



FERC Compliance Department Procedure

Procedure Title:	Procedures Implementing Standards of Conduct
Procedure Number:	SOC-01

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1. BACKGROUND

The Standards of Conduct regulations, issued by the Federal Energy Regulatory Commission (FERC or Commission), govern the relationships between a Transmission Provider’s Transmission Function Employees and employees who perform Marketing Functions. The goal of the Standards of Conduct is to prevent public utilities from giving undue preference or advantage to their Marketing Functions with respect to transportation of natural gas or transmission of electric energy in interstate commerce.

FERC requires each Transmission Provider to post on its OASIS or Internet website current written procedures implementing the Standards of Conduct in such detail as will enable customers and the Commission to determine that the Transmission Provider is in compliance with the standards. Each Transmission Provider must also distribute the written procedures to all its Transmission Function and Marketing Function Employees, officers, directors, supervisory employees and any other employee likely to have Transmission Function Information. To comply with these requirements, Portland General Electric (PGE) has developed and distributed these Procedures Implementing Standards of Conduct (the Procedures). These Procedures are posted on PGE’s OASIS at <http://www.oasis.oati.com/pge/> (for electric transmission, referred to herein as “PGE’s OASIS”) and on PGE’s Natural Gas Transportation Internet Website at: <http://www.portlandgeneral.com/ngt> (for natural gas transportation activities, referred to herein as “PGE’s Natural Gas Transportation Website”).

It is the policy of PGE that its officers, employees, contractors and consultants strictly adhere to these



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Procedures. Questions concerning these Procedures can be directed to PGE’s FERC Compliance Department by calling (503) 464-2121 or sending an email to "FERC Compliance."

2. DEFINITIONS

Affiliate includes, for Standards of Conduct purposes *only*, a functional unit of the Transmission Provider. PGE’s Marketing Function is considered an “affiliate” of PGE’s Transmission Function for Standards of Conduct purposes.

Marketing Functions means 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 in the case of interstate pipelines, the sale for resale in interstate commerce or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:

- Bundled retail sales;
- Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities;
- Sales of natural gas solely from a seller’s own production;
- Sales of natural gas solely from a seller’s own gathering or processing facilities; and
- 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 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.

No Conduit Rule means 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.

Non-Designated Employee means Transmission Provider employees that are not actively and personally engaged on a day-to-day basis in Transmission Functions or Marketing Functions and may provide support to both Transmission and Marketing Employees.

Transmission means electric transmission, network or point-to-point service, ancillary services or other



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methods of electric transmission, or the interconnection with jurisdictional facilities under 18 C.F.R part 35; and natural gas transportation, storage, exchange, backhaul, or displacement service provided under a certificate of public convenience and necessity.

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.

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.

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. PGE’s Transmission Function Employees are identified on PGE’s OASIS and PGE’s Natural Gas Transportation Website.

Transmission Function Information means information relating to Transmission Functions. PGE maintains a detailed definition of Transmission Function Information on the FERC Compliance intranet site on PGEWeb.

Transmission Provider means any public utility that owns, operates or controls facilities used for the transmission of electrical energy in interstate commerce; or any interstate natural gas pipeline that transports natural gas under a certificate of public convenience and necessity. PGE is a Transmission Provider of both electric power (through its ownership and operation of FERC-regulated transmission facilities) and natural gas (through its ownership interest in the FERC-regulated interstate K-B Pipeline).

3. GENERAL PRINCIPLES

- A. PGE will treat all Transmission Customers, including PGE’s Marketing Function, on a non-discriminatory basis, and will not operate PGE’s electric transmission system or its gas pipeline to preferentially benefit PGE’s Marketing Function.
- B. PGE employees engaged in Transmission Functions will function independently of PGE’s Marketing Function Employees, except as permitted under the Standards of Conduct.
- C. PGE and its employees, contractors, consultants and agents will not disclose, or use a conduit to disclose, non-public Transmission Function Information to PGE Marketing Function Employees, except to the limited extent allowed under the Standards of Conduct regulations.
- D. PGE will provide equal access to non-public Transmission Function Information to all of its



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transmission customers, including PGE's Marketing Function, except in the case of confidential customer information or Critical Energy Infrastructure Information.

