



FERC Standards of Conduct
Written Procedures for
South Carolina Electric & Gas
And
Carolina Gas Transmission

Effective November 26, 2008

SCANA Corporation

Written Procedures Implementing the FERC's Standards of Conduct for Transmission Providers

I. Background

On October 16, 2008, the Federal Energy Regulatory Commission (FERC) issued Order No. 717 adopting revised Standards of Conduct for interstate natural gas pipeline and electric transmission providers. The Standards of Conduct govern the relationships between Transmission Providers and employees who perform electric and gas marketing functions. The core of the Standards of Conduct remains the prohibition against interstate natural gas pipelines and electric transmission providers giving their marketing affiliates preferential access to service or non-public transmission information. SCANA achieves this goal by separating the transmission employees from those engaged in marketing services and by requiring that all transmission customers be treated on a non-discriminatory basis. The revised Standards of Conduct is comprised of three basic rules: the "independent function" rule, the "no-conduit" rule, and the "transparency" rule.

FERC requires Transmission Providers to post on their Internet Websites current Written Procedures implementing the Standards of Conduct. SCANA has developed these written procedures in accordance with FERC requirements. The written procedures are posted on SCANA's Internet Website <http://eportal.scana.com/DepartmentSites/ferc/Documents/Written%20Procedures.pdf>

It is the policy of SCANA that its Board of Directors, officers, employees and contractors strictly adhere to these Written Procedures. Questions concerning these Written Procedures can be directed to:

- Catherine Taylor, Chief Compliance Officer (CCO) (803)217-9356
- Annette Fountain, Standards of Conduct Administrator (SCA) (803)217-9418 or
FERCStandardsOfConduct@scana.com.

II. Part 358 – Standards of Conduct

A. 358.1 Applicability

South Carolina Electric & Gas (SCE&G) is a public utility that owns, operates, and controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions and therefore must comply with FERC's Standards of Conduct.

Carolina Gas Transmission (CGT) is an interstate natural gas pipeline that transports gas for others and conducts transmission transactions with an affiliate that engages in marketing functions and therefore must comply with FERC's Standards of Conduct.

South Carolina Electric & Gas and Carolina Gas Transmission are jointly referred to as the SCANA's Transmission Providers.

B. 358.2 General Principles

1. SCANA's Transmission Providers will treat all transmission customers, affiliated and non-affiliated, on a non-discriminatory basis and will not grant or make any undue preference or advantage to any person.
2. SCANA's transmission employees will function independently from its marketing affiliate employees, except as permitted under Standards of Conduct
3. SCANA's Transmission Providers, and its employees, contractors, consultants, and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission information to the transmission provider's marketing affiliate employees.
4. SCANA's Transmission Providers, will provide equal access to non-public transmission information to all its transmission customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information (CEII).

C. 358.3 Definitions

Refer to Appendix A for a comprehensive list of terms used in the Standards of Conduct regulations.

Refer to Appendix B for a complete list of SCANA companies and their FERC Classifications.

D. 358.4 Non-discrimination requirements

SCANA's Transmission Providers will 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. SCANA's Transmission Providers will apply all tariff positions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a non-discriminatory manner, if the tariff provisions permit the use of discretion. A SCANA Transmission Provider will not, through its tariff or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service and will process all similar requests for transmission in the same manner and within the same period of time.

E. 358.5 Independent function rule

Except as permitted by the Standards of Conduct, transmission function employees and marketing function employees must function independently of one another. A transmission employee may not conduct marketing functions and a marketing function employee may not conduct transmission functions, have access to the system control center or other transmission facilities or access to non-public transmission information that differs from the access available to other transmission customers. Appendix C to these Written Procedures describes the procedures for gaining access to SCANA's transmission restricted areas and systems.

F. 358.6 No-conduit rule

SCANA's Transmission Providers will not use anyone as a conduit for sharing SCE&G and CGT's non-public transmission information with a Marketing Function employee. All SCANA employees, contractors, consultants, and agents are prohibited from disclosing non-public transmission information to a Marketing Function employee.

G. 358.7 Transparency rule

1. Contemporaneous disclosure

If an employee, contractor, consultant, or agent discloses non-public transmission information to a Marketing Function employee, the Transmission Provider will immediately post such information on its internet website.

If an employee, contractor, consultant, or agent discloses non-public transmission customer information or CEII to a Marketing Affiliate, the Transmission Provider will immediately post notice on its internet website that the information was disclosed.

2. Specific transaction information

Discussions between a transmission function employee and a Marketing Function employee with respect to the marketing affiliate's specific request for transmission service are permissible without posting such information on the Transmission Provider's Internet Website. A record of the communication must be made and retained by following the Joint Meeting Procedure.

