

**Written Procedures  
of Duquesne Light Company  
Implementing the Federal Energy Regulatory Commission's  
Standards of Conduct for Transmission Providers**

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**I. INTRODUCTION**

Duquesne Light Company ("DLC") is a public utility and a transmission provider. DLC is subject to the jurisdiction of the Federal Energy Regulatory Commission ("Commission") and must abide by the Commission's Standards of Conduct for Transmission Providers because it engages in transmission transactions with one or more of its affiliates that are engaged in marketing functions.

DLC's affiliates engaged in marketing functions include Duquesne Light Energy, LLC, Duquesne Power, LLC, Duquesne Conemaugh LLC, Duquesne Keystone LLC, Puget Sound Energy, and Macquarie Cook Power, Inc. DLC's marketing function affiliates also may include subsidiaries of Codan Trust (Cayman) Limited as Trustee of the IFM Global Infrastructure (Cayman) Fund.

Because DLC engages in transmission transactions with certain of its affiliates, each of (1) DLC, (2) its affiliates engaged in marketing functions, (3) its employees, contractors, consultants and agents, and (4) its affiliates' employees, contractors, consultants and agents must comply with the applicable obligations set forth in the Commission's Standards of Conduct.

These written procedures explain the obligations as they apply to these covered entities and persons.

These written procedures governing compliance with the Standards of Conduct are posted at [www.duquesnelight.com](http://www.duquesnelight.com) as are a copy of the Commission's Standards of Conduct regulations, published in 18 C.F.R. Part 358. In addition to the internet posting, DLC directly has distributed these written procedures to DLC's transmission function employees, its marketing function employees and certain of its affiliates' marketing function employees, officers, directors, supervisory employees, and any other employees likely to obtain transmission function information. The affiliates' covered employees to whom these written procedures have been disseminated directly are those under the control of Duquesne Light Holdings, Inc.

Certain subsidiaries of Macquarie Group Limited and IFM (International Infrastructure) Wholesale Trust may conduct marketing functions and have marketing function employees. The subsidiaries of these entities are not under Duquesne Light Holdings Inc.'s or DLC's control. DLC has provided these written procedures to a designated compliance contact at Macquarie Group Limited and IFM (International Infrastructure) Wholesale Trust, or a designated subsidiary of each such entity, and requested that such contact distribute these written procedures to all relevant personnel.

These procedures may be updated from time to time and will be reposted and re-distributed to relevant personnel to reflect any changes.

Compliance with these written procedures consistent with the applicable Standards of Conduct regulations is mandatory.

## **II. GENERAL STANDARDS OF CONDUCT OVERVIEW**

The Standards of Conduct are intended to ensure that there is no undue preference or discrimination between affiliates and non-affiliates of transmission providers such as DLC. The Standards prohibit transmission providers that engage in marketing functions from providing preferential treatment or preferential information to their marketing function employees. Similarly, transmission providers that have affiliates engaged in marketing functions may not provide preferential treatment or preferential information to their affiliates' marketing function employees.

The Standards of Conduct require that DLC's employees that are engaged in transmission functions operate independently from its employees and its affiliates' employees that engage in marketing functions. In addition, personnel employed by DLC may not directly disclose, or act as a conduit facilitating the disclosure of, non-public transmission function information to DLC's marketing function employees or those of its affiliates.

## **III. IMPORTANT DEFINITIONAL TERMS**

The Standards of Conduct repeatedly use certain defined terms that you must be familiar with in order to comply with the Standards:

**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 employees** are employees, contractors, consultants or agents of a transmission provider who actively and personally engage on a day-to-day basis in transmission functions

**Non-public transmission function information** is information not available publicly that relates to planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

**Marketing functions** are 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, except that bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity are not included.

**Marketing function employees** are employees, contractors, consultants or agents of a transmission provider or of an affiliate of a transmission provider who actively and personally engage on a day-to-day basis in marketing functions.

DLC's **affiliates** include all of the subsidiaries of Duquesne Light Holdings, Inc. and include subsidiaries of Duquesne's upstream investor owners Macquarie Group Limited and IFM (International Infrastructure) Wholesale Trust.

#### **IV. STANDARDS OF CONDUCT REQUIREMENTS**

There are four main components of the Standards of Conduct regulations. These are (1) non-discrimination requirements, (2) independent functioning requirements, (3) requirements not to act as a conduit by sharing non-public transmission information inappropriately, and (4) transparency in the event of any inappropriate disclosure.

These four main Standards of Conduct components are discussed in more detail below:

##### **1) Non-Discrimination**

Unless the applicable Commission-approved open access transmission tariff governing transmission service that is provided over the DLC transmission system permits differing treatment, DLC must treat all of its transmission customers in a not unduly discriminatory manner, regardless of whether they are affiliates or non-affiliates. The terms of offered service such as price, curtailments, scheduling, priority, ancillary service provision and balancing may not provide an undue preference to any person. Similarly, the timing and manner of processing transmission service requests must be equivalent for all similar requests.

