

Questar Companies

Standards of Conduct Written Procedures

Updated September 22, 2009

The Federal Energy Regulatory Commission (FERC) Standards of Conduct are intended to prohibit Transmission Function Employees (TFEs), who are interstate natural gas pipeline employees actively and personally engaged on a day-to-day basis in transmission functions, from inadvertently or intentionally giving Marketing Function Employees (MFEs), employees of its affiliate(s) who engage in gas marketing and trading functions, undue preferences over the pipeline's other non-affiliated transmission customers. On October 16, 2008, the FERC issued Order No. 717 which changed the FERC's approach to Standards of Conduct by focusing on an employee's function rather than the company he/she works for. An employee who functions in a transmission or marketing role, no matter what business unit he/she works for, is subject to Standards of Conduct. Portions of these standards (i.e., no-conduit rule which will be discussed later) also apply to employees who are not TFEs or MFEs but are entrusted with non-public transmission function information. This document outlines Questar procedures implementing Standards of Conduct.

To understand the specific requirements of Standards of Conduct and Questar's implementation procedures, one must understand the guiding principles of the standards. The FERC has identified four general guiding principles. These are: Non Discrimination, Independent Functioning, No Conduit and Transparency.

Non Discrimination: A transmission provider must not unduly discriminate or grant undue

preference or advantage to any person with respect to natural gas transmission.

Independent Functioning: A transmission provider's TFEs must function independently of its MFEs.

No Conduit: A transmission provider, and those entrusted with non-public transmission function information, are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information.

Transparency: A transmission provider must provide to its transmission function customers equal access to non-public transmission function information.

Heading shown below provide FERC 18 Code of Federal Regulation (CFR) section numbers as well as section titles. Section numbers correlate with those found in FERC Order No. 717.

§ 358.3 Questar TFEs and MFEs

The transmission providers of Questar Corporation are: Questar Pipeline Company (QPC), Questar Overthrust Pipeline Company (QOTPL), Questar Southern Trails Pipeline Company (QSTP), Rendezvous Pipeline (Rendezvous), Clear Creek Storage (CCS) and Questar White River Hub (QWRH). As discussed earlier, TFEs are interstate natural gas pipeline employees actively and personally engaged on a day-to-day basis in transmission functions.

MFEs of Questar transmission providers are employees who actively and personally, on a day-to-day basis, engage in natural gas marketing functions. The MFEs of Questar are Questar Energy Trading Company (QET) employees involved in gas marketing and trading. Questar Market Resources, Inc. and its other subsidiaries do not have MFEs as defined by Standards of Conduct. White River Hub (WRH), a partnership between Questar and Enterprise, has MFEs. WRH MFEs are employees of Questar and Enterprise actively and personally involved on a day-

to-day basis in gas marketing and trading.

The procedures contained in this document govern QPC, QOTPL and QSTP. Due to partial waivers of Standards of Conduct that have been requested and granted by the FERC for Clear Creek Storage and Rendezvous Pipeline Company, these two transmission providers (Clear Creek Storage and Rendezvous Pipeline) have their own written procedures. Clear Creek Storage written procedures are posted at www.clearcreekstorage.com. Rendezvous Pipeline written procedures are posted at www.rendezvouspipeline.com. White River Hub also has its own procedures. White River Hub written procedures are posted at www.whiteriverhub.com.

In addition to this document, each of the transmission provider's major departments has detailed written Standards of Conduct procedures. Department procedures address compliance requirements such as security of non-public transmission data, Internet web site postings and exercising of tariff waivers.

§ 358.4 Non-Discrimination Requirements

Tariff provisions will be strictly adhered to unless the tariff specifically provides that the transmission provider may exercise its discretion or waive a provision.

Department supervisors and employees with the authority to grant and/or approve waivers or use discretion will be trained on and follow these procedures. Supervisors and employees with the above-described authority will also follow the tariff and any other applicable policies and/or procedures.