3. Voluntary Consent

A transmission customer may voluntarily consent, in writing, to allow a SCANA Transmission Provider to disclose the transmission customer's non-public information to a Marketing Function employee. 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 operational or rate-related, in exchange for that voluntary consent.

4. Written Procedures

SCANA's Transmission Providers will post on its Internet Website current written procedures implementing the Standards of Conduct.

5. Identification of affiliate information

SCANA's Transmission Providers will post on its Internet Website:

- Names and addresses of all its affiliates that employ or retain marketing function employees.
- A complete list of the employee-staffed facilities, to include type of facility and address, shared by any transmission function employees and marketing function employees.
- Information concerning potential merger partners as affiliates that may employ or retain marketing function employees. This information must be posted within seven days after the potential merger is announced.

6. Identification of employee information

SCANA's Transmission Provider's will post on its Internet Website:

- Job titles and job descriptions of its transmission function employees.
- 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 employee. The information must remain posted for 90 days. SCANA's Transmission Provider's will not use any such transfer as a means to circumvent the Standards of Conduct. The posting will include the employee's name, job titles, and effective date of transfer.

7. Timing and general requirements of postings

SCANA's Transmission Providers will update the information posted within seven business days of any change, and post the date on which the information was updated. In event of an approved emergency, the posting requirements may be suspended. All postings must be sufficiently prominent and be readily accessible.

8. Recordation of information exchanges

Transmission function employees and marketing function employees may exchange certain non-public transmission information, as allowed by Standards of Conduct. These limited communication exchanges, except in approved emergency circumstances, must occur through emails that are captured and retained, through recorded telephones, or through an approved joint meeting. Appendix D to these Written Procedures describes communications procedures between transmission function employees and marketing function employees. All communications must be retained for a period of five years and must be available to the FERC upon request.

The following non-public transmission information may be disclosed to a marketing function employee:

- Information pertaining to compliance with Electric Reliability Organizations (ERO) reliability standards, and
- Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.

9. Posting of tariff waivers

SCANA's Transmission Provider's will post on its Internet Website notice of each waiver of a non-approved FERC tariff provision that it grants in favor of an affiliate. The posting must be made within one business day of the act of a waiver. The Transmission Provider's will also maintain a log of the acts of waiver, and make it available to the Commission upon request. All records will be kept for a period of five years from the date of each act of waiver.

H. 358.8 Implementation requirements

1. Effective date

SCANA will ensure a Transmission Provider is in full compliance with the Standards of Conduct on the date it commences transmission with an affiliate that engages in marketing functions.

2. Compliance measures and written procedures

The Chief Compliance Officer (CCO) will implement measures to ensure that the Standards of Conduct requirements are observed by all SCANA employees. The CCO will distribute these written procedures to all employees likely to become privy to transmission information.

3. Training and compliance personnel

The CCO will provide annual training on the standards of conduct and provide training to new employees within the first 30 days of their employment. Each employee taking the training will certify electronically or in writing that s/he has completed the training.

SCANA has designated a Chief Compliance Officer (CCO) who will be responsible for Standards of Conduct compliance. The CCO will maintain adherence to the Standards of Conduct through training, supervision and monitoring of compliance with the Standards of Conduct regulations. SCANA has designated Catherine D. Taylor, Esq. as their CCO. Mrs. Taylor can be contacted by writing to Catherine D. Taylor, Esq., 100 SCANA Parkway, MC C222, SCANA Corp., Cayce, SC 29033. Her telephone number is 803-217-9356 and her email address is cdtaylor@scana.com.

4. Books and records

SCANA Transmission Provider's maintains its books of account and records separately from those of its Marketing Affiliates and will make these books and records available for Commission inspection.

Appendix A - Definitions

Critical Energy Infrastructure Information (CEII) – CEII is information concerning proposed or existing critical infrastructure (physical or virtual) that:

1. Relates to the production, generation, transmission or distribution of energy;
2. Could be useful to a person planning an attack on critical infrastructure;
3. Is exempt from mandatory disclosure under the Freedom of Information Act; and
4. Gives strategic information beyond the location of the critical infrastructure.

Electronic Bulletin Board (EBB) – refers to the internet location where a public utility (SCE&G) provides transmission customers with equal and timely access to information.

Federal Energy Regulatory Commission (FERC) – FERC is a federal agency, under the Department of Energy, with jurisdiction over, among other things, interstate wholesale markets and transportation of gas and electricity at “just and reasonable rates”.

Independent function rule – Standards of Conduct requires that transmission employees must function independently from marketing affiliate employees.

