



Indianapolis Power & Light Company Open Access Transmission Service Standards of Conduct Procedure

Background

On April 24, 1996, the Federal Energy Regulatory Commission (FERC) issued Order No. 889, which is FERC's final rule on Open Access Same-Time Information System (OASIS) and Standards of Conduct. Under this rule, Indianapolis Power and Light Company (IPL) is required to maintain or participate in an OASIS that will provide Transmission Customers with information that will enable the Customers to obtain non-discriminatory transmission service. The final rule also required IPL to implement standards of conduct to separate transmission and wholesale power merchant functions. On October 26, 2008 FERC issued Order 717 that changed certain requirements for the posting of information concerning a company's standards of conduct procedures. The posting requirement was changed to the Company's corporate web site rather than the OASIS. Information concerning IPL's compliance with the posting requirements of Order 717 can now be found on the IPL corporate web site at www.IPLPower.com. Transmission service requests are still be handled through the OASIS.

Implementation of Standards of Conduct

In order to implement the requirements of FERC's regulations regarding standards of conduct, IPL has established the following procedures. Each of the FERC Standards of Conduct are stated below and followed by detailed implementation steps. The implementation steps are designed to provide acceptable protocols for the interaction of employees engaged in transmission system operations with employees engaged in Wholesale Merchant Functions (as defined in Title 18 of the Code of Federal Regulations, Section 37.3) in order to assure compliance with the FERC requirements.

For the purposes of this procedure, the following groups of employees are primarily affected by the Standards of Conduct and will be required to sign Attachment 1, the "Standards of Conduct Certification":

Delivery Personnel:

Power Delivery employees engaged in transmission system operations, system reliability functions or those who process transmission service requests.

Marketing Personnel:

All employees under and including the Vice President of Power Supply performing the Wholesale Merchant Function, as well as any employee

purchasing energy on behalf of retail native load. Also includes any IPL affiliates performing the Wholesale Merchant Function.

Generation Dispatch Personnel:

All generation dispatchers who are responsible for the reliable operation of IPL's physical generation facilities.

Other Support Personnel:

Any employee or contractor acting in a 'support' role that provides services to Delivery Personnel and also to Marketing Personnel. Examples are power production, legal, finance, accounting, human resources or information services employees.

Any requests from Marketing Personnel for transmission service will be made in accordance with the requirements of IPL's Open Access Transmission Tariffs. Delivery Personnel will treat requests for transmission service from Marketing Personnel exactly the same as requests from non-IPL entities.

Standards of Conduct

Purpose:

The purpose of this procedure is to describe the standards of conduct to be followed by IPL employees engaged in transmission system operations, reliability functions, or engaged in processing requests for transmission service and those employees engaged in the marketing function (i.e., energy sale transactions with other companies). Following this procedure will ensure that all IPL Transmission Customers (including the IPL Marketing Personnel and any Energy Affiliates of IPL) are treated in a comparable, nondiscriminatory, fair, and impartial manner.

Procedures:

Note: The series of italicized statements set forth below articulate the Standards of Conduct that FERC has directed each public utility to adhere to. These statements are not intended to be exact restatements of the rules as found in the Code of Federal Regulations. However, they do accurately reflect the intent of those rules. The FERC rules may be found at Title 18 of the Code of Federal Regulations, Part 37, Open Access Same-Time Information Systems, and Part 358 Standards of Conduct for Public Utilities.”

- A. *Except as provided in part B below, the employees of IPL engaged in transmission system operations must function independently from the*

employees of IPL or any of its affiliates who engage in Wholesale Merchant Functions.

1. Delivery Personnel will not engage in the sale of capacity and energy for IPL. Marketing Personnel will not engage in transmission operations or reliability functions. In emergency operation conditions, exceptions to this procedure may be made as described in part B below.
 2. Generation Dispatch Personnel will not disclose transmission information to Marketing Personnel.
 3. IPL will maintain organizational charts and job descriptions on the IPL corporate web site.
 4. Generation Dispatch Personnel and Other Support Personnel must not be a conduit for improper communications between Delivery Personnel and Marketing Personnel.
 5. Management personnel that have access to transmission information must make sure that they are not a conduit of information to the Marketing Personnel.
- B. *In emergency circumstances affecting system reliability, IPL may take whatever steps are necessary to keep the system in operation. IPL must report to the FERC and on the corporate web site each emergency that resulted in any deviation from these standards of conduct, within 24 hours of such deviation.*
1. During emergency operating conditions, Delivery Personnel may call on the Marketing Personnel to assist in operating the system or restoring the system to a normal operating state.
 2. In situations following the loss of generation on the IPL System, Delivery Personnel may contact other control areas to purchase emergency energy.
 3. Within 24 hours of any deviation that results from action taken during an emergency circumstance, the emergency will be posted on the corporate web site and reported to the FERC. As a minimum, the report shall include:
 - a. The nature of the emergency situation and any deviation from these standards of conduct requirement.