4. NON DISCRIMINATION REQUIREMENTS

A. Application of PGE's Open Access Transmission Tariff

- PGE will strictly enforce all provisions under its FERC-approved Open Access Transmission Tariff (OATT) relating to the sale or purchase of open access transmission service.
- Any OATT provisions that permit the use of discretion will be applied fairly and impartially to treat all transmission customers in a non-discriminatory manner.
- PGE Transmission Function Employees will process all similar requests for transmission in the same manner and within the same period of time.
- PGE will not, through its tariffs or otherwise, give preference to its own Marketing Function over any other Transmission Customer 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).

5. INDEPENDENT FUNCTIONING

A. Separation of Functions: Requirements

PGE will comply with the following requirements as set forth in the Standards of Conduct:

1. Except in emergency circumstances affecting system reliability, PGE's Transmission Function Employees will function independently of PGE's Marketing Function Employees.
2. Notwithstanding any other provisions in this section, in emergency circumstances affecting system reliability, PGE may take whatever steps are necessary to keep the system in operation. PGE will report to the Commission and post on its OASIS each emergency that resulted in any deviation from the Standards of Conduct, within 24 hours of such deviation.



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3. Except in emergency circumstances affecting system reliability, PGE’s Marketing Function Employees will not:
 - a. Conduct Transmission Functions; or

Have access to the System Control Center or similar facilities used for Transmission Functions or reliability functions that differs in any way from the access available to other Transmission Customers.

4. PGE Transmission Function Employees are prohibited from conducting Marketing Functions.
5. PGE directors, officers, and employees that are not designated as Transmission Function Employees or Marketing Function Employees may supervise and/or support both Transmission Function and Marketing Function Employees, subject to the No-Conduit Rule.

B. Separation of Functions: Practices

PGE has put in place the following practices to implement the requirements discussed in this section:

1. Separation of Transmission Function Employees
 - a. **Separation of SCC and its employees.** PGE’s System Control Center (SCC) is located in a secured area on the fifth floor of Three WTC, a building in PGE’s downtown Portland headquarters. The SCC and the adjacent space are locked and normal access is limited to PGE employees that have card key access rights. These employees consist of Transmission and Reliability Services personnel, Control Area Operators, Transmission Distribution Dispatchers, Outage Coordinators, Transmission Engineers, and a select number of Non-Designated Employees who provide support to Transmission and Reliability Services. In order to gain access, an employee lacking card key access is viewed on a closed circuit television monitor, must identify him or herself over the telephone and state his or her need for access and then, if granted access, must be escorted through one secure door and sign an access log, proceed through a second secured door and remain escorted during their entire time within the SCC. PGE’s Marketing Function Employees do not have access to the SCC that differs in any way from the access available to PGE’s other Transmission Customers.
 - b. **Transmission and Reliability Services.** PGE’s Transmission and Reliability Services Department is located in a secured area on the fourth floor of Three WTC.



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Transmission and Reliability Services is physically separated by one floor from PGE's Marketing Affiliates. In order to gain access to the Transmission and Reliability Services Department, an employee lacking card key access must identify him or herself to a Transmission employee. PGE's Marketing Function Employees do not have access to the Transmission and Reliability Services Department that differs in any way from the access available to PGE's other Transmission Customers.

- c. **Backup System Control Center.** PGE has a fully functional Backup System Control Center (BSCC) that is located within PGE's Carver Readiness Center facility approximately 13 miles from PGE's Portland headquarters. PGE's BSCC is located in a secured area. Normal access to the BSCC is limited to those employees with a need for that access. These employees must have a special key card that must be scanned to gain access. No PGE Marketing Function Employees are located in PGE's BSCC facility, nor do PGE Marketing Function Employees have access to the BSCC that differs in any way from the access available to PGE's other Transmission Customers, except as necessary to resolve system reliability emergencies, which is permitted under the Standards of Conduct regulations.

