



FRCC ANTITRUST COMPLIANCE GUIDELINES

I. GENERAL

It is FRCC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every FRCC participant and employee who may in any way affect FRCC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert FRCC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the FRCC policy contained in these guidelines is stricter than the applicable antitrust laws. Any FRCC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether FRCC's antitrust compliance policy is implicated in any situation should consult FRCC's President and CEO. FRCC's retained legal counsel will be consulted.

II. PROHIBITED ACTIVITIES

Participants in FRCC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in FRCC activities (e.g. at FRCC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.

- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

III. ACTIVITIES THAT ARE PERMITTED

From time to time decisions or actions of FRCC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by FRCC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during FRCC meetings and in other FRCC-related communications.

You should also ensure that FRCC procedures, including those set forth in FRCC's Articles of Incorporation, and Bylaws are followed in conducting FRCC business. In addition, all discussions in FRCC meetings and other FRCC-related communications should be within the scope of mandate for or assignment to the particular FRCC committee or subgroup, as well as within the scope of the published agenda for that meeting. FRCC meetings and communications should not be used to exchange competitively sensitive information.

No decisions should be made nor any actions taken in FRCC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with FRCC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in FRCC activities may discuss:

- Reliability matters relating to the bulk power system, including operations and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

- Matters relating to the internal governance, management and operation of FRCC, such as nominations for vacant for committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be brought to the attention of the FRCC President and CEO. FRCC's retained legal counsel will be consulted.