Internet Website – refers to the internet location where Transmission Providers posts its public information.

Marketing Function (electric) – refers to making transactions for the sale for resale 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; subject to exclusion for bundled retail sales.

Marketing Function (gas) – refers to making transactions for the sale for resale or submission of offers to sell in interstate commerce, natural gas; subject to the following exclusions: bundled retail sales, incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities, sales of natural gas solely from a seller’s own gathering or processing facilities, and sales by an interstate natural gas pipeline, by a Hinshaw interstate pipeline or by a local distribution company making on-system sales.

No conduit rule – Employees, contractors, consultants, and agents must not disclose, or use a conduit to disclose, non-public transmission information to marketing affiliate employees.

Non-public transmission information – means information relating to transmission functions that is not posted on OASIS or EBB. Examples of transmission function information includes, but is not limited to, available transmission capability, price, curtailments, storage, ancillary services, balancing, maintenance activities, capacity expansion plans, transmission customer and prospective customer information as well as transmission function information related to another Transmission Provider.

Open Access Same Time Information System (OASIS) – internet location where a public utility (SCE&G) provides transmission customers with equal and timely access to transmission function information.

Transmission (electric) – means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with FERC jurisdictional transmission facilities.

Transmission (gas) – means natural gas transportation, storage, exchange, backhaul, or displacement service.

Transmission Customer – means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.

Transmission Function – means planning, directing, organizing, or carrying out of the day-to-day transmission operations, including the granting or denying of transmission service request.

Transmission 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.

Transmission Information – means information relating to transmission functions.

Transmission Provider (electric) – means any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce. South Carolina Electric & Gas is an electric Transmission Provider.

Transmission Provider (gas) – means any interstate natural gas pipeline that transports gas for others. Carolina Gas Transmission is a natural gas Transmission Provider.

Transparency rule – A transmission provider must provide equal access to non-public transmission information to all transmission customers, except confidential transmission information or Critical Energy Infrastructure Information (CEII).

Tariff – a document, approved by FERC which listing the binding terms and conditions, including price, under which utility services will be provided. A FERC regulated tariff is intended to ensure transmission services are provided on a basis that is just, reasonable and not unduly discriminatory or preferential.

Appendix B – List of SCANA Companies and their FERC Classifications

SCANA Companies	Divisions	Transmission	Marketing Affiliate	No - Conduit	Affiliated Customer
SCANA Services	Natural Gas and Uranium Procurement		Yes		
	All other organizations			Yes	
SCE&G	Transmission	Yes			
	Electric Operations	Yes		Yes	
	Gas Distribution			Yes	CGT
	Generation			Yes	SCE&G
	Support Services			Yes	
	Power Marketing		Yes		SCE&G
CGT		Yes			
SEMI	SCANA Energy Marketing		Yes		CGT
	SCANA Energy Georgia			Yes	
PSNC	Secondary Market Group (Terina Cronin and Melinda Russell only)		Yes		Pine Needle, LNG
	All other PSNC employees			Yes	
	Pine Needle, LNG ¹	Yes			
ServiceCare				Yes	
SCANA Communications				Yes	
SC Fuel Company ²				Yes	
SCANA Development ²				Yes	
SCANA Corporate Security ²				Yes	
Genco ²				Yes	
COGEN ²				Yes	
Westex Holdings ²				Yes	

¹ PSNC Blue Ridge Corporation, a wholly owned subsidiary of Public Service Company of North Carolina owns a 17% share in Pine Needle LNG Company, LLC which is operated by Transcontinental Gas Line Corporation (TRANSCO).

² Companies do not employ or retain employees or contractors.

Appendix C – Access to Restriction Transmission Areas and Information

I. Procedure for gaining access to restricted transmission areas

SCANA has identified (a) areas of the company that contain transmission or customer information, (b) the business owners responsible for ensuring access to these restricted areas is appropriately protected, and (c) the physical security measures in place to ensure Marketing Function employees do not have access to these facilities.

Areas of the company occupied or utilized by electric and gas transmission employees are protected by either electronic card-key access or other security measures such as gated perimeters secured by garage door openers or coded key-pads. Restricted transmission areas include such areas as the Transmission Operation Center in Cayce, the Carolina Gas Transmission Field Operations Building, the system control centers, system control center back-up facilities, warehouses, compressor stations, and distribution and SCADA facilities.

Facilities protected by an electronic card-key access system is maintained and managed by SCANA's Corporate Security organization. Access to an individual card-key reader is controlled by access groups. Employees and authorized contractors are assigned to access groups once they have been approved by the appropriate Designated Approval Authority ("DAA"). Corporate Security is prohibited from granting access to these restricted areas without approval from the DAA.