- d. **Telephone, Records, Files and Computer Systems Separation.** The Transmission and Reliability Services Department's telephone lines, FAX machines, records, transmission billing statements, transmission logs related to schedules and outages and other paper files are located within the secure office space of the department. PGE's Transmission Function Employees do not share computer directories with departments engaged in Marketing Functions. All computers containing Transmission Function Information are protected by password access or firewalls to prevent Marketing Function Employees from gaining access. In addition, all PGE employees have individual password-protected voicemail boxes.

- e. **PGE Marketing Function Employees.** All of PGE's Marketing Function Employees are located in a secured area that is two floors below the SCC, and one floor below PGE's Transmission and Reliability Services work area. Normal access is controlled by an electronic card reader system. Employees who do not have authorized card key access to this area must telephone the receptionist and state their need for access. PGE's internal policy is to restrict access by Transmission Function Employees to the area occupied by PGE's Marketing Function Employees, with the following exceptions:
 - 1) To resolve system reliability emergencies;
 - 2) To attend joint meetings that have been reviewed and approved (in advance) by



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the FERC Compliance Department (FCD) under FCD's Controls for Joint Communications (SOC-04).

2. Non-Designated Employees

PGE's Non-Designated Employees include: (1) support employees who are not engaged in Transmission Functions or Marketing Functions (*e.g.*, legal, accounting, corporate risk management, human resources, information technology, ethics and compliance, facilities services, security, audit, engineering services, procurement, property services, environmental services, public policy, and rates and regulatory affairs employees); (2) field and maintenance employees; and (3) senior officers and directors who are not Transmission Function Employees or Marketing Function Employees.

6. NO CONDUIT RULE

Transmission Function Employees and Non-Designated employees are prohibited from using anyone as a conduit, or acting as a conduit themselves, to disclose non-public Transmission Function Information to Marketing Function Employees.

7. TRANSPARENCY RULE

A. The Requirements

PGE commits to the following principles governing the disclosure of Transmission Function Information as set forth in 18 CFR 358.7:

1. Information Access

- a. PGE will ensure that its Marketing Function Employees will only have access to that information available to PGE's Transmission Customers (*i.e.*, the information posted on PGE's OASIS or PGE's Natural Gas Transportation Website, or otherwise made publicly available), and will not have access to any information about PGE's Transmission Functions that is not available to all PGE Transmission Customers.
- b. PGE will ensure that its Marketing Function Employees are prohibited from obtaining information about PGE's Transmission Functions (including, but not limited to, information about available transmission capability, price, curtailments, storage,

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ancillary services, balancing, maintenance activity, capacity expansion plans or similar information) through access to information not posted on PGE’s OASIS or PGE’s Natural Gas Transportation Website, or that is not otherwise also available to the general public without restriction.

2. Prohibited Disclosure

- a. Except as otherwise permitted herein, PGE employees may not disclose to PGE’s Marketing Function Employees any non-public Transmission Function Information (including, but not limited to, information received from non-affiliates or information about available transmission capability, price, curtailments, storage, ancillary services, balancing, maintenance activity, or similar information) through non-public communications conducted off PGE’s OASIS or PGE’s Natural Gas Transportation Website, through access to information not posted on PGE’s OASIS or PGE’s Natural Gas Transportation Website that is not otherwise available to the public at the same time, or through information on PGE’s OASIS or PGE’s Natural Gas Transportation Website that is not at the same time publicly available.
- b. Except as otherwise permitted herein, PGE Employees may not share any information acquired from non-affiliated Transmission Customers or potential non-affiliated Transmission Customers, or developed in the course of responding to requests for transmission or ancillary service on PGE’s OASIS or PGE’s Natural Gas Transportation Website, with PGE’s Marketing Function Employees.
- c. If a PGE employee discloses non-public Transmission Function Information in a manner contrary to the requirements set forth above, PGE will immediately evaluate whether to post such information on PGE’s OASIS or PGE’s Natural Gas Transportation Website. If the information disclosed includes non-public customer information, critical energy infrastructure information (CEII), or any other information for which FERC has ordered confidential or protected treatment, then PGE would not post the information itself, but would instead post notice that the information was disclosed.

3. Permitted Joint Communications

PGE Employees, including Transmission Function Employees, may disclose non-public Transmission Function Information to PGE Marketing Function Employees in the following limited circumstances. All such “Joint Communications” must be documented pursuant to PGE’s Controls for Joint Communications, SOC-04. Such documentation must be retained for five years.



