

**Duke Energy Carolinas, LLC  
Duke Energy Indiana, LLC  
Duke Energy Ohio, Inc.  
Duke Energy Kentucky, Inc.  
Duke Energy Progress, LLC  
Duke Energy Florida, LLC**

**FERC ORDER 717**

**STANDARDS OF CONDUCT**

**WRITTEN PROCEDURES**

**Revised June 8, 2023**

## Introduction

On October 16, 2008, the Federal Energy Regulatory Commission (FERC) issued Order No. 717 which revised the Standards of Conduct rules adopted in Order No. 2004 that apply to interstate natural gas pipelines and electric utilities ("Transmission Providers"). The Standards of Conduct rules govern the relationship between a Transmission Provider's transmission function employees and its marketing function employees. The overall goals of the Standards of Conduct are as follows:

(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 by the Standards of Conduct rules or FERC order; (c) a Transmission Provider and its employees, contractors, consultants and agents are prohibited from disclosing, or using as a conduit to disclose, non-public transmission function information, or non-public transmission customer 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 of its transmission customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information.

The following Compliance Procedures are applicable to Transmission Providers of the franchised electric utilities of Duke Energy Corporation (collectively, the Franchised Utilities):

- Duke Energy Carolinas, LLC
- Duke Energy Indiana, LLC
- Duke Energy Ohio, Inc.
- Duke Energy Kentucky, Inc.
- Duke Energy Progress, LLC
- Duke Energy Florida, LLC

Transmission Function Employee is defined as: 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 Function is defined as: the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

Marketing Function Employee is defined as: 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. Marketing Function is defined as: (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 the 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 gathering or processing facilities, and (iv) 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.

## **Procedures**

### **1. Written procedures.**

**1.1. Scope.** These Compliance Procedures are designed to ensure compliance with the Standards of Conduct set forth in FERC Order No. 717 and subsequent orders. The Director of Corporate Compliance (DCC), located in the Ethics and Compliance organization, shall ensure that the Compliance Procedures are updated as needed, and that the posting of the procedures on the Duke Energy FERC website is also updated accordingly. Reading the procedures is not a substitute for training for designated employees who are required to complete Standards of Conduct training as described herein. These Compliance Procedures cannot anticipate every situation. Employees should seek guidance from their supervisor, FERC Compliance at [ComplianceReporting@duke-energy.com](mailto:ComplianceReporting@duke-energy.com), the DCC, FERC Legal Department, or the Chief FERC Compliance Officer (CFCO) when questions arise.

**1.2. Distribution.** These Compliance Procedures shall be distributed to all transmission function employees, marketing function employees, officers, directors, management, employees/contingent workers, and others likely to become privy to transmission function information. The DCC shall ensure the Compliance Procedures are distributed annually with annual FERC training. The DCC shall ensure that applicable new employees receive the Compliance Procedures. These Compliance Procedures will be posted on the Duke Energy FERC website.

**1.3. Training.** The DCC will identify those employees, contractors, consultants or agents (collectively referred to as "employees") of a Transmission Provider or of an affiliate of a Transmission Provider that are transmission function employees, marketing function employees, officers, directors, and supervisory employees that supervise employees subject to the Standards of Conduct or who may come in contact with transmission function information and/or non-public transmission function information or any other employees likely to become privy to public or non-public transmission function information. These employees will be required to receive such training annually. The Transmission Provider must provide training to new employees on the Standards of Conduct in the categories listed above within the first 30 days of their employment.

**1.3.1. Implementation.** The DCC will coordinate with the appropriate functions of Duke Energy in the implementation of the training programs and procedures and will review and revise existing Standards of Conduct training material as necessary to conform with changes to the Standards of Conduct reflected in Order No. 717 and subsequent orders. Training will

normally be provided through computer or web-based training but may on occasion be given via classroom sessions. Upon completion of the training, employees will be required to acknowledge that they have received training regarding the Standards of Conduct and agree to abide by them. Training records will be maintained electronically in Duke Energy's Human Resources database.