- b. The names of Marketing Personnel who were granted access to the IPL System Control center or Backup Control Center, or provided with transmission information necessary to restore the system.
 - c. The names of Delivery Personnel who engaged in off-system purchases of emergency energy.
 - d. The duration of the emergency situation.
- C. *Any employee of IPL engaged in wholesale merchant functions is prohibited from conducting transmission system operations or reliability functions and from having access to the System Control Center or similar facilities used for transmission operations or reliability functions that differs in any way from the access available to other open access transmission customers.*
- 1. The System Control Center and the Backup Control Center are located at separate facilities at in Indianapolis, Indiana. IPL uses a card key system to control access to its System Control Center and Backup Control Center. Cards providing access to these facilities will not be issued to Marketing Personnel. Marketing Personnel will not have unescorted access to the control centers at any time, and escorted access will not differ in any way from the access available to other transmission customers.
- D. *Employees engaged in either wholesale merchant functions or transmission system operations or reliability functions are not precluded from transferring between such functions as long as such transfer is not used as a means to circumvent the standards of conduct of this section. Notices of any employee transfer to or from transmission system operations or reliability functions must be posted on the OASIS.*
- 1. When Marketing Personnel are transferred to the Delivery function or vice versa, the following information shall be posted on the corporate web site prior to the transferred employee starting his/her new duties:
 - a. The name of the transferring employee.
 - b. The title held and the associated function before the transfer.
 - c. The new title and the associated function after the transfer.
 - d. The effective date of the transfer.
 - 2. The information posted shall remain on the corporate web site for 90 days.

- E. *Any employee of IPL engaged in wholesale merchant functions shall have access to only that information available to IPL's open access transmission customers (i.e., the information posted on OASIS) and must not have preferential access to any information about IPL's transmission system that is not available to all users of its OASIS or the corporate web site.*
1. Marketing Personnel shall rely on the OASIS or corporate web site to obtain information concerning, or to request transmission service over, the IPL transmission system.
 2. The System Control Center is located in the Indianapolis Power & Light Morris Street Operations Center. There is a 24-hour card key system in place to control access to this area. IPL enforces a strict policy that during normal business hours, any Marketing Personnel will be escorted when in the area of the System Control Center occupied by Delivery Personnel. This escorted access will not differ from that available to other transmission customers. During non-business hours, Marketing Personnel will not be permitted access to the System Control Center.
 3. IPL Marketing Personnel will maintain their offices at the Indianapolis Power & Light Company Corporate headquarters.
 4. Delivery Personnel and Marketing Personnel use separate computer file servers. While these file servers are interconnected through a network, transmission information is not directly accessible by Marketing Personnel. Information Services employees and/or contractors who are responsible for IPL computer systems have signed certificates acknowledging Standards of Conduct responsibility as discussed elsewhere in this document.

Both Delivery Personnel and Marketing Personnel use the Energy Control System (ECS) employed by IPL; however, a software "fire wall" is in place to separate the merchant scheduling features and data used by Delivery Personnel. Personnel that support the ECS are part of Delivery, and have signed certificates acknowledging Standards of Conduct responsibility as discussed elsewhere in this document.

Delivery's Accounting, Contracts, and Energy Schedules (ACES) system is installed on only Delivery Personnel PCs and is password protected. The application associated with the Transmission Provider (OASIS) information is distributed to only to Delivery Personnel and is also password protected.

Reports and invoices are produced by the respective functions whose obligation or benefit is served (Delivery or Marketing). Monthly

invoices for power and transmission transactions are created separately. Accounts have been established to uniquely identify Delivery and Marketing transactions.

The archival subsystem that is utilized to provide capability to present ECS data to other computers located on the company's network has definable security for every data point that is contained with its database. Delivery Personnel maintain this access definition. These are broken down into Delivery (Delivery Personnel), Generation (Generation Dispatch Personnel), Corporate and Marketing (Marketing Personnel). Each user is assigned to one of these groups and the Marketing group is restricted to only load, generation and Area Control Area (ACE) related information.