Transmission Providers will process all similar requests for transportation and storage services in the same manner and within the same period of time. Specifically, transmission provider employees will follow transmission provider's tariff provisions with regard to bids for firm capacity, discounts, short-term capacity, contract amendments and requests for service. All

similar requests for transmission service will be processed in the same manner and within the same period of time.

§ 358.5 Independent Functioning Rule

Except in emergency conditions affecting system reliability, as determined by the Vice President of Operations and Gas Control or the President of the transmission provider, each transmission provider's TFEs will at all times function independently from MFEs.

In the event of an emergency condition affecting system reliability, transmission providers may take whatever actions are necessary to maintain system reliability. If a transmission provider takes any emergency action, the supervisor in charge of handling such emergency will contact the transmission provider's Chief FERC Compliance Officer (CCO) and make sure that the emergency is reported to the FERC and posted on the transmission provider's Internet web site at **www.questarpipeline.com**, Informational Postings, Non-Discrimination Reqmts, Emergency Deviations, within 24 hours of any such action.

Transmission providers will not allow an MFE to engage in any of the following acts:

1. Conduct transmission functions.
2. Except under emergency conditions, have access to a transmission provider's Gas Control center or similar facilities that differs in any way from the access available to other transmission customers.

TFEs will not conduct marketing functions.

If TFE and MFE offices are located in the same building, floors occupied by TFEs will be locked and accessed by card keys. If TFEs and MFEs are physically separated, with employee offices in different buildings, transmission provider offices will have a fence, person (guard), locks and/or other appropriate means to ensure security of non-public transmission

function information. No MFEs will have access to office areas or floors occupied by TFEs without being escorted to and from a conference room or meeting area by an employee of a transmission provider or a designated person. Transmission provider's MFEs will be treated like any other transmission provider customer for purposes of access to transmission provider's offices.

Transmission providers and marketing affiliates will maintain their respective electronic business applications on separate computer systems or ensure appropriate security measures are put in place to prevent non-public transmission function information from being accessed by an MFE.

Whenever a transmission provider grants business system application rights to new shippers, those rights will be tested to ensure that they do not allow the shipper any different or better access than those intended. They will also be tested to ensure that they are consistent with other shippers' rights for that same function.

Transmission providers will be permitted to share Questar Corporation senior officers and directors who are not TFEs. These senior officers and directors will not participate in planning, directing, organizing or carrying out day-to-day transmission functions or actively and personally engage in day-to-day marketing functions, nor act as conduits to share non-public transmission function information with an MFE. In addition, senior Questar Corporate officers and directors will receive Standards of Conduct training as will any other support employee who may be entrusted with non-public transmission function information.

Transmission providers will be permitted to use support employees who perform risk management and other support functions within Questar Corporation. These individuals and any others who may be entrusted with non-public transmission function information will receive

Standards of Conduct training and be instructed that they cannot act as conduits in passing non-public transmission provider information on to MFEs.

Questar Corporation's risk management and other support employees will *not* participate in planning, directing, organizing or carrying out of day-to-day transmission functions or marketing functions.

§ 358.6 No Conduit

Transmission providers will enforce the following activities to ensure information access compliance:

1. No MFE or other unauthorized person will have unescorted access to any floor occupied by transmission provider employees.

2. TFEs and employees entrusted with non-public transmission function information will be instructed not to leave non-public transmission function information on desks or white boards when MFEs will be present.

3. TFEs and employees entrusted with non-public transmission function information will be instructed to review e-mail distribution lists to ensure that they are accurate so that e-mails containing non-public transmission function information are not sent inadvertently to MFEs.

4. Transmission provider business-system passwords will be changed as required when an employee leaving a TFE position through termination or transfer has had access to transmission business information that required a password.

5. TFEs and employees entrusted with non-public transmission function information will be instructed to protect applicable non-public transmission function information, including PCs and access codes when they are away from their desks.

6. TFEs and employees entrusted with non-public transmission function information will be instructed that if non-public transmission function information must be discussed, it should be in private, where MFEs are not present.