Employees requesting access for themselves or an authorized contractor to a restricted transmission area must contact the DAA or Corporate Security. Electronic access may be granted as follows: all SCANA employees and authorized contractors are allowed access to the lobby of the Transmission Operations Center; Marketing Function employees are expressly denied access to all other restricted areas; Non-marketing employees have unescorted access to the Transmission Operations Center; Non-Marketing employees may be given access to all other restricted areas if approved by the DAA.

Pursuant to SCANA's Compliance Program, DAAs are required to conduct a quarterly review of access to the transmission restricted areas to ensure access remains appropriate based on FERC classification and business requirements. The CCO's Office will work in conjunction with Human Resources, the DAA's and Corporate Security to modify access for employees and contractors who transfer or no longer have an employment or contractual relationship with SCANA.

II. Procedure to gain access to computer systems that contain transmission information

Computer systems and databases are managed either by SCANA's Information Services & Technology (IST) organization or by the appropriate operational organization. The CCO's Office work with the Transmission Providers and subject matter experts to identify all computer systems and databases that potentially contained transmission information ("restricted systems").

Transmission Provider Owned and Managed Systems

Systems maintained and managed by the Transmission Providers are referred to as transmission owned and managed systems. User access to transmission systems is controlled by various electronic security measures such as security roles or separate databases and is maintained and managed by SCANA's Transmission Providers computer support personnel. Each restricted system is assigned a business owner who is responsible for approving or denying user access and conducting quarterly reviews of user access. SCANA's Transmission Providers computer support personnel are prohibited from granting access to these systems without approval from the business owner.

Enterprise Owned and Managed Systems

Systems maintained and managed by IST are referred to as enterprise systems. User access to enterprise systems is controlled by various electronic security measures such as security roles or separate databases. Each restricted system is assigned a SCANA employee (IRM) who is responsible for approving or denying user access and conducting quarterly reviews of user access. IST is prohibited from granting access to these systems without approval from the IRM.

Employees requesting access for themselves or an authorized contractor to a restricted transmission system must contact the business owner or the IST Help Desk. Electronic access will be granted dependent upon the system.

Pursuant to SCANA's Compliance Program, business owners and IRMs are required to conduct a quarterly review of access to the transmission restricted systems to ensure access remains appropriate based on FERC classification and business requirements. The CCO's Office will work in conjunction with Human Resources, business owners, and IRM's and Corporate Security to modify access for employees and contractors who transfer or no longer have an employment or contractual relationship with SCANA.

Appendix D – Communication Procedures

The Standards of Conduct include an exception that allows transmission employees to share with marketing affiliates and affiliated customers certain non-public transmission information pertaining to compliance with reliability standards, necessary to maintain or restore operations of the transmission system or generating units or that may affect dispatch of the units and information necessary to respond to a specific customer's request for transmission service. The rules narrow the restrictions on interactions with marketing function employees. All communications between transmission function employees and marketing function employees and transmission function employees and employees of their affiliated customers must be recorded in a manner approved by the CCO.

Non-business interactions such as general training courses offered by SCANA University, discussions of general corporate matters, leadership meetings, social interactions that are personal or charitable in nature are exempt from these communications procedures so long as no improper disclosure of non-public transmission or customer information occurs.

Employees of the Transmission Providers, Marketing Affiliates, and affiliated customers are required to track all interactions and make them available to the CCO's Office upon request.

For interactions subject to Standards of Conduct, SCANA utilizes the following methods to record communications between transmission function employees and employees of its marketing affiliates and affiliated customer:

Recorded Phones

All voice communications between designated employees of SCANA's Transmission Providers and Marketing Function employees must occur over a designated recorded phone line. Recorded voice communications will be monitored by the CCO's Office.

Email

All electronic communications between designated employees of SCANA's Transmission Providers and Marketing Function employees must utilize SCANA's Outlook software. All emails will be captured and retained by IST and monitored by the CCO's Office.

Joint Meetings

The Joint Meeting Procedure requires all requests for meetings involving employees classified as transmission function and employees of its marketing affiliates and affiliated customers be submitted to the CCO's Office in advance of the meeting. The request must provide the purpose and/or agenda for the meeting, list of attendees, meeting logistics and any material to be distributed. The CCO's Office will review the request to determine if it qualifies as a joint meeting and if the meeting is appropriate based on the subject matter to be discussed. If approved as a joint meeting, someone from the CCO's Office, or their designee, must attend the

meeting and maintain auditable meeting minutes, as well as ensure that only permissible information is discussed.