

# **UGI Utilities, Inc. Standards of Conduct Procedures**

## Applicability

As a public utility that owns, operates and controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions, UGI Utilities, Inc. (UGI) is subject to FERC Standards of Conduct regulations, a copy of which is attached in Appendix A.

Consistent with the requirement of these regulations, this document defines UGI procedures to ensure the FERC Standards of Conduct are observed by its employees and by the employees of its affiliates.

## Definitions

Marketing Function Employee – An employee, contractor, consultant or agent of UGI, who actively and personally engages on a day-to-day basis in Marketing Functions.

Marketing Functions – 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.

Transmission Function Employees – Refers to an employee, contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in Transmission Functions.

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.

### Procedures

§ 358.4 Non-discrimination requirements.

UGI ensures non-discriminatory access to its electric transmission facilities through its membership in the PJM Interconnection LLC (“PJM”), which provides non-discriminatory access to UGI transmission facilities through its administration of an open access tariff.

No employee of UGI may disclose to Marketing Function Employees any information about the transmission system of UGI or the transmission systems of others (including, but not limited to, information about available transmission capability, price, curtailments, storage, ancillary services, balancing, maintenance activity, capacity expansion plans or similar information) through non-public communications that is not otherwise also available to the general public without restriction. Employees are directed to both comply with these restrictions and to report any violations to the Chief Compliance Officer.

§ 358.5 Independent functioning rule.

UGI Marketing Function Employees are not permitted to perform Transmission Functions and Transmission Function Employees are not permitted to perform Marketing Functions. During emergency conditions where system reliability may be affected, however, the Standards of Conduct may be temporarily suspended to obtain assistance from a Marketing Function employee. Notice of this action shall be posted on UGI's webpage.

All non-public transmission information is kept within an access-card restricted Electric Control Center ("ECC") that cannot be accessed by Marketing Function employees or other Affiliate employees or other unauthorized persons. Access cards for the ECC are only issued to appropriate employees, and records are kept of the persons to whom cards are issued. Employees are required to promptly report any lost or stolen cards. The procedure for granting, reviewing and removing access to the ECC is documented in the UGI Electric Division Primary Control Center Access Control Procedure, O.I. 10-899.

If meetings are conducted where non-public transmission information is to be discussed, employees are directed to segment such meetings so that only appropriate individuals are present during segments that involve restricted non-public transmission information, and attendance sheets are kept of meeting segments involving restricted non-public transmission information.

§ 358.6 No conduit rule.

UGI employees, contractors, consultants or agents, and employees, contractors, consultants or agents of UGI affiliates engaged in Marketing Functions are prohibited from disclosing non-public Transmission Function information to any UGI Marketing Function Employees.

§ 358.7 Transparency rule. <https://www.ugi.com/ferc-standards-of-conduct/>

UGI will post information required under the FERC's transparency rules at 18 C.F.R. § 358.7 on its website at:

Current posting information is attached in Appendix B hereto and will be periodically updated as required under the FERC's transparency rules.

UGI Transmission Function Employees may discuss a specific request for transmission service submitted by a Marketing Function Employee if the information relates solely to a marketing function employee's specific request for transmission service without posting notice of such discussions.

UGI shall be permitted to disclose a transmission customer's non-public information to UGI Marketing Function Employees if the transmission customer consents, in writing, to allow such a disclosure, but in such instances UGI shall post notice of the consent on its Internet Web site along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

§ 358.8 Implementation requirements.

UGI shall provide annual training and shall distribute electronic or paper copies of these Standards of Conduct Procedures 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, including training for new hires to be completed within thirty (30) days of their employment, and shall require each trainee to certify electronically or in writing that s/he has completed the training. Any contractors likely to have access to restricted non-public transmission information will be required to certify, in advance of receiving such information, that they will not act as a conduit for restricted non-public transmission information.

