



FEDERAL ENERGY REGULATORY COMMISSION

STANDARDS OF CONDUCT FOR TRANSMISSION

PROVIDERS COMPLIANCE PROCEDURES

1. INTRODUCTION

MidAmerican Energy Company ("MidAmerican") is an electric transmission provider. The Federal Energy Regulatory Commission ("FERC") regulates electric transmission service and requires MidAmerican to meet the following requirements to ensure that transmission service is provided on an open-access, non-discriminatory basis:

- Adopt an Open Access Transmission Tariff ("OATT").
- Use an Open Access Same-Time Information System ("OASIS") to implement transmission transactions under the OATT and to provide transmission customers with information related to its transmission system and transmission service.
- Adopt Standards of Conduct that apply to electric transmission providers whose affiliates engage in marketing functions and designate a Chief Compliance Officer. Mark Lowe, Vice President and General Counsel, is MidAmerican's Chief Compliance Officer.

The first two of these requirements are met by MidAmerican's involvement as a transmission owner in the Midcontinent Independent System Operator, Inc. ("MISO"). MISO is a regional transmission organization. MidAmerican's electric transmission system is subject to the functional control of MISO, although it is physically controlled by MidAmerican. Transmission service on the MidAmerican transmission system is provided pursuant to the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff ("MISO Tariff"). The MISO OASIS node contains a MidAmerican page.

MidAmerican has adopted Standards of Conduct. Information regarding MidAmerican's Standards of Conduct Compliance is posted on the MidAmerican Internet website (<https://www.midamericanenergy.com/standards-conduct>). This information is also accessible via the Standards of Conduct link on the public OASIS website (<http://www.oasis.oati.com/MEC/index.html>).

In addition, certain MidAmerican employees are subject to the Standards of Conduct applicable to affiliates of MidAmerican Energy Company that are electric or natural gas transmission providers, including Northern Natural Gas Company ("Northern").

The Federal Energy Regulatory Commission ("FERC") Standards of Conduct for transmission providers ("Standards of Conduct") are designed to promote four fundamental principles:

- **Non-discrimination.** Transmission providers must treat all transmission customers, whether or not 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 transmission of electric energy in interstate commerce, or with respect to the wholesale sale of electric energy in interstate commerce.
- **Independent Functioning.** Transmission function and marketing function employees are required to function separately.
- **No Conduit of Transmission Information.** A transmission provider and its employees, contractors, consultants and agents are prohibited from disclosing or using conduits to disclose non-public transmission information to its marketing function employees.

- **Equal Access to Non-public Transmission Information.** A transmission provider must give equal access to non-public transmission information to all transmission customers, whether or not affiliated, unless the information is confidential customer information or critical energy infrastructure information.

In furtherance of these objectives, FERC has promulgated rules that govern the interaction and communication between certain employees, contractors, consultants and agents (collectively referred to in these procedures as “employees”) of MidAmerican and with regard to certain information. All employees of MidAmerican and MidAmerican’s affiliates must comply with the Standards of Conduct rules. These Standards of Conduct Compliance Procedures explain FERC’s rules and the procedures MidAmerican and its affiliates will follow in order to comply with the rules.

2. CHIEF COMPLIANCE OFFICER

MidAmerican has designated the following individual as its Chief Compliance Officer:

Mark Lowe
Phone: 515-281-2642
Address: 1615 Locust Street
Des Moines, Iowa 50309
Email: mark.lowe@midamerican.com

3. KEY DEFINITIONS

The rules govern interactions between transmission function employees and marketing function employees and situations where an employee who does not fall within either category could act as a conduit for non-public transmission function information. All of these terms have specific meanings under the rules, so careful understanding of FERC’s definitions is key to compliance.

Affiliate: Another person or entity that controls, is controlled by, or is under common control with MidAmerican. An “affiliate” includes a division of the transmission provider that operates as a functional entity. “Control” is defined as a 10% ownership interest.

Marketing function: For an electric transmission provider and its affiliates, the sale for resale in interstate commerce, or the submission of offers for sale 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 acting in their POLR capacity, including any resale or reassignment of transmission service under an Open Access Transmission agreement or under a pre-Order No. 888 grandfathered agreement. For a natural gas transmission provider and its affiliates, as pertinent to MidAmerican, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, excluding bundled retail sales and on-system sales of gas.

Marketing function employee: 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.