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- a. PGE is permitted to discuss with PGE Marketing Function employees non-public Transmission Function Information that relates solely to a specific request for transmission service by the PGE Marketing Function. PGE will make available to non-affiliated transmission customers the same type of information about their own service requests, in the same manner.
- b. A non-affiliated Transmission Customer may voluntarily consent, in writing, to allow PGE to share the non-affiliated customer's information with PGE's Marketing Function. If a non-affiliated customer authorizes PGE to share its information with a Marketing Function Employee, PGE will post notice on PGE's OASIS or PGE's Natural Gas Transportation Website of that consent along with a statement that PGE did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.
- c. PGE's Transmission and Marketing Function Employees may exchange information pertaining to compliance with FERC-approved Reliability Standards, information necessary to maintain or restore operation of the transmission system or generating units, or information that may affect the dispatch of generating units that does not include specific information about individual third party transmission transactions or potential transmission arrangements.

B. Procedures To Implement Requirements

In addition to the measures PGE has taken to separate its functions and to train its employees in the requirements of the Standards of Conduct, PGE has implemented the following additional practices to ensure that PGE can satisfy the restrictions on information access contained in the Standards of Conduct:

- 1. PGE contracts with Open Access Technology International (OATI) to operate and maintain an OASIS. OASIS is the public information system by which all third parties, including PGE's Marketing Function Employees, gain information regarding PGE's available transmission services.
- 2. Transmission Function Employees update PGE's OASIS or PGE's Natural Gas Transportation Website.
- 3. PGE's Marketing Function Employees do not have access to PGE's Transmission Function Information systems, records, files and databases.

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4. Any Joint Communications between Transmission Function Employees and Marketing Function Employees must comply with PGE’s Controls for Joint Communications, SOC-04.

C. Posting Requirements on PGE’s OASIS and PGE’s Natural Gas Transportation Website

PGE has taken the following steps and implemented the following practices to satisfy FERC’s posting requirements:

1. Identifying Affiliates: PGE has posted the names and addresses of its Affiliates that employ or retain Marketing Function Employees on its OASIS and Natural Gas Transportation Website. PGE’s FERC Compliance Department will coordinate with designated persons within PGE to ensure that the names and addresses are kept current and that any changes are posted within the time required by FERC’s rules.
2. Identification of Transmission Function Employees: PGE has posted on its OASIS a list containing the job title and job description of its Transmission Function Employees.
3. Employee Transfers: PGE’s Human Resources Department will notify PGE’s Transmission and Reliability Services Department of any employee transfers between a department that performs Transmission Functions and a department that performs Marketing Functions. PGE’s Transmission and Reliability Services Department will post notices of any such transfers within seven days on PGE’s OASIS or PGE’s Natural Gas Transportation Website. The information posted will include: the name of the transferring employee, the respective titles held while performing each function, and the effective date of the transfer. The information posted under this section will remain on PGE’s OASIS or PGE’s Natural Gas Transportation Website for at least 90 days.
4. Shared Facilities: PGE has posted a complete list of employee staffed facilities shared by any of its Transmission Function and Marketing Function Employees. The list includes the address and type of each shared facility.
5. Updates: PGE’s Human Resources Department will provide PGE’s Transmission and Reliability Services Department and FERC Compliance Department with information showing any relevant employee transfers, new hires, terminations, cross training or temporary assignments. PGE’s Transmission and Reliability Services Department will use this information to update PGE’s OASIS or PGE’s Natural Gas Transportation Website as required by the Standards of Conduct within seven business days of any change, and post the date on which the information was updated.



