

Cameron Interstate Pipeline, LLC

WRITTEN PROCEDURES

AND

COMPLIANCE PLAN

FERC Standards of Conduct for Transmission Providers

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I. INTRODUCTION

This document, Cameron Interstate Pipeline, LLC (“CIP”) Written Procedures and Compliance Plan, describes CIP’s written compliance procedures (hereafter, “Compliance Plan”) for implementing the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Standards of Conduct for Transmission Providers which were adopted in FERC Order 717, Order 717-A, Order 717-B, Order 717-C, and Order 717-D (collectively, “Order 717”). In sections A and B of this Introduction, CIP summarizes several compliance mechanisms and guidelines that are central to its general compliance effort. Thereafter, this document addresses, on a rule-by-rule basis, the various requirements of Order 717’s Standards of Conduct (codified at part 358, Chapter 1, Title 18, Code of Federal Regulations) with an associated, subsequent discussion of the procedures and mechanisms CIP has established to ensure compliance with each specific rule. More detailed, supporting documentation such as affiliate information, job titles and job descriptions of Transmission Function Employees, etc. can be found on CIP’s informational posting internet website.

This document and the associated documents present CIP’s most current information regarding its implementation and compliance efforts and demonstrates that CIP is in full compliance with Order 717. It will be revised from time-to-time to reflect changes either to the Standards of Conduct or CIP’s compliance controls and procedures.

A. OVERSIGHT

CIP is an affiliate of Sempra LNG, LLC (“Sempra LNG”) and Sempra North American Infrastructure, LLC (“SNAI”), within the Sempra Energy family of companies. Sempra LNG, SNAI and CIP have dedicated personnel that oversee compliance, however, compliance and ethics are also company-wide functions. All Sempra Energy officers are responsible for ensuring their organizations are in compliance with all applicable laws, regulations, and policies, and that the necessary mechanisms are in place to achieve such compliance. The Sempra LNG and SNAI Director of Operations serves as CIP’s Chief Compliance Officer. Additionally, the President and Chief Operating Officer of Sempra Energy serves as the Chief Compliance Officer for Sempra Energy as a whole. Corporate compliance is evaluated through a number of processes, including but not limited to Board Meetings, Corporate Compliance Committee Meetings, and internal audits.

B. TRAINING AND COMMUNICATIONS

An ongoing, comprehensive education and training program is a primary means for ensuring compliance with the Order. Transmission function personnel, marketing function personnel, officers, directors, supervisory employees, and any other personnel likely to become privy to transmission function information are trained via a comprehensive web-based training module. The training is interactive, and

employees access it utilizing a unique password. Employees receive certification after they have successfully completed the training. The anti-conduit attestation is incorporated into the training, and records of training are recorded in a database. Order 717 training will be done on an annual basis and within the required 30 days for newly hired personnel.

Additionally, consultants, agents and contractors that act as Transmission Function Employees, Marketing Function Employees (as defined below) or have access to non-public transmission information will be provided training materials. CIP's compliance personnel maintain an intranet web site where employees can access a variety of information regarding the Order, including: a complete copy of the Order, FERC-related decisions and information, the FERC Order 717 compliance plan, and other related information such as training materials.

II. Part 358 -- STANDARDS OF CONDUCT

A. § 358.1 Applicability

(a) This part applies to any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of Part 284 of this chapter and conducts transmission transactions with an affiliate that engages in marketing functions.

(b) This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions.

(c) This part does not apply to a public utility transmission provider that is a Commission-approved Independent System Operator (ISO) or Regional Transmission Organization (RTO). If a public utility transmission owner participates in a Commission approved ISO or RTO and does not operate or control its transmission system and has no access to transmission function information, it may request a waiver from this part.

(d) A transmission provider may file a request for a waiver from all or some of the requirements of this part for good cause.

Procedures and Mechanisms for Compliance

See Procedures and Mechanisms for Compliance in §358.3 Definitions.

By their terms, §358.1(a) and (b), and §358.3(c)(2) apply to a gas or electric Transmission Provider, as defined in these Standards of Conduct, that “conducts transmission transactions with an affiliate that engages in marketing functions.” The Standards of Conduct do not apply as between a Transmission Provider and a gas or electric affiliate with a Marketing Function (as defined herein) that does not conduct transmission transactions with such an affiliate.

Sempra Gas & Power Marketing, LLC (“SG&PM”), an affiliate of CIP, engages in sales for resale of gas in interstate commerce employees that engage in sales for resale of gas in interstate commerce on behalf of SG&PM are considered to be Marketing Function Employees.