**132. FERC Compliance Program.** Duke Energy has a FERC Compliance Program which outlines applicable regulatory requirements and defines roles and responsibilities to ensure compliance with same. In addition, Duke Energy's Ethics and Compliance (E&C) program includes the FERC Standards of Conduct in the Code of Business Ethics (CoBE). The E&C program and the CoBE complement the FERC Compliance Program.

#### **1.4. Responsibility for Compliance.**

**141. The Chief FERC Compliance Officer (CFCO)** is responsible for overseeing implementation of these procedures and enforcing them. The CFCO may delegate such roles to others as appropriate. The DCC is responsible for implementing, monitoring and responding to internal employee inquiries. Contact information for the CFCO and DCC can be found on the [Duke Energy FERC website](#).

**142. All employees are responsible** for compliance with the Standards of Conduct and these Compliance Procedures.

**143. Obligation to report.** Any employee who knows of or suspects noncompliance with or a violation of these procedures or the Standards of Conduct is required to report such noncompliance or violation immediately. Known or suspected violations can be reported to the employee's supervisor, the FERC Legal Department, the DCC, E&C, the CFCO, FERC Compliance ([ComplianceReporting@duke-energy.com](mailto:ComplianceReporting@duke-energy.com)) or anonymously reported to the Duke Energy Ethics Office ([ethicsline.duke-energy.com](http://ethicsline.duke-energy.com) or 866.8ETHICS (866.838.4427)).

**144. Prohibition against retaliation.** Retaliation against an employee for raising concerns with management or regulatory agencies is considered harassment. Duke Energy will not tolerate harassment of any kind in the workplace, and forbids retaliation against any employee who has brought concerns to management or to regulatory agencies such as the FERC, Nuclear Regulatory Commission, Equal Employment Opportunity Commission, or Occupational Safety & Health Administration or has participated in the investigation or resolution of a harassment situation.

**145. Consequences for violating Compliance Procedures.** Violations of the Standards of Conduct can have serious consequences for Duke Energy. Therefore, employees who violate these Compliance Procedures or the Standards of Conduct may be subject to disciplinary action up to and including termination.

## **2. Independent Functioning of Transmission Function Employees and Marketing Function Employees**

**2.1. The transmission function employees** must function independently of the marketing function employees.

**2.2. General Rule.** Except as permitted in this part or otherwise permitted by FERC order, a Transmission Provider's transmission function employees must function independently of its marketing function employees. A Transmission Provider is prohibited from permitting its marketing function employees to conduct transmission functions or have access to the system control center or similar facilities used for transmission operations that differ in any way from the access available to other transmission customers. A Transmission Provider is prohibited from permitting its transmission function employees from conducting marketing functions.

Whether an employee is considered a Transmission Function Employee or a Marketing Function Employee depends on that employee's day-to-day responsibilities and must be determined by the FERC Legal Department. Currently, examples of employees in Marketing Functions include those employees in Fuels & Systems Optimization, Renewable Operations, and Wholesale Power Sales. Transmission Function Employees are generally located in System Planning and Operations.

**Information required to be posted on an external website**

*[Note: All postings are on the [Duke Energy FERC site](#).]*

**3. Marketing Affiliates.** The names and addresses of all affiliates that employ or retain marketing function employees shall be posted on the Duke Energy FERC website.

**4. Identification of Employee Information.** The job titles and job descriptions of transmission function employees shall be posted on the Duke Energy FERC website.

**5. Shared Facilities.**

**5.1.** The Transmission Provider must post on its FERC 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.

**5.2. Restrictions on work area access.** All Duke Energy employees must comply with established procedures regarding restrictions on access to work areas.

**521. Marketing function** employees shall not be permitted to enter any secured Transmission Provider area absent special circumstances which shall be reviewed by FERC Compliance or the FERC Legal Department and unless escorted.

**522. Physical Access** to certain marketing function and transmission function areas may be restricted via electronic keycard access. Logs are used as appropriate to record escorted visitor access into these work areas.

## **6. Transfers.**

**6.1. Transfers.** A Transmission Provider must post notice on its FERC 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 must be posted within seven (7) days of the transferred employee beginning his/her new duties and must remain on the company's FERC website for ninety (90) days. No such job transfer may be used to circumvent any provision of this part. The information posted must include the name of the transferring employee, the respective job titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and the effective date of the transfer.

