and agents, and all of the employees, contractors, consultants and agents of its Marketing Affiliates, are prohibited from disclosing non-public Transmission Function Information to any Marketing Function Employees. Transmission Provider provides training on this "No-Conduit Rule" to these employees in order to assure compliance with these requirements. Transmission Provider also requires each of these persons to certify electronically that they have completed the required training.

#### **V. TRANSPARENCY REQUIREMENTS**

The Standards of Conduct require a Transmission Provider to provide equal access to non-public Transmission Function Information that is disclosed to any of its Marketing Function Employees to all of its Transmission Customers, affiliated and non-affiliated, unless otherwise provided in the Standards of Conduct or permitted by a Commission order. Transmission Provider accordingly will post on its website all information required to be posted by the Standards of Conduct. In addition to the types of posted information described in other parts of these Implementation Procedures, Transmission Provider will also post on a timely basis the following additional types of information.

If Transmission Provider discloses non-public Transmission Function Information to a Marketing Function Employee in a manner contrary to the requirements of the No-Conduit Rule, Transmission Provider will immediately post such disclosed information on its website under the Information Disclosure subheading. However, if such disclosed information is either (i) non-public Transmission Customer information, (ii) critical energy infrastructure information ("CEII") as defined in Section 388.113(c)(1) of the FERC's regulations or in any successor provision, or (iii) any other information that the Commission by law has determined to be subject to limited dissemination, then Transmission Provider will immediately post only a notice that such information was disclosed, without posting the content of such disclosed information. In addition, Transmission Provider is not required to post on its website information that a Transmission Function Employee discusses with a Marketing Function Employee, which otherwise must be disclosed under the Standards of Conduct, if the information relates solely to the Marketing Function Employee's specific request for transmission service or to the Marketing Affiliate's existing transmission transactions with Transmission Provider.

A Transmission Customer may voluntarily consent, in writing, to allow Transmission Provider to disclose the Transmission Customer's non-public information to Marketing Function Employees. If any such consent is received by Transmission Provider, then Transmission Provider will post notice of such consent on its website under the Voluntary Consent subheading, along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for such voluntary consent.

If any Transmission Function Employee transfers to a position as a Marketing Function Employee, or if any Marketing Function Employee transfers to a position as a Transmission Function Employee, Transmission Provider will post a notice of such transfer, for a period of 90 days, on its website under the Employee Transfers subheading. Any such posting will include the name of the transferring Employee, the respective titles held while performing each function, and the effective date of such transfer. Transmission Provider will not use any such transfer to circumvent any provision of the Standards of Conduct.

If a potential merger is publicly announced by Energy Transfer, and the potential merger partner has an affiliate that would be a Marketing Affiliate of Transmission Provider upon completion of the merger, then within seven days after such announcement, Transmission Provider will post information concerning such potential merger partner on its website under the Potential Mergers subheading.

If Transmission Provider grants a waiver of a tariff provision in favor of a Marketing Affiliate, then unless the waiver was approved by the Commission, within one business day after such waiver was granted, Transmission Provider will post a notice of such waiver on its website under the Affiliate Tariff Waivers subheading. Transmission Provider also separately maintains a log of any such waivers, and will maintain the log record of any specific waiver for a period of five years from the date on which the waiver was granted.

In the event an emergency, such as an earthquake, flood, fire, or hurricane, severely disrupts Transmission Provider's normal business operations, the posting requirements in the Standards of Conduct may be suspended by Transmission Provider. If any such disruption lasts longer than one month, Transmission Provider will so notify the Commission and may seek a further exemption from the posting requirements.

Transmission Provider will post any change in information required to be posted under the Standards of Conduct within seven business days of such change, along with the date on which the posted information was updated.

Notwithstanding any otherwise applicable requirement of the Standards of Conduct, Transmission Function Employees and Marketing Function Employees may exchange non-public Transmission Function Information, such as information pertaining to compliance with Reliability Standards approved by the Commission and information necessary to maintain or restore operation of the transmission system. Transmission Provider will make and retain a contemporaneous record of all such exchanges, except that in emergency circumstances Transmission Provider will make a record of the exchange as soon as practicable thereafter.

## **VI. TRAINING REQUIREMENTS**

Transmission Provider will provide annual training on the Standards of Conduct to all of its Transmission Function Employees, Marketing Function Employees, officers, directors, supervisory Employees, and any other Employees likely to become privy to Transmission Function Information. Transmission Provider will provide such training to any new Employee within any of these categories within the first 30 days of employment. Employees will be notified of the timing for completion of required training, and are each required to certify electronically or in writing that he or she has completed the training. Transmission Provider monitors each Employee's completion of training and related certification, and maintains related records. Employees who are subject to

this training requirement will also be provided with a copy of and/or electronic access to these Implementation Procedures, as well as any subsequent revisions to these Implementation Procedures.

## **VII. CHIEF COMPLIANCE OFFICER**

Transmission Provider has designated a Chief Compliance Officer for Standards of Conduct compliance, and has posted his name and contact information on Transmission Provider's website under the Chief Compliance Officer subheading. The Chief Compliance Officer is responsible for, among other things, implementing Standards of Conduct compliance requirements and monitoring compliance, responding to questions concerning the Standards of Conduct, administration of Transmission Provider's training programs, and investigating any potential or actual violations of the Standards of Conduct. The Chief Compliance Officer may delegate to others the performance of certain functions regarding the Standards of Conduct, as appropriate.

## **VIII. REPORTING VIOLATIONS**

Any Energy Transfer employee or other person, who is aware of or suspects an existing or potential violation of these Implementation Procedures or the Standards of Conduct, should contact the Chief Compliance Officer. The Chief Compliance Officer may also be contacted regarding any general questions or concerns involving any aspect of these Implementation Procedures or the Standards of Conduct.

## **APPENDIX A**

### **Applicable Energy Transfer Transmission Provider Website Addresses**

EGT: <https://pipelines.energytransfer.com/ipost/EGT>

ETC Tiger: <https://tigertransfer.energytransfer.com>

FGT: <https://fgtmessenger.energytransfer.com>

Gulf Run: <https://pipelines.energytransfer.com/iPost/GR>

MRT: <https://pipelines.energytransfer.com/iPost/MRT>

PEPL: <https://peplmessenger.energytransfer.com>

Rover: <https://rovermessenger.energytransfer.com>

Transwestern: <https://twtransfer.energytransfer.com>

TGC: <https://tgc messenger.energytransfer.com>