



## ANTITRUST COMPLIANCE GUIDELINES

### I. GENERAL

It is ReliabilityFirst'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 which 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 ReliabilityFirst participant and employee who may in any way affect ReliabilityFirst's compliance with the antitrust laws to carry out this policy.

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 ReliabilityFirst 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 ReliabilityFirst policy contained in these guidelines is stricter than the applicable antitrust laws. Any ReliabilityFirst participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether ReliabilityFirst's antitrust compliance policy is implicated in any situation should consult ReliabilityFirst's President. The President will consult with legal counsel as appropriate.

### II. PROHIBITED ACTIVITIES

Participants in ReliabilityFirst activities (including those of its committees and task groups) should refrain from the following when acting in their capacity as participants in ReliabilityFirst activities (e.g., at ReliabilityFirst 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 actual or potential competitors.

- Discussions concerning the exclusion of actual or potential competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

### **III. ACTIVITIES THAT ARE PERMITTED**

There are a number of restrictions guiding and defining permissible activities.

In order to avoid antitrust issues, decisions and actions by ReliabilityFirst (including its committees and task groups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk electric supply system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during ReliabilityFirst meetings and in other ReliabilityFirst -related communications.

You should also ensure that ReliabilityFirst procedures, including those set forth in the ReliabilityFirst Agreement and the ReliabilityFirst Documents, are followed in conducting ReliabilityFirst business.

In addition, all discussions in ReliabilityFirst meetings and other ReliabilityFirst - related communications should be within the scope of mandate for or assignment to the particular ReliabilityFirst committee, task group or other group, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in ReliabilityFirst 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 NERC and ReliabilityFirst reliability standards should not be influenced by anti-competitive motivations.

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

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising operating and planning standards and other reliability criteria, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk electric supply system on electricity markets, and the impact of electricity market operations on the reliability of the bulk electric supply 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 ReliabilityFirst , such as nominations for vacant 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 reviewed with ReliabilityFirst's President before being discussed. The President will consult with legal counsel as appropriate.