### **6.2. Conditions on Transfers (Transmission to Marketing or Marketing to Transmission)**

**621. Employee transfers** between the transmission function and a Marketing Affiliate must be tracked and monitored by FERC Compliance via processes and supporting procedures within the Human Resource transfer process.

**622. FERC Compliance must work with the managers** of the transferring employee to ensure that changes are made to physical and system access and that all compliance procedures are followed.

**623. Transferring employees who have** not completed the Standards of Conduct training must complete the training within thirty (30) days of the effective date of the transfer.

**624. Under no circumstances** may the transferring employee be a conduit of Transmission, Market or Customer Information between the Transmission Providers and Marketing Affiliates.

**6.3. Subsequent Transfers.** The following subsequent transfers may not occur without the prior review by the DCC or FERC Legal if the subsequent transfer occurs within one (1) year of the previous transfer and the employee is in a transmission function or marketing function at either or both positions.

- transferring from the Transmission Provider to a Marketing Affiliate and a subsequent transfer back to the Transmission Provider
- transferring from a Marketing Affiliate to a Transmission Provider and a subsequent transfer back to a Marketing Affiliate

Cycling of employees that would have the effect of improper sharing of such employee between a Marketing Affiliate and a Transmission Provider is prohibited.

**7. 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 FERC 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. The consent must be reviewed by FERC Legal to ensure it is adequate.

**8. Potential Merger Partners.** The Transmission Provider must post information concerning potential merger partners as affiliates that may employ or retain marketing function employees. Mergers include the acquisition of other companies.

All postings listed above must be made within seven (7) business days of the change, and the date on which the information was updated must be posted.

**9. Inadvertent Disclosure.**

**9.1.** If non-public transmission function information is disclosed in a manner contrary to these procedures, the Transmission Provider must immediately post the information that was disclosed on its FERC website. If there is any question related to whether the information disclosed meets these criteria, FERC Legal and FERC Compliance should be contacted.

**9.2.** If non-public transmission customer information or critical energy infrastructure information (CEII) (or any other information that by law the FERC has determined is subject to limited dissemination) is disclosed, the Transmission Provider must immediately post notice on its FERC website that the information was disclosed. However, the Transmission Provider should not post the actual information that was disclosed.

**10. Posting of Waivers.** A Transmission Provider must post on its FERC 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 FERC. The posting must be made within one (1) 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 FERC upon request. The records must be kept for a period of five (5) years from the date of each act of waiver.

**11. Emergency Situations and Postings.** 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 notify the FERC and may seek a further exemption from the posting requirement.

**12. Exclusion from Postings.**

**12.1.** 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 if the information relates solely to a marketing function employee's specific request for transmission service.

**12.2.** Exclusion for and recordation of certain information exchanges. A Transmission Provider's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as described below, 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 FERC upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails, recorded telephone exchanges, and the like, and must be retained for a period of five (5) years.

The non-public information subject to the exclusion is as follows:

- (i) Information pertaining to compliance with Reliability Standards approved by the FERC, 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.

**FERC Legal must be notified prior to** making any such communication, unless an emergency situation exists. If there is an emergency, FERC Legal should be notified as soon as possible.

**13. Separate Books and Records.** Order 717-A clarified that a separate set of books of account and records do not have to be maintained for transmission and marketing functions. However, Duke Energy will ensure that non-public transmission information is not disclosed to marketing function employees.

#### **14. Information Access and Prohibited Disclosure**

##### **14.1. Information Sharing Strictly Prohibited.**

**1411. 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.

##### **14.2. Information Security (General)**

**1421. Network Server and Mainframe.** Network servers and mainframes containing Transmission Information are segregated via controlled access.

**1422. IT Personnel.** Transmission Provider employees and/or certain shared function



employees may have responsibilities for the Transmission Providers of IT security, system and server/application administration, and hardware and workstation support. Some of these personnel may also have similar responsibilities for other business units. All such employees receive Standards of Conduct training to ensure that they do not act as improper conduits of information between the Transmission Providers and the Marketing Affiliates.