7. Access to transmission provider computer business systems will be revoked or revised as required when an employee leaves or is transferred.

TFEs will not share or disclose any non-public transmission function information about its transmission system with an MFE, unless such information has first been posted on the Internet web site. Likewise, no TFE will notify any shipper, affiliated or non-affiliated, of any upcoming Internet web site postings of transmission system information.

In addition to the comprehensive Standards of Conduct training that will be given to all TFEs and employees entrusted with non-public transmission function information the transmission provider's gas scheduling, marketing, business development, operations, contract services, gas control, measurement and allocations and gas revenue accounting supervisors will be responsible for additional and ongoing training of both new and current employees regarding non-disclosure of non-public transmission function information.

§ 358.7 Transparency

If a transmission provider discloses non-public transmission function information in a manner contrary to the requirements of Standards of Conduct §358.6, the information will be posted to the Internet web site immediately. If the disclosure is subject to limited dissemination (i.e., critical energy infrastructure information), the transmission provider will immediately post notice of the disclosure but will not disclose the information. The department where the disclosure occurred is responsible to immediately notify Questar's Chief FERC Compliance Officer and ensure appropriate disclosure is made.

A transmission provider's TFE may discuss with its MFE a specific request for transmission service submitted by the MFE. The transmission provider is not required to contemporaneously disclose information if it relates solely to an MFE's specific request for transmission service.

Transmission Providers will not share any applicable non-public, non-affiliated customer or potential customer information with the Marketing Affiliate unless the non-affiliated customer or potential customer has given its written consent. The Transmission Provider will post the written consent on the Internet web site along with a statement that it did not condition its business relationships with any customer or potential customer in any way based on the provision or non-provision of such consent. This information will be posted to **www.questarpipeline.com**, Informational Postings, Non-Discrimination Reqmts, Voluntary Consent.

Transmission providers have posted their written procedures on the Internet web site at: **www.questarpipeline.com**, Informational Postings, Non-Discrimination Reqmts, Implementation Procedures. The written procedures will also be distributed, via e-mail or hard copy, or in other ways be made available to all transmission provider employees, MFEs and support employees. Transmission providers will keep their written procedures current.

Transmission providers will post the names and addresses on the Internet web site of affiliates that employ or retain MFEs. The Internet web site address is: **www.questarpipeline.com**, Informational Postings, Energy Affiliate Info, Names and Addresses. No Questar transmission provider has a sales or marketing unit.

This data will be updated as required by FERC regulations. Changes will be reflected on the Internet web site within seven business days of any change along with the date the revised information was posted.

Transmission providers will identify the employee-staffed facilities shared by the transmission provider's TFEs and its MFEs and will post the types of facilities and their addresses on its Internet web site. The Internet web site address is: **www.questarpipeline.com**, Informational Postings, Energy Affiliate Info, Shared Facilities. If a Questar transmission provider department or business unit elects to share employee-staffed facilities with an MFE, the department and/or business unit will immediately notify the transmission provider's Chief FERC Compliance Officer.

Transmission providers will post the names and addresses of potential merger partners as affiliates that may employ or retain MFEs on the Internet web site within seven days after a potential merger is announced. The Internet web site address is: **www.questarpipeline.com**, Informational Postings, Energy Affiliate Info, Potential Mergers.

The corporate secretary will be responsible to report any announced mergers to the Chief FERC Compliance Officer. Such information will be posted within seven days after the announcement.

Data on the Internet web site will be updated as required by FERC regulations. The transmission provider's Director of Compliance or a designee will help ensure through monitoring that changes are reflected on the Internet web site within the time period required.

Transmission providers will post on the Internet web site, the job titles and job descriptions of TFEs. This information may be found on the Internet web site under: **www.questarpipeline.com**, Informational Postings, Organizational Charts. The information

will be updated as necessary. Each transmission provider's president and his/her immediate staff will be responsible for notifying the Human Resources Department and the Chief FERC Compliance Officer of any organizational chart changes (i.e. changes in job duties, job title, supervisor change, transfer, terminations, etc.). All updates will be posted within seven business days of any change along with the date the revised information was posted.