6. Delivery Personnel shall not grant any preferential access to information concerning IPL's transmission system to Marketing Personnel. All requests for transmission service shall be handled through the OASIS or other procedures as described therein.
 7. Willful violation of this procedure shall be subject to disciplinary action, which may include termination of employment or contract.
- F. *Any employee of IPL engaged in wholesale merchant activities is prohibited from obtaining information concerning the IPL transmission system (including information concerning the availability of transmission capabilities, ancillary services, prices, or curtailments) through access to information not posted on the OASIS or corporate web site that is not otherwise also available to the general public without restriction, or through information through the OASIS that is not also publicly available to all OASIS users.*
1. Marketing Personnel will seek to obtain information about the IPL transmission system that is available only through the OASIS or to the general public.
 2. Willful violation of this procedure shall be subject to disciplinary action, which may include termination of employment or contract.
- G. *Any employee of IPL engaged in transmission system operations or reliability functions may not disclose to IPL employees engaged in wholesale merchant functions any information concerning the transmission systems of IPL or the transmission system of another (including information received from non-affiliates or information about available transmission capability, price, curtailments, ancillary services, etc.) through non-public communications conducted off the OASIS, through access to information not posted on the OASIS that is not at the same time available to the general*

public without restriction, or through information on the OASIS that is not at the same time publicly available to all OASIS users (such as E-mail).

1. Delivery Personnel and Generation Dispatch Personnel shall not disclose to Marketing Personnel any information regarding the transmission systems of IPL or other utilities.
2. When receiving verbal inquiries from marketing entities regarding the status or availability of transmission service over the telephone, Delivery Personnel shall not disclose any transmission information verbally. Instead, Delivery Personnel shall direct the marketer to the OASIS for that information.

H. *If an employee of IPL engaged in transmission system operations or reliability functions discloses information not posted on the corporate web site in a manner contrary to the requirement of these standards of conduct, IPL must immediately post such information on the corporate web site.*

1. If Delivery Personnel, Generation Dispatch Personnel or Other Support Personnel disclose transmission information during non-emergency operations to Marketing Personnel, such information shall be posted on the corporate web site immediately.
2. The supervisor of the employee disclosing such information during non-emergency operations shall prepare a written report documenting the nature of the disclosure and place it in the employee's personnel file.
3. Recurring mistakes in disclosing such transmission information by an employee shall result in disciplinary action, and may be grounds for termination.

I. *IPL may not share any market information acquired from non-affiliated Transmission Customers or potential non-affiliated Transmission Customers, or developed in the course of responding to requests for transmission or ancillary service on the OASIS, with IPL employees engaged in merchant activities, except by posting on the OASIS a response to a request for transmission service or ancillary services.*

1. Delivery Personnel, Generation Dispatch personnel, and Other Support Personnel shall not disclose any market information acquired from potential or existing transmission customers to Marketing Personnel.

2. Market information shall include transactions being contemplated, or any other information that could be used by Marketing Personnel to pursue sale or purchase opportunities.
- J. *Employees of IPL engaged in transmission system operations or reliability functions must strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if these provisions do not provide for the use of discretion.*
 - K. *Employees of IPL engaged in transmission system operations 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 customers (including IPL) in a non-discriminatory manner, if these provisions involve discretion.*
 - L. *IPL must keep a log, available for FERC audit, detailing the circumstances and manner in which it exercised its discretion under the terms of either the IPL Open Access Transmission Tariff or, if applicable to the actions taken by IPL Delivery Personnel, the Midwest ISO Open Access Transmission Tariff. The information contained in this log is to be posted on the corporate web site as provided in 18 CFR Section 37.6(g)(4).*
 - M. *IPL may not, through its tariffs or otherwise, give preference to sales for resale by the wholesale merchant function or by any affiliate, over the interests of any other wholesale customer in matters relating to the sale or purchase of transmission service including issues of price, curtailment, scheduling, priority, ancillary services, etc.).*
 - N. *IPL, as a Transmission Provider, must maintain its books of account and records separately from those of its affiliates and these must be available for FERC inspection.*
 - O. *IPL must maintain in a public place current written procedures implementing the Standards of Conduct in such detail to enable transmission customers and the FERC to determine that IPL is in compliance with FERC's Standards of Conduct.*
 1. This Standards of Conduct Procedure shall be maintained on the Internet and shall be accessible through the IPL Corporate Home page (<http://www.IPLPower.com>).
 2. Each revision of the procedure shall indicate the revision number and the effective date.
 3. Employees shall execute the Standards of Conduct Certification (Attachment 1) indicating they have read and understand these Standards of Conduct and acknowledging that any willful violation of

these rules of conduct can be grounds for actions including termination of employment.