**1423. Authorization.**

**14.2.3.1. Access to applications** or data is granted only by the security administration group (or, in the case of OASIS, the OASIS Service Administrator), and only after the appropriate approvals are obtained.

**14.2.3.2.** The security administration group terminates access to applications or data upon a Transmission Provider employee's termination or transfer.

**14.2.3.3. Employees transferring** into or out of Transmission functions, in some cases, may require a new Local Area Network (LAN) ID and email address.

**1424. Passwords.** IDs and passwords must comply with the information security requirements stated in the Duke Energy information security policy posted on the Duke Energy Employee Intranet.

**14.3. Information Security (Transmission Function Applications).**

**1431. Definition.** A Transmission Function Application is any application that allows access to non-public Transmission Information or Transmission Customer Information.

**1432. Marketing Function Employee Access Prohibited.** A Marketing function employee is not allowed access to any Transmission Function application.

**1433. Exception.** Marketing function employees must have the same access to OASIS and the Duke Energy FERC website as non-affiliated customers of the Transmission Providers, and may only see information that is accessible to all other customers. Additionally, Marketing function employees may see Customer Information for which the customer has given consent.

**1434. Functions restricted.** The security administration group (or OASIS Service Administrator, as appropriate) must restrict user access to only that information which the particular user is entitled.

**15. Implementing Tariffs**

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.

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.

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 on price, curtailments, scheduling priority, ancillary services, or balancing).

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

**DUKE ENERGY CORPORATION**  
**ADDITIONAL STANDARDS OF CONDUCT PROCEDURES**  
**APPLICABLE TO DUKE ENERGY CAROLINAS, DUKE ENERGY**  
**PROGRESS AND DUKE ENERGY FLORIDA**  
**EFFECTIVE DECEMBER 1, 2004**

Attachments 1, 2, 3 and 4 hereto reflect compliance procedures voluntarily adopted by Duke Power, now known as Duke Energy Carolinas LLC, as the result of an audit of Duke Power's pre-Order 2004 Standards of Conduct compliance conducted by the Federal Energy Regulatory Commission in Docket No. PA03-15-000 and by Carolina Power & Light, now known as Duke Energy Progress, and Florida Power Corporation, now known as Duke Energy Florida in Docket No. PA04-10 (collectively, "the companies") as revised on August 19, 2013. On July 18, 2013, the companies submitted a letter to the FERC Division of Audits informing FERC of the companies' modification of their respective internal compliance procedures, effective August 19, 2013, to provide for more consistent procedures among the companies and to more closely align with the current Standards of Conduct rules (Order No. 717). Moreover, on December 1, 2014, the companies submitted a letter to FERC Division of Audits informing FERC of further modification of the companies' compliance procedures.

## **Attachment 1**

### **COMPLIANCE PROCEDURES - RROC EMPLOYEES LOCATED IN THE CHARLOTTE ECC**

**(Revised March 10, 2020 replacing previous procedures  
Effective March 2, 2015)**

Duke Energy Carolinas (DEC) Regulated Renewables Operations Center (RROC) employees which includes the RROC Lead Coordinators (formerly Hydro Central Lead Coordinators) are physically located within the secure boundary of the Energy Control Center (ECC) though they report organizationally to the Generation business unit. Consistent with the FERC Order 717, because of this physical location, RROC employees are classified as Transmission Function employees for Standards of Conduct purposes.

## **Attachment 2**

### **COMPLIANCE PROCEDURES - PHYSICAL SEPARATION**

**(Revised March 10, 2020, replacing previous procedures  
Effective April 21, 2015)**

The Fuels Systems Organization (FSO) (formerly known as Bulk Power Marketing), the System Operating Center (SOC), and the Energy Control Center (ECC) are required to have an electronic visitor log (EVL) placed outside their entrance doors. All persons (employees as well as visitors) who are admitted to these facilities without keycard access (i.e., via "escorted access") are required to sign in and out. Duke retains these sign-in logs for a period of at least 90 days. Marketing personnel (Regulated Utility/Power Sales Affiliate Marketing) should not access the SOC or ECC. If an employee without approved keycard access attempts access or requests permission to access the SOC or ECC without indicating who their escort is and it is unclear as to whether they should be permitted access, FERC Compliance should be contacted to ensure such visit is authorized.