## **2) Independent Functioning**

Marketing function employees of DLC or its affiliates may not engage in transmission functions and may not have access to the transmission system control center or facilities used for transmission operations that is different from the access available to other transmission customers. DLC's transmission function employees may not engage in marketing functions.

## **3) No Conduit**

DLC may not use any person as a conduit to disclose non-public transmission function information to marketing function employees of DLC or any of its affiliates.

Employees, contractors, consultants and agents of DLC as well as employees, contractors, consultants and agents of DLC's affiliates engaged in marketing functions may not disclose non-public transmission function information to DLC's marketing function employees.

## **4) Transparency**

To the extent non-public transmission function information is disclosed improperly, DLC will post the information that was disclosed on its internet website unless the information is required to be kept confidential, in which case notice of its dissemination will be posted on the website. If a transmission customer consents to DLC sharing the information in question with DLC's or its affiliates' marketing function employees, the disclosure is permissible.

DLC's transmission function employees may obtain information about requests for transmission service obtained from marketing function employees. No disclosure is required in the case of such communications.

## **V. EXCEPTION TO INDEPENDENT FUNCTIONING AND NO CONDUIT RULES**

DLC's transmission function employees and its marketing function employees are permitted to exchange non-public transmission function information in two limited circumstances, subject to certain conditions.

- Information relating to compliance with Commission-approved Reliability Standards may be exchanged

- Information needed to maintain or restore operation of the transmission system or generating units or that affects the dispatch of generating units may be exchanged.

To the extent information is exchanged pursuant to this exception, DLC must make and retain a contemporaneous record of the exchange, except during emergencies when the record may be compiled after-the-fact. The record must be maintained for 5 years and made available upon FERC request.

## **VI. POSTING REQUIREMENTS**

DLC will keep prominently posted at [www.duquesnelight.com](http://www.duquesnelight.com) the following information:

- These written procedures;
- The Standards of Conduct;
- A list of all DLC affiliates that employ or retain marketing function employees;
- A list of all employee staffed facilities shared by any DLC transmission function employees and marketing function employees;
- Information concerning potential merger partners within seven days after announcement of a potential merger;
- Job titles and job descriptions of transmission function employees;
- Notification of transfer of a transmission function employee to a marketing function employee position, or vice-versa, which must remain posted for a period of 90 days and include the employee's name, titles held in old position and to be held in new position, and date of transfer.
- Waivers of a tariff provision granted in favor of an affiliate to the extent the Commission has not approved the waiver. This posting must be made within 1 day of the date the waiver was effectuated. A log of waivers must be kept for 5 years and made available to the Commission upon request.
- Contemporaneous disclosures of improperly shared information or notification of same.

DLC will update these postings within 7 days of any change unless otherwise noted and except in the case of an emergency. DLC's Chief Compliance Officer for

Standards of Conduct Compliance, Mr. Jack, will oversee the preparation of any notices or postings that are required to be posted and will have an employee in DLC's compliance department work with the appropriate DLC information technology personnel to ensure that all notices are timely posted on the website.

## **VII. TRAINING**

DLC conducts training on Standards of Conduct compliance for its covered employees and those of its affiliates under Duquesne Light Holding Inc.'s control at least annually. DLC has requested that its indirect upstream owners that are not under Duquesne Light Holding Inc.'s control conduct training for their covered employees consistent with the obligations imposed by the Standards of Conduct.

Any new transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information will be trained within 30 days after commencing their employment. Each trained individual must certify attendance at the annual and new employee training.

## **VIII. BOOKS AND RECORD MAINTENANCE**

DLC maintains its books of account and records separately from those of its affiliates that employ or retain marketing function employees, and makes such records available to the Commission upon request.

## **IX. CHIEF COMPLIANCE OFFICER FOR STANDARDS OF CONDUCT**

Gary A. Jack, Esq. is DLC's Chief Compliance Officer for the Standards of Conduct.

If you have questions about the compliance obligations imposed by the Standards of Conduct and explained in these written procedures, or concerns regarding potential activities that you believe may not comply with the Standards of Conduct requirements, DLC asks that you contact Mr. Jack to discuss your questions or concerns. He may be reached via email at [gjack@duqlight.com](mailto:gjack@duqlight.com), or telephone at (412) 393-1541.

You may discuss your questions or concerns with your supervisor, or any employee on DLC's compliance staff. Your supervisor or compliance contact must report any unresolved Standards of Conduct compliance concerns to Mr. Jack, who will investigate the matter, as appropriate.