4. Any IPL employee or contractor who has direct access to any IPL control center will be required to read this procedure and sign the Standards of Conduct Certification.

Attachment 1

Indianapolis Power and Light Company Standards of Conduct Certification

All IPL employees and AES energy affiliates affected by these procedures will adhere to the following rules governing employee conduct:

1. Any employee of IPL engaged in wholesale merchant functions will not conduct transmission system operations or reliability functions.
2. Any employee of IPL engaged in wholesale merchant functions will not have access to the transmission system control center or similar facilities used for transmission system operations or reliability functions that differs in any way from the access available to other Transmission Customers.
3. An employee transfer between the wholesale merchant function and transmission system operation/reliability function cannot be used to circumvent the Standards of Conduct set forth in 18 CFR 358 of the Commission's regulations.
4. Notices of any employee transfer to or from transmission system operations or reliability functions will be posted on the corporate web site utilized by IPL. The information to be posted on the web site will include: (a) the name of the transferring employee, (b) respective titles held while performing each function on behalf of IPL, and (c) the effective date of the transfer. The information will remain on the web site for 90 days.
5. An employee of IPL engaged in the wholesale merchant function will only have access to information available to IPL's open access transmission customers and will not have preferential access to information concerning IPL's transmission system that is not available to all users of the OASIS.
6. No employee of IPL engaged in the wholesale merchant function will obtain information regarding IPL's transmission system (including information regarding available transmission capability, price, curtailments, ancillary services and other similar information) through access to information not posted on the OASIS that is not otherwise also available to the general public without restriction, or through information posted on the OASIS that is not also publicly available to all OASIS users (such as E-Mail).
7. No employee of IPL engaged in transmission system operations or reliability functions will disclose to employees of IPL engaged in the wholesale merchant function any information concerning IPL's transmission system or the transmission of another (including, information about available transmission capability, price, curtailments, ancillary services, etc.) through non-public communications conducted off the OASIS, through access to information not posted on the web site that is not concurrently available to the general public without restriction, or through information posted on the OASIS that is not at the same time publicly available to all OASIS users (such as E-mail).
8. If an employee of IPL engaged in transmission system operations or reliability functions discloses information not posted on the web site in a manner contrary to the requirements of the Standards of Conduct set forth in 18 CFR 358 of the Commission's regulations, IPL will immediately post such information on the corporate web site.

9. IPL will not share any market information acquired from Transmission Customers or potential Transmission Customers, or developed in the course of responding to requests for transmission or ancillary services on the OASIS with any of its employees engaged in the wholesale merchant function, except to the limited extent information is required to be posted on the OASIS in response to a request for transmission service or ancillary services.
10. All employees of IPL engaged in transmission system operations or reliability functions will strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if these provisions do not provide for the use of discretion.
11. All employees of IPL engaged in transmission system operations or reliability functions will apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all customers (including IPL) in a non-discriminatory manner, if these provisions involve the use of discretion.
12. IPL will keep a log, available for audit by the Commission, which provides details regarding the circumstances and manner in which it exercised its discretion under any terms of its open access transmission tariff. The information contained in the log will be posted on the OASIS, as provided in 18 CFR 358.5 (g) (4) of the Commission's regulations.
13. IPL will not, through its tariff or otherwise, give preference to sales for resale by its wholesale merchant function or any affiliate, over the interest of any other wholesale customer in matters relating to the sale or purchase of transmission service (including issues of price, curtailments, scheduling, priority, ancillary services, etc.).
14. IPL will maintain its books of account and records, as prescribed by 18 CFR Part 101 and Part 125, separately from those of its energy affiliates. These books will be available for inspection by the Commission.

I have completed training in IPL's written procedures implementing the FERC Standards of Conduct, I have read the fourteen rules, a part of IPL's written procedures, as reproduced above, and will abide by these rules.

Signature _____

Print Name _____

Job Title _____

Date _____

IPL Employee	AES Energy Affiliate	Contractor
<input type="checkbox"/> Delivery	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Generation		
<input type="checkbox"/> Marketing		
<input type="checkbox"/> Other		