UGI has designated the following person as its Chief Compliance Officer for ensuring standards of conduct compliance:

Monica Gaudiosi, Vice President and General Counsel  
UGI Corporation  
460 North Gulph Road  
King of Prussia, PA 19406  
Tel: 610-337-1000  
[gaudiosim@ugicorp.com](mailto:gaudiosim@ugicorp.com)

UGI shall maintain its books and record separately from those of its affiliates that employ or retain marketing function employees, and these shall be made available for FERC inspections.

APPENDIX A

(Standard of Conduct Regulations)

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

### § 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 Web site* refers to the Internet location where an interstate natural gas pipeline or a public utility posts the information, by electronic means, required under this part 358.

**(c)** *Marketing functions means:*

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

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

**(i)** Bundled retail sales,

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

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

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

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

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

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

(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 Web site 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 Web site 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 Web site 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 Web site the names and addresses of all its affiliates that employ or retain marketing function employees.

(2) A transmission provider must post on its Internet Web site 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 Web site the job titles and job descriptions of its transmission function employees.

(2) A transmission provider must post a notice on its Internet Web site 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 Web site 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 Web site the information required by this part 358 within seven business days of any change, and post the date on which the information was updated. A public utility may also post the information required to be posted under part 358 on its OASIS, but is not required to do so.

(2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts a transmission provider's normal business operations, the posting requirements in this part may be suspended by the transmission provider. If the disruption lasts longer than one month, the transmission provider must so notify the Commission and may seek a further exemption from the posting requirements.

(3) All Internet Web site postings required by this part must be sufficiently prominent as to be readily accessible.

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

§ 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 Web site.

**(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.

APPENDIX B

(Posting Information)

CFR 358.7(a)(1)-(2) – *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 Web site.

(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 Web site that the information was disclosed.

**None**

CFR 358.7(d) - *Posting written procedures on the public Internet.*

**These procedures will be posted to UGI's webpage.**

CFR 358.7(e)(1)- *Identification of affiliate information on the public Internet.*

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

**Affiliates that Employ or Retain Marketing Function Employees are:**

**UGI Utilities, Inc.  
2525 N. 12 Street, Suite 360  
P. O. Box 12677  
Reading, PA 19612-2677**

**UGI Energy Services, LLC  
One Meridian Boulevard  
Mailing Address  
P.O. Box 12676  
Reading, PA 19612-2676**

CFR 358.7(e)(2) – A transmission provider must post on its Internet Web site 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.

**None**

CFR 358.7(e)(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.

**None**

CFR 358.7(f)(1) - A transmission provider must post on its Internet Web site the job titles and job descriptions of its transmission function employees.

**Director of Engineering and Operations - Manage the engineering and operating functions of the Electric Division's transmission and distribution (T&D) operation. Improve the Division's T&D operating efficiency and effectiveness through selective introduction of innovative technologies, human resource skills, and process changes. Perform other ancillary functions as needed to support the engineering and operational needs of the division.**

**Senior Manager – System Operations and Planning - Manage system planning, system operation and the mapping and records function in the Electric Division. Manage UGI Electric Division's FERC Reliability Standards Compliance Program and represent Electric Division at various PJM Committees. Coordinate Electric Operations budget preparation and variance reporting.**

**Manager System Operations - Supervise the coordination and control of the transmission and distribution power delivery systems to ensure safe and dependable service within company guidelines. Develop and provide programs for the training and maintaining of proficiency levels for system operators.**

**Principal Project Engineer/SCADA Administrator – Manage the development, installation, maintenance and operation of the Electric Division's Supervisory Control and Data Acquisition (SCADA) system.**

**Sr. Supervisor Electric GIS & Records/Planning - Responsible for short and long term operational planning studies associated with planned or emergency transmission outages.**

**System Operator - Coordinate and control the transmission and distribution of power to ensure safe and dependable service within company guidelines.**

CFR 358.7 (2) A transmission provider must post a notice on its Internet Web site 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 Web site 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.

**None**

Version History

Version #	Date	Action	Responsible Party
3.0	3/02/15	Annual Review	Eric Sorber
3.1	6/24/16	Annual Review	Eric Sorber
3.2	6/29/17	Annual Review/Updated Position Titles/Referenced O.I. 10-899	Eric Sorber