The transmission planning area on the 10<sup>th</sup> floor of the Energy Center is accessible by keycard and Marketing employees are restricted. A sign-in log for individuals without keycard access is adjacent to the card reader outside the entrance. Marketing employees should have no reason to access such offices. If an employee without approved keycard access attempts to access or requests permission to access the SOC or ECC without indicating who their escort is and it is unclear as to whether they should be permitted access, FERC Compliance should be contacted to ensure such visit is authorized.

In addition, Transmission contract offices and other systems operations staff are located on the third floor of the Energy Center and are also within an expanded SOC security perimeter. All offices within these two spaces are restricted by keycard access.

The logs described above are retained for a period of at least ninety (90) days and periodically reviewed by FERC Compliance.

## **Attachment 3**

### **COMPLIANCE PROCEDURES - MEETINGS AND COMMUNICATIONS**

**(Revised August 19, 2013, replacing previous procedures  
Effective December 1, 2004)**

Business meetings (including those that are not established via Outlook) at which both Transmission Function and Marketing personnel (Regulated Utility/Power Sales Affiliate Marketing) are present are automatically forwarded to [FERCCCompliance@duke-energy.com](mailto:FERCCCompliance@duke-energy.com). The meeting notice should include the purpose (topic) of the meeting, the date and the attendees.

Non-business meetings, i.e., social events, corporate events, and "general" training (e.g., computer classes, management classes, etc.) are not covered by this specific procedure, but all other Standards of Conduct requirements apply.

If the communication is not an organized meeting but is an impromptu discussion the following procedures apply:

1. If the communication occurs over at least one recorded telephone line (i.e., one or both parties are recorded), no further action is necessary.
2. If the communication is not over a recorded telephone line, the Transmission function employee must forward notice of the discussion that includes the topic, participants and the date of the discussion to [FERCCCompliance@duke-energy.com](mailto:FERCCCompliance@duke-energy.com).
3. If the communication is through email, the email is automatically forwarded to [FERCCCompliance@duke-energy.com](mailto:FERCCCompliance@duke-energy.com).
4. If such communications are personal or unrelated to the functions performed by the employees, no record of such communication is required to be kept.

## **Attachment 4**

Duke Energy Progress and Duke Energy Florida have designated an individual who is responsible for ensuring compliance with OASIS posting requirements.

The following items are included in the annual FERC training for Duke Energy Progress and Duke Energy Florida: accurate assignment of status to transmission service requests and inclusion of meaningful comments to the customer whenever service has been denied.

When Duke Energy Florida's Energy Management Screen ("EMS") displays are updated to change the content on the restricted screens, the content of the screens is reviewed to ensure that marketing employees in Fuels Systems and Optimization do not have access to transmission or market information.

When Duke Energy Florida receives a request for access to EMS, the request is reviewed to ensure that inappropriate access is not granted.

**Additionally, the FERC Standards of Conduct have a posting requirement if prohibited information is inadvertently disclosed in violation of the Standards of Conduct. Should prohibited information be inadvertently disclosed, please notify FERC Compliance or FERC Legal immediately (see below).**

**Available Resources:**

**FERC Compliance**

Chris Whicker – Director Corporate Compliance

[Christian.Whicker@duke-energy.com](mailto:Christian.Whicker@duke-energy.com)

704-382-2869

Paige Pompeii – Lead Corporate Compliance Analyst

[Paige.Pompeii@duke-energy.com](mailto:Paige.Pompeii@duke-energy.com)

980-373-5155

Matthew Jenkins - Lead Corporate Compliance Analyst

[Matthew.Jenkins@duke-energy.com](mailto:Matthew.Jenkins@duke-energy.com)

980-373-6388

**FERC Legal**

Sheri May – Associate General Counsel

[Sheri.May@duke-energy.com](mailto:Sheri.May@duke-energy.com)

513-287-4340

Brian Heslin – Deputy General Counsel

[Brian.Heslin@duke-energy.com](mailto:Brian.Heslin@duke-energy.com)

980 373-0550