B. § 358.2 General Principles

(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 in this part or otherwise permitted by Commission order.

(c) A transmission provider and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to the transmission provider's marketing function employees.

(d) A transmission provider must provide equal access to non-public transmission function information to all its transmission function customer, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information.

Procedures and Mechanisms for Compliance

CIP is a Transmission Provider under Order 717 and will treat all transmission customers, affiliated and non-affiliated, on a non-discriminatory basis and will not share non-public information related to transmission operations with its marketing affiliates.

CIP personnel engaged in transmission functions ("Transmission Function Employees"), as defined in the Order 717 Standards of Conduct, shall function independently of SG&PM personnel engaged in marketing functions and employees who are Marketing Function Employees within other Sempra Energy subsidiaries. Therefore, Transmission Function Employees do not engage in marketing functions. Similarly, Marketing Function Employees do not conduct transmission functions and are prevented from having access to non-public transmission system information. Marketing Function Employees do not have access to CIP's Transmission System Control Room or other facilities used for transmission operations.

C. § 358.3 Definitions

(a) Affiliate of a specified entity means:

- (1) Another person that controls, is controlled by, or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operations as a function unit.*
- (2) For any exempt wholesale generator (as defined under 366.1 of this chapter), affiliate shall have the meaning set forth in 366.1 of this chapter, or any successor provision.*
- (3) "Control" as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 percent or more creates a rebuttable presumption of control.*

- (b) Internet website refers to the Internet location where an interstate natural gas pipeline or a public utility posts the information, by electronic means, required under this part 358.
- (c) Marketing functions means:
- (1) in the case of public utilities and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity;
 - (2) In the case of interstate pipelines and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:
 - i. Bundled retail sales,
 - ii. Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities,
 - iii. Sales of natural gas solely from a seller's own production,
 - iv. Sales of natural gas solely from a seller's own gathering or processing facilities, and
 - v. 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.
- (d) Marketing Function Employee means an employee, contractor, consultant or agent of a transmission provider or of an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.
- (e) Open Access Same Time Information System or OASIS refers to the Internet location where a public utility posts the information required by part 37 of this chapter, and where it may also post the information required to be posted on its Internet website by this part 358.
- (f) Transmission means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with jurisdictional transmission facilities, under part 35 of this chapter; and natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of part 284 of this chapter.
- (g) Transmission customer means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending request for transmission service or for information regarding transmission.
- (h) Transmission functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.
- (i) Transmission Function Employee means an employee, contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in transmission functions.
- (j) Transmission function information means information relating to transmission functions
- (k) Transmission provider means:
- (1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce; or
 - (2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts G or G part 284 of this chapter.

- (3) *A transmission provider does not include a natural gas storage provider authorized to charge market-based rates.*
- (l) *Transmission service means the provision of any transmission as defined in 358.3(f).*
- (m) *Waiver means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.*

Procedures and Mechanisms for Compliance

Parent/Holding Company:

Sempra Energy: Sempra Energy is a holding company and the ultimate parent company of CIP. Sempra Energy is not a public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce, or an interstate natural gas pipeline that transports gas for others. In addition, Sempra Energy does not participate in energy or natural gas commodity markets and does not participate in transmission transactions in U.S. energy markets. Therefore, Sempra Energy is not a Transmission Provider or a Marketing Affiliate under the definitions of Order 717. Sempra Energy provides corporate oversight and governance for its subsidiaries and provides some shared oversight between its Transmission Provider and Energy Marketing Affiliate companies.

Transmission Providers (“TP”):

Cameron Interstate Pipeline, LLC: CIP is an interstate pipeline in southern Louisiana. The pipeline links the Cameron LNG terminal built by Sempra LNG in Cameron Parish, LA., to interstate pipelines that transport natural gas to major market areas in the Midwest, Northeast and Southeast. CIP is certificated by the FERC and was placed into service in 2008.

LA Storage, LLC: LA Storage provides open-access, firm and interruptible transportation services via a pipeline header system with interconnections to six interstate pipelines. LA Storage is jointly owned by a subsidiary of Sempra Energy and ProLiance Transportation and Storage-Liberty, LLC (“PT&S”). Sempra Energy ultimately owns 75 percent of LA Storage, with PT&S owning the remaining 25 percent.