Any department aware of or proposing an employee transfer of a TFE to an MFE position, or a transfer of an MFE to a TFE position, will notify Questar Corporation's Human Resource Department and the Chief FERC Compliance Officer of any such transfer.

Transmission providers will post on the web site any employee transfers that occur between a transmission function and a marketing function and will not use transfers as a means to circumvent the Standards of Conduct. The information will include the name of the transferring employee, the respective titles held while performing each function, and the effective date of the transfer. This information will be posted for a period of 90 days on the Internet web site at **www.questarpipeline.com**, Informational Postings, Energy Affiliate Info, Employee Transfers.

When an employee transfers from a transmission function position to a marketing function position and the employee has had access to non-public transmission function information, the employee's computer rights will be revoked or revised as required. If computer rights are revoked, that employee must re-apply for the application access appropriate for his/her new position. These employees will sign a document that will be maintained in their personnel file stating that they will not take with them or use any non-public transmission function information. These transferring employees will also immediately bring to the attention of Questar's Chief FERC Compliance Officer any inappropriate data access issues that they may

find as a result of the transfer. The Questar human resources departments (Corporate, QGC and QMR) will be responsible to coordinate these actions as well as other actions required when employees transfer. Other actions associated with employee transfers include, but are not limited to, the possible revision of facility access, e-mail address change, telephone number change, collection of cell phones and electronic devices, etc.

The transferring employee's immediate supervision will be responsible for ensuring that all information regarding a transfer is given immediately to the Human Resources Department and to Questar's Chief FERC Compliance Officer to ensure that the transfer is posted and other appropriate actions are taken.

If a TFE waives a tariff provision in favor of an affiliate, unless such waiver has been approved by the Commission, the transmission provider will post such waiver on its Internet web site.

Transmission providers will maintain an electronic business system to capture and store all waivers granted in favor of an affiliate. Entries to the log will be posted by the department exercising waiver tariff provisions and will be made within 24 hours after such waiver is exercised. The waiver log information will include the transmission provider's name, tariff section, waiver type and the date the waiver was exercised.

Transmission providers make daily electronic copies of, and/or store in a database, information, including these written procedures, that is posted on its Internet web site. Archived copies of web postings will be stored in at least two locations. Information posted on the Internet web site, as required by the FERC, will be maintained by the transmission providers for a period of three years.

§ 358.8 Implementation

Questions or comments pertaining to the Standards of Conduct should be referred to the following individuals:

FERC Compliance Contacts

Chief FERC Compliance Officer – Scott Hansen (801-324-2543)

Division Counsel, Questar Pipeline Company – Tad Taylor (801-324-5531)

Sr. Corporate Counsel, Questar Corporation - Terrie McIntosh (801-324-5532)

Director of Compliance, Questar Pipeline Company – Mark Petersen (801-324-2170)

Additionally, Questar Corporation maintains a hotline that may be consulted:

Corporate Ethics Hotline (800-892-2050)

Questar corporation employees, and others who have access to non-public transmission function information or information concerning natural-gas sales or marketing functions, will receive Standards of Conduct training and will certify to such training. Standards of Conduct training and these written procedures will be provided and read annually by TFEs, MFEs and all employees entrusted with non-public transmission function information. New employees hired into or transferring into a transmission function or marketing function position will be trained within the first 30 days of their employment.

Transmission providers have designated, and will maintain, a Chief FERC Compliance Officer.

Transmission providers will designate, in key departments, one or more employees with FERC compliance duties and responsibilities. These individuals will facilitate compliance activities, including reviewing and managing of access to transmission provider business-systems specific to their department, and assist in implementing these non-disclosure policies.

Transmission providers will maintain books of account and records separately from those of its affiliates that employ or retain MFEs. These will be available for Commission inspections upon request.