Specific clarifications:

- i. An employee who prepares monthly or annual requests for financial transmission rights and auction revenue rights allocations to hedge the costs of serving load but is not actively and personally engaged in sales for resale of these products is not a marketing function employee but has the same obligation as all employees not to be a conduit of the transmission function information.
- ii. An employee of an affiliate of a transmission provider that does not engage in marketing functions or transmission transactions on that transmission provider's transmission system is not a marketing function employee.

Certain employees of the following MidAmerican affiliated corporations and business units engage in marketing functions:

- AlbertaEx, L.P.
- BHER Market Operations, LLC
- Bishop Hill Energy II LLC
- Glacier Wind I, LLC
- Glacier Wind 2, LLC
- Rim Rock Wind, LLC
- Power Watch, LLC
- Wind Watch, LLC
- CalEnergy LLC
- CE Leathers Company
- CE Turbo LLC
- Cordova Energy Company LLC
- Del Ranch Company
- Elmore Company
- Fish Lake Power LLC
- Grand Prairie Wind, LLC
- Independence Wind Energy LLC
- Marshall Wind Energy, LLC
- Merrill Lynch Commodities, Inc.
- Occidental Chemical Corporation
- Occidental Energy Marketing, Inc.
- Occidental Power Marketing, L.P.
- Occidental Power Services, Inc.
- Pinyon Pines Wind I, LLC
- Pinyon Pines Wind II, LLC
- Salton Sea Power Generation Company
- Salton Sea Power LLC

- Saranac Power Partners, L.P.
- Solar Star 3, LLC
- Solar Star 4, LLC
- Solar Star California XX, LLC
- Solar Star California XIX, LLC
- Topaz Solar Farms LLC
- Vulcan/BN Geothermal Power Company
- Walnut Ridge Wind, LLC 666
- Yuma Cogeneration Associates

Note: PacifiCorp, Nevada Power Company and Sierra Pacific Power Company employ marketing function employees, but they do not engage in transmission transactions on the MidAmerican system.

Transmission function: The planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests, performance of system impact studies or determining whether the transmission system can support the requested services.

Transmission function employee: An employee, contractor, consultant or agent of MidAmerican who actively and personally engages on a day-to-day basis in transmission functions.

- The transmission functions of MidAmerican are carried out by employees in the following units:
 - System Control
 - System Planning & Services
 - Business Support
- MISO functionally controls MidAmerican's transmission system. MISO employees are not considered transmission function employees of MidAmerican but follow approved standards of conduct contained in the MISO Tariff in their dealings with transmission providers such as MidAmerican.

Transmission provider: Any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce.

- MISO is a transmission provider functionally controlling MidAmerican's electric transmission system.
- Each of Berkshire Hathaway Energy Company's affiliates that is a transmission provider and has a functional division or affiliates that engage in marketing functions is responsible for compliance with the Standards of Conduct.
 - MidAmerican Energy Company is an electric transmission provider
 - PacifiCorp, AltaLink and NV Energy are also electric transmission providers
- The Standards of Conduct also apply to gas transmission providers. MidAmerican affiliates, Northern Natural Gas ("Northern"), BHE GT&S and Kern River Gas

Transmission Company (“Kern”) are natural gas transmission providers. Employees of MidAmerican who engage in natural gas marketing functions are considered to be marketing function employees of Northern. Marketing function employees may only have access to Northern’s transmission function information that is available to all of its respective customers contemporaneously. However, MidAmerican employees, including those that are considered marketing function employees of Northern, may receive non-public transmission function information from Northern that relates to a MidAmerican request for service. Northern, GT&S and Kern are responsible for ensuring compliance with the Standards of Conduct as they apply to their gas transmission systems. MidAmerican does not conduct transmission transactions on the Kern system or the BHE GT&S system.

- MidAmerican is a transmission-owning member of MISO, and all requests for transmission service using MidAmerican transmission facilities are subject to the terms of the MISO Tariff.
- MidAmerican retains a limited transmission services tariff and certain grandfathered transmission agreements. These provisions are administered in a non-discriminatory manner.
- All transmission customers, including MidAmerican affiliates engaging in marketing functions, shall rely on the MISO OASIS to obtain information concerning, or to request, a transmission reservation over the MidAmerican transmission system.
- Transmission function personnel shall not grant any unduly preferential access to information concerning MidAmerican’s transmission system to any person, including, but not limited to, marketing function employees.
- During any meeting, whether employing in-person, teleconference or other means of communication, where both transmission function and marketing function employees are in attendance, all persons shall refrain from asking questions about non-public transmission information unless the meeting is intended to discuss a request for MidAmerican transmission service made by marketing function employees. It is expected that such meetings will involve MISO personnel as well as MidAmerican employees.
- During any such encounter that occurs in person, transmission function personnel shall take actions to ensure that no non-public information relating to the use of the transmission system is displayed or provided in written or verbal form to the marketing function personnel.