Marketing Affiliates:

Sempra Gas & Power Marketing, LLC (“SG&PM”): SG&PM engages in *“sale for resale in interstate commerce, the submission of offers to sell in interstate commerce, of electricity energy, or capacity, demand response, virtual transactions, or financial and physical transmission rights.”* SG&PM is physically and functionally separated from CIP and does not have access to CIP facilities or non-public transmission information.

D. § 358.4 Non-discrimination requirements

(a) A transmission provider must strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if the tariff provisions do not permit the use of discretion.

(b) A transmission provider must apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.

(c) A transmission provider may not, through its tariffs or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).

(d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.

Procedures and Mechanisms for Compliance

CIP administers all of its tariff provisions in a non-discriminatory manner and in accordance with Order

717. Information about CIP's Tariff can be found at: <http://www.gasnom.com/ip/cameron/>

E. § 358.5 Independent functioning rule.

(a) General rule. Except as permitted in this part or otherwise permitted by Commission order, a transmission provider's transmission function employees must function independently of its marketing function employees.

(b) Separation of function.

(1) A transmission provider is prohibited from permitting its marketing function employees to:

i. Conduct transmission functions; or

ii. Have access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers.

(2) A transmission provider is prohibited from permitting its transmission function employees to conduct marketing functions.

Procedures and Mechanisms for Compliance

Independent Functioning

CIP

The following types of security systems and procedures restrict unauthorized physical access and unauthorized electronic access to computers, information systems, or computer applications between Marketing Affiliates and CIP:

Physical Security – CIP’s Transmission Function Employees are located in Cameron, Calcasieu, and Beauregard parishes near the city of Sulphur, Louisiana and also in its Houston, Texas headquarters. They are geographically separated from the Marketing Function Employees of their Marketing Affiliates. CIP facilities are separate and stand-alone facilities from their Marketing Affiliates and employ security measures that include card-key access in both Houston and Louisiana.

Information Security Systems - CIP’s internal network (aka “intranet”) is functionally separate from its intranet locations to which Marketing Function Employees have access. Access to CIP’s intranet is controlled by the use of firewalls to prevent unauthorized access by its Marketing Function Employees. Firewalls are specialized security hardware and software designed to isolate networks that require different security policy enforcement mechanisms. In addition to this industry standard approach to network security, the following types of information security systems provide additional levels of protection:

- Remote Access Security Software coupled with SecureID Tokens
- Application Security

Information Security Administration - In addition to the physical and security systems described above, unauthorized systems access is prevented via automated and manual information security administration tools and standard procedures, including:

- Individual Employee Identifications and Passwords
- Basic Access Rule is to Deny Access by Default
- Security Handling of Terminated and Transferred Employees
- Special Security Handling of Affiliate Employee Access

F. § 358.6 No conduit rule.

(a) A transmission provider is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to its marketing function employees.

(b) An employee, contractor, consultant or agent of a transmission provider, and an employee, contractor, consultant or agent of an affiliate of a transmission provider that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any of the transmission provider’s marketing function employees.

Procedures and Mechanisms for Compliance

Information Access

CIP Transmission Function Employees, Marketing Function Employees, as well as officers, directors, supervisory and other personnel likely to become privy to transmission function information receive annual training on the FERC Standards of Conduct. To successfully complete this training, individuals must also attest to their understanding of and compliance with the Anti-Conduit statement.

G. § 358.7 Transparency rule.

- a) Contemporaneous disclosure.
- (1) *If a transmission provider discloses non-public transmission function information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of §358.6, the transmission provider must immediately post the information that was disclosed on its Internet website.*
 - (2) *If a transmission provider discloses, in a manner contrary to the requirements of §358.6, non-public transmission customer information, critical energy infrastructure information (CEII) as defined in §388.113(c)(1) of this chapter or any successor provision, or any other information that the Commission by law has determined is to be subject to limited dissemination, the transmission provider must immediately post notice on its website that the information was disclosed.*
- b) Exclusion for specific transmission information. *A transmission provider's transmission function employee may discuss with its marketing function employee a specific request for transmission service submitted by the marketing function employee. The transmission provider is not required to contemporaneously disclose information otherwise covered by §358.6 if the information relates solely to a marketing function employee's specific request for transmission service.*
- c) Voluntary consent provision. *A transmission customer may voluntarily consent, in writing, to allow the transmission provider to disclose the transmission customer's non-public information to the transmission provider's marketing function employees. If the transmission customer authorizes the transmission provider to disclose its information to marketing function employees, the transmission provider must post notice on its Internet website of that consent along with a statement that it did not provide any preferences, either operation or rate-related, in exchange for that voluntary consent.*
- d) Posting written procedures on the public Internet. *A transmission provider must post on its Internet website current written procedures implementing the standards of conduct.*
- e) Identification of affiliate information on the public Internet.
- (1) *A transmission provider must post on its Internet website the names and addresses of all its affiliates that employ or retain marketing function employees.*
 - (2) *A transmission provider must post on its Internet 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.*
 - (3) *The transmission provider must post information concerning potential merger partners as affiliates that employ or retain marketing function employees, within seven days after the potential merger is announced.*
- f) Identification of employee information on the public Internet.
- (1) *A transmission provider must post on its Internet website the job titles and job descriptions of its transmission function employees.*
 - (2) *A transmission provider must post a notice on its Internet 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 posted under this section must remain on its Internet website for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information posted must include.