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6. Merger Information: PGE’s FERC Compliance Department will promptly provide PGE’s Transmission and Reliability Services Department with the name(s) and address(es) of potential merger partner(s) and applicable Affiliates as soon as practicable after the potential merger is publicly announced. PGE’s Transmission and Reliability Services Department will post the information within seven days after the potential merger is publicly announced.
7. Document Retention: PGE archives the postings on PGE’s OASIS Website in accordance with the requirements of Parts 37 and 358 of the Commission’s regulations. PGE identifies, manages, stores, retrieves, and destroys records, including all communications and documents related to PGE’s compliance with the Standards of Conduct, according to its Corporate Policy for Records Management which requires all records and documentation to be retained in accordance with the requirements of FERC and the PGE Records Management Program

8. IMPLEMENTATION REQUIREMENTS

A. Written Procedures

PGE makes these written procedures available to all of its employees likely to have access to information about transmission, energy or natural gas functions at the time of hiring, and also periodically reminds existing employees in such positions where to find these procedures.

B. Training

1. Annual Training Required. PGE’s officers and Board of Directors, as well as its employees with access to transmission information or information concerning natural gas or electric sales or marketing functions, will receive annual training on the Standards of Conduct and will certify electronically or in writing that they have received such training.
2. New Hires. PGE’s Human Resource Department will make this Procedure available to each new employee who will have access to transmission information or information concerning natural gas or electric sales or marketing functions. Within 30 days of the new employee’s hire date, and every calendar year thereafter, the new employee will receive training on the Standards of Conduct and certify that they have received such training.
3. Verification of Compliance. PGE will implement procedures to validate that PGE is in compliance with the training and other requirements of these Procedures.

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C. FERC Chief Compliance Officer

PGE has designated Lisa Kaner, Vice President, General Counsel and Corporate Compliance Officer, as its FERC Chief Compliance Officer. Ms. Kaner is the executive officer responsible for overall corporate compliance with FERC Standards of Conduct and other related FERC requirements. In his capacity as the FERC Chief Compliance Officer, Ms. Kaner reports FERC compliance-related issues directly to the CEO. As the FERC Chief Compliance Officer, Ms. Kaner can be reached by email at lisa.kaner@pgn.com and by phone at (503) 464-8860.

The FERC Compliance Department reports directly to the FERC Chief Compliance Officer and is responsible for the following activities to ensure compliance with the Standards of Conduct:

1. Ensures that policies, practices and procedures are established to maintain compliance with Standards of Conduct requirements;
2. Provides information to the FERC Chief Compliance Officer concerning PGE's compliance with the Standards of Conduct;
3. Coordinates activities for the FERC Chief Compliance Officer involving FERC compliance matters, including inquiries, investigations, audits and submittal of routine and non-routine reports;
4. Ensures compliance with Standards of Conduct training requirements;
5. Conducts internal investigations concerning the Standards of Conduct, and
6. Responds to employee questions concerning the Standards of Conduct and these Procedures.

The PGE Ethics and Compliance Department reports directly to the Director of PGE's Internal Audit Services Department and is responsible for the following activities to ensure compliance with the Standards of Conduct:

1. Monitors and responds as appropriate to calls to the PGE compliance hotline and EthicsPoint website reports;
2. Assists in internal investigations concerning the Standards of Conduct, as necessary.

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9. GENERAL RULES OF INTERPRETATION

PGE will conduct its affairs in compliance with the Standards of Conduct. These Procedures should be interpreted consistent with common sense, prudence and caution.

Anyone with questions regarding these Procedures may contact PGE’s FERC Compliance by calling 503-464-2121 or sending an email to “FERC Compliance”.

Employees are encouraged to work through normal management channels on questions and concerns related to this Procedure. To the extent practicable, communications will remain confidential if that is an employee’s desire. If employees prefer to leave an anonymous message about potential violations of this Procedure, they may:

- A. Call the Compliance Hotline at 1-866-ETHICSP (1-866-384-4277),
- B. Use the secure PGE page on the EthicsPoint Web site (https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7710) or,
- C. Use the EthicsPoint link on PGWeb’s Ethics & Compliance page (<http://pgeweb/ethics/>).



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Revision History

REV. NO.	EFFECTIVE DATE	REVISION BY	CHANGES
2	01/18/2017	Ryan Millard	Amended previous version of SOC-01 to update links and references to other SOC procedures. Also corrected language to more accurately reflect current processes.
3	01/02/2018	Adam Menendez	Update to General Counsel information and title of Internal Audit Services Department

Approval Signature

Approved:  01/02/2018
Adam Menendez, FERC Compliance Manager Date