4. INDEPENDENT FUNCTIONING RULE

MidAmerican’s transmission function employees must function independently of MidAmerican’s marketing function employees.

- Transmission function personnel are not allowed to engage in marketing functions for MidAmerican or any affiliate.
- Marketing function personnel may not engage in transmission functions for MidAmerican.
- The only exception will be in the event of emergency operation conditions as described under § 358.7.
- Transmission function employees, when discussing transmission function matters unrelated to MidAmerican or affiliated marketing function transmission service requests, shall not disclose to marketing function employees non-public transmission function

information related to MidAmerican's transmission system.

-

- **A. Physical Separation**

- MidAmerican has no facilities that are shared by marketing function and transmission function employees. Most MidAmerican marketing function employees maintain offices at the Urbandale Business Center. Marketing function personnel do not occupy or have automatic access to any part of the building which houses the Control Center, located at 3500 104th Street, Urbandale, Iowa. The Control Center, situated on the lower level of this building, is secured from the upper level. Marketing function employees must be escorted if they are present in the lower level of the Control Center building.
- In addition to the Control Center, other transmission function employee offices are located in a building located at 106 East Second Street, Davenport, Iowa ("the Davenport Office"), approximately 170 miles from MidAmerican marketing function offices. No marketing function employee has automatic access to the Davenport Office. When marketing function employees visit the Davenport Office, they may only enter the areas where transmission function employees are located when escorted.

- **B. Access Restrictions**

- Information system access of marketing function employees is restricted.
- The MidAmerican Local Area Network (LAN) is used by employees as an electronic file system and as an e-mail delivery system. Access to the LAN is restricted by the use of passwords, which must be changed periodically.
- Marketing function employees do not have access to transmission function workgroup drives and files. Shared drives used for storage by transmission function employees are only accessible by those employees.
- The daily report, which summarizes the previous day's transmission/distribution activities, and the transmission/distribution outage schedule, which lists ongoing and future planned transmission/distribution outages, is not distributed to marketing function employees. It is sent only to transmission function employees and other personnel using address lists, which are controlled and reviewed periodically by the Director-System Control. Marketing function employees only have access to generation data within the Energy Management System ("EMS") application on their Siemens TG8000 workstations. Logins are established such that a marketing function employee can only log in to a TG8000 workstation that is designated for marketing function employees. Marketing function employees have no access or authority to access transmission data or alarms within the EMS.
- Additional security login procedures, including password protection, have been implemented on the Siemens TG8000 EMS. User access is administered by the EMS support section of the MidAmerican's information technology department.
- The responsibility for collecting and monitoring individual instantaneous tie-line information resides with transmission function employees. Information on how to access tie-line readings is publicly available via the Tie Line Data link on the MidAmerican homepage on the public OASIS website (<http://www.oasis.oati.com/MEC/index.html>). Tie line data is available to all certified users.

5. NO CONDUIT RULE

- The no conduit rule applies to all employees of MidAmerican and its affiliates, whether or not they engage in transmission or marketing functions. Non-marketing function employees of MidAmerican who may become privy to non-public transmission function information are prohibited from directly or indirectly disclosing such information to a marketing function employee. For example, if a MidAmerican accountant receives non-public transmission function information needed to perform his/her job, the MidAmerican accountant cannot disclose that information to a marketing function employee or to a person who would disclose it to a marketing function employee.
- This applies to all forms of communication, i.e., phone, e-mails, fax, in-person, etc., whether during business or non-business hours.
- In order to ensure that all employees understand their obligations not to be conduits of non- public transmission function information, MidAmerican has adopted the following measures:
 - Training is provided as further described in § 358.8(c)(1).
 - Information on the Standards of Conduct is available on MidAmerican's Internet site and more detailed information is also available on MidAmerican's intranet site.
 - Employees are annually trained on the Standards of Conduct and these procedures.

6. TRANSPARENCY RULE

A. Contemporaneous Disclosure Requirement

- If a transmission provider employee discloses non-public transmission function information, other than information identified in § 358.7(a)(2), in a manner contrary to the Standards of Conduct, the transmission provider must immediately post the information that was disclosed on its Internet website. Immediately contact: Mark Lowe, at 515-281-2642 or mark.lowe@midamerican.com.
- Information disclosed in violation of the Standards of Conduct must be immediately posted on the Internet website or OASIS.
- 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), 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 website that the information was disclosed.
- The MISO OASIS is the means of communication used to obtain transmission function information related to the MidAmerican transmission system, and to request and grant transmission reservations or inquire about the availability or use of transmission service. When receiving telephonic or electronic inquiries from any person, including marketing function employees, regarding the status or availability of transmission facilities or other non-public transmission function information, transmission function employees shall only disclose information that has been posted on the MISO OASIS.