- i. The name of the transferring employee,*
- ii. The respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and*
- iii. The effective date of the transfer.*

g) Timing and general requirements of postings on the public Internet.

- (1) A transmission provider must update on its Internet website the information required by this part 358 within seven business days of any change, and post the date on which the information was updated. A public utility may also post the information required to be posted under part 358 on its OASIS, but is not required to do so.*
- (2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts a transmission provider's normal business operations, the posting requirements in this part may be suspended by the transmission provider. If the disruption lasts longer than one month, the transmission provider must so notify the Commission and may seek a further exemption from the posting requirements.*
- (3) All Internet website postings required by this part must be sufficiently prominent as to be readily accessible.*

h) Exclusion for recordation of certain information exchanges.

- (1) Notwithstanding the requirements of §§ 358.5(a) and 358.6, a transmission provider's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in § 358.7(h)(2), in which case the transmission provider must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record must be made of the exchange as soon as practicable after the fact. The transmission provider shall make the record available to the commission upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.*
- (2) The non-public information subject to exclusion in § 358.7(h)(1) is as follows:*
 - i. Information pertaining to compliance with Reliability Standards approved by the Commission, and*
 - ii. Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.*

(i) Posting of waivers A transmission provider must post on its Internet 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 Commission. The posting must be made within one business day of the act of a waiver. The transmission provider must also maintain a log of the acts of waiver, and must make it available to the Commission upon request. The records must be kept for a period of five years from the date of each act of waiver.

Procedures and Mechanisms for Compliance

CIP is in compliance with the requirements the § 358.7 Transparency Rules described above. All relevant information can be found on its internet website: <http://www.gasnom.com/ip/cameron/>

Additionally, CIP has compliance procedures in place to make and retain a contemporaneous record of all such information exchanges noted in § 358.7(h) (1) (2) as well as the log of waiver required in § 358.7(i). All such records will be available to the Commission upon request and retained for five years.

H. § 358.8 Implementation requirements.

(a) Effective date.

A transmission provider must be in full compliance with the standards of conduct on the date it commences transmission transactions with an affiliate that engages in marketing functions.

(b) Compliance measures and written procedures.

- (1) A transmission provider must implement measures to ensure that the requirements of §§358.5 and 358.6 are observed by its employees and by the employees of its affiliates.*
- (2) A transmission provider must distribute the written procedures referred to in §358.7(d) to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.*

(c) Training and compliance personnel.

- (1) A transmission provider must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. The transmission provider must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this section, within the first 30 days of their employment. The transmission provider must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.*
- (2) A transmission provider must designate a chief compliance officer who will be responsible for standards of conduct compliance. The transmission provider must post the name of the chief compliance officer and provide his or her contact information on its Internet website.*

(d) Books and records. A transmission provider must maintain its books of account and records (as prescribed under parts 101, 125, 201 and 225 of this chapter) separately from those of its affiliates that employ or retain marketing function employees, and these must be available for Commission inspections.

Procedures and Mechanisms for Compliance

Effective Date and Applicability

CIP is in compliance with § 358.8 Implementation requirements as detailed above.

Written Procedures

This document is updated from time to time to reflect current CIP's procedures and mechanisms for compliance with Order 717, and it is posted on its internet site.

Chief Compliance Officer

SLNG and SNAI have appointed Hugh (Chip) Berglund, Director - Operations, as its Chief Compliance Officer for purposes of ensuring compliance with Order 717. Contact information is as follows:

Hugh (Chip) Berglund
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Books and Records

CIP maintains separate books of account and records, as detailed in Order 717, separately from those of its affiliates that employ or retain Marketing Function Employees.