- Transmission function employees may not selectively inform persons engaging in marketing functions, including MidAmerican or affiliated marketing function employees, that transmission function information will be posted at a specific time.
- The Standards of Conduct do not prohibit transmission function employees from providing information and assistance to MidAmerican or affiliate personnel that are not marketing function employees, such as those providing corporate support, generation and distribution operations personnel, and employees planning generation resources for service to MidAmerican's bundled retail load. Transmission information conveyed for such purposes shall be labeled for restricted distribution and is not to be released or discussed non- publicly with any marketing function employee. The potential to be a conduit of transmission function information to marketing function employees is covered in MidAmerican's training.
- If a MidAmerican employee inadvertently discloses non-public transmission function information, such information shall be posted on the MidAmerican Internet website (<https://www.midamericanenergy.com/standards-conduct>) immediately.

i. Exemption for Customer Information and Critical Energy Infrastructure Information

If a MidAmerican employee inadvertently discloses transmission function information that is non-public customer information or Critical Energy Infrastructure Information pertaining to such customer or any other information that the Commission by law has determined is to be subject to limited dissemination, a notice of the disclosure shall be posted on the MidAmerican Internet website (<https://www.midamericanenergy.com/standards-conduct>) immediately, but not the actual non-affiliated customer information or Critical Energy Infrastructure Information.

ii. Transaction Specific Exemption

Transmission providers do not have to contemporaneously disclose information that relates solely to a marketing function's specific request for transmission service. This exemption permits discussion of technical information regarding the transmission system and practical operations of the transmission system, if related to the marketing function's transmission request.

iii. Voluntary Consent Exemption

A non-affiliated customer may voluntarily consent in writing to allow the transmission provider to share such customer's information with marketing function employees. In order to ensure customers are not inappropriately pressured to "voluntarily" consent, FERC requires the transmission provider to post notice of the consent on its Internet website or OASIS, along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for the voluntary consent.

Transmission function personnel shall work with the MISO to first obtain and post a voluntary consent on the MISO OASIS node, including the information required by §358.7(c), from a non-affiliated transmission customer in order to share information with marketing function personnel.

The voluntary consent may be in the form of a MidAmerican Energy Authorization and Release Agreement, designating the marketing function as agent for the transmission customer. Transmission customer information eligible for disclosure to the designated agent is information related to the applicable transaction, as the agent may request, and the transmission customer deems necessary for the performance of the transaction.

iv. Reliability Standards Compliance Exemption

Transmission function and marketing function employees may exchange information pertaining to compliance with Reliability Standards. Such exchanges must be recorded, except in emergency circumstances where a record must be made as soon as practicable. The record shall be made available to FERC upon request. The record may consist of hand-written or typed notices, electronic records such as e-mails and text messages, or recorded telephone exchanges. The record must be retained for five years.

v. Exemption for Information Necessary to Maintain or Restore Operations

Transmission function employees and marketing function employees are allowed to exchange information necessary to maintain or restore operation of the transmission system or generating units, or information that may affect the dispatch of generating units. Such exchanges must be recorded except in emergency circumstances where a record must be made as soon as practicable. The record shall be made available to FERC upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, or recorded telephone exchanges. The record must be retained for five years.

B. Access to Transmission Function System Information

MidAmerican has structured its information access systems to ensure marketing function employees of MidAmerican and its affiliates do not have access to information prohibited under the Standards of Conduct. MidAmerican's information technology group has implemented controls, which are reviewed on a regular basis, to ensure access restrictions are in compliance.

7. INTERNET WEBSITE POSTING REQUIREMENTS

A. General Requirements and Timing of Posting

- All information required by 18 CFR Part 385 can be found on the MidAmerican Internet website (<https://www.midamericanenergy.com/standards-conduct>). This information will be updated within seven days of any change, as required by § 358.7(g). The modified document will be identified with the date of posting. This information is also accessible via the Standards of Conduct link on the public OASIS website (<http://www.oasis.oati.com/MEC/index.html>). Information posted on the website is retained for five years for FERC audit.

All information displayed on the MidAmerican Internet website will be retained by the Chief Compliance Officer or his designee in accordance with Part 358 of the Commission's regulations.

- In the event of emergency operating conditions potentially affecting the transmission system, the Chief Compliance Officer will be consulted and may authorize transmission function employees to call on marketing function employees to assist in operating the system or restoring the system to a normal operating state. If time permits, the Chief Compliance Officer shall be consulted prior to such designation, or he shall be consulted afterwards as soon as reasonably possible. If it is not possible to create a contemporaneous record of any non- public transmission function information conveyed to any marketing function employees during an emergency, a record shall be created as soon as practicable after-the-fact.

B. Written Procedures

MidAmerican posts current written procedures for implementation of the Standards of Conduct on its Internet website and OASIS.

C. Organizational Information

MidAmerican posts the following organizational information on its Internet website:

- The names and addresses of MidAmerican's affiliates that employ or retain marketing function employees.
- A list of facilities shared by transmission function employees and marketing function employees, including the types of facilities shared and their addresses; and
- The job titles and job descriptions of transmission function employees.

D. Merger Information

The Corporate Secretary of MidAmerican is responsible for advising the Chief Compliance Officer or his designee when a potential merger is announced. MidAmerican must post this information within seven days after the potential merger is announced.

E. Employee Transfers

Information regarding transmission function employee job titles and job descriptions is posted on the MidAmerican Internet website under the Standards of Conduct link (<https://www.midamericanenergy.com/media/pdf/transfers.pdf>) and also can be found on the public OASIS website (<http://www.oasis.oati.com/MEC/index.html>). Updates to the posted information are made within seven days of any change. The Chief Compliance Officer or his designee shall daily review computer-generated information regarding job changes, including information regarding transmission function employee transfers to marketing function positions and vice versa. When employees of MidAmerican transfer from a MidAmerican marketing function to a MidAmerican transmission function position or vice versa, the following information shall be posted on MidAmerican's public Internet website within seven business days of the effective date of the transfer:

- The name of the transferring employee
- The respective titles held while performing each function
- The effective date of the transfer

Employee transfers shall not be used as a conduit for improper information sharing (i.e., no “cycling” back and forth between the transmission function and the marketing function in order to evade the information disclosure prohibitions). Employee transfer information must remain posted on the Internet website and OASIS for ninety days.

8. RELIABILITY STANDARDS

Compliance with certain of the Reliability Standards may require consultation between transmission function employees and marketing function employees. To the extent that such communications involve the exchange of non-public transmission function information, they will be contemporaneously documented, either by e-mail, recorded telephone exchanges or minutes.

The Chief Compliance Officer has designated MidAmerican’s information technology department to retain records of recorded telephone lines.

9. WAIVERS

Any waiver granted to an affiliate with respect to service on the MidAmerican transmission system shall be authorized by the MISO. MISO is the independent system operator for MidAmerican’s electric transmission system and would grant any waivers of the MISO Tariff. MISO posts waiver requests on its website.

10. SEPARATE BOOKS AND RECORDS

Blake Groen, MidAmerican’s Vice President and Chief Financial Officer, maintains the books and records for MidAmerican Energy Company in compliance with FERC’s System of Accounts for Electric Companies, which requires separate reporting of costs and revenues of public utility and non-public utility operations.

11. STANDARDS OF CONDUCT TRAINING

Computer-based training prepared by the Edison Electric Institute is available to employees through a learning management system, which has electronic certification of completion. The Chief Compliance Officer or his designee and the human resources department administer training requirements to ensure that all new or transferring employees are trained within thirty days of accepting their new positions.

In order to ensure that all employees have some familiarity with the Standards of Conduct, MidAmerican provides training annually:

- Employees of MidAmerican and its affiliates who may be privy to non-public transmission information take the Edison Electric Institute training.
- MidAmerican contractors, agents and consultants that may be privy to transmission information may take the Edison Electric Institute training.
- A “tip sheet” overview of the Standards of Conduct is available as a ready reference.
- To reinforce the Standards of Conduct, all MidAmerican employees are retrained

annually. The tip sheet and a version of these procedures are available on MidAmerican's intranet for employee reference.

- All of MidAmerican's affiliated gas and electric transmission providers implement a program of Standards of Conduct training.

These procedures are reviewed annually, prior to their annual distribution to employees, and also during the course of the year when there are any changes resulting from interpretations of or changes in the regulations.

12. QUESTIONS AND INQUIRIES

For Standards of Conduct questions or concerns contact your supervisor, legal counsel assigned to your division or MidAmerican's Chief Compliance Officer, Mark Lowe at 515-281-2642, if any aspect of the rules or your compliance obligation is unclear.