

Summary of Code of Conduct Provisions

- I Applicability - all electric utilities and AES's offering regulated services in Michigan, regulated services are those for which the Commission has authority to set the price as of code date; the requirements listed below are placed on the utilities and AES's offering regulated services**
- II Separation - requires structural or functional separation between regulated and unregulated services to prevent cross-subsidization, information sharing, and preferential treatment**
- A** requires that unregulated services be offered through affiliates or other entities within the corporate structure
 - B** prohibits utility or AES from allowing regulated business to subsidize, directly or indirectly, unregulated business of affiliates or other separate entities
 - C** requires separate books and records for utility and affiliates or other corporate entities; coop's must maintain accounting system that allocates costs between regulated and unregulated operations on fully allocated cost basis
 - D** prohibits sharing facilities, equipment, or operating employees; may share computer hardware and software with documented protection to prevent discriminatory access to competitive information
 - E** requires operating employees of regulated and unregulated entities must function independently and maintain separate offices
 - F** prohibits regulated entity from financing or co-signing loans for affiliates
 - G** must document transfer of employees between regulated and unregulated entities and file semi-annual reports
 - H** prohibits joint advertising and promotions related to provision of regulated and unregulated services; prohibits joint sales of regulated and unregulated services
 - I** regulated entity cannot suggest preferential or inferior treatment based upon taking unregulated service from affiliate or unaffiliated supplier
 - J** prohibits regulated entity from tying discounts, rates, rebates, fees, conditions of service, etc. to taking unregulated service or products from regulated entity, affiliates, or other corporate entity
 - K** prohibits use of regulated entity's logo by affiliate without clearly visible text: "entity is not regulated by the Michigan Public Service Commission"
 - L** unregulated service offered by utility, affiliates, or other corporate entity using utility logo must include text: "service is not regulated by the Michigan Public Service Commission"
 - M** Coops and IOUs with fewer than 60 employees are not required to maintain separate facilities, operations, or personnel used to deliver retail service or be an AES
- III Discrimination - prohibits undue discrimination against or in favor of any party, including affiliates**
- A** prohibits offering preferential treatment or advantages to affiliate or other corporate entities without also offering to others on same basis and contemporaneously; includes, among other things, pricing, responsiveness to service requests availability of firm or interruptible service, and metering requirements
 - B** requires utility offering any discount, rebate, waiver of fee or terms of regulated tariff, etc. to affiliate, other corporate entity, or customer thereof to offer same to all AESs operating in service territory and customers
 - C** services, products, or property offered to unregulated affiliate must be at higher of book or market; property from unregulated affiliate will be at lower of market or book, services at lower of market or 10% over book
 - D** requires utility providing customer with name of its affiliate or other corporate entity that is an AES to also provide names of all AESs
 - E** prohibits regulated entity from providing information or consultation to affiliate or other corporate entity providing unregulated electric service regarding potential business arrangement with customer
 - F** prohibits utility from referring customer or potential customer to an affiliate or other corporate entity, nor steer them away from competing AES, nor provide advice or assistance in selection of AES or unregulated service provider
- IV Disclosure - Information gained as regulated entity shall not be shared with affiliated unregulated entity unless provided to competitors on same basis and contemporaneously**
- A** prohibits providing customer specific names and addresses to affiliate or other entity without offering same information on same terms and conditions to all competitors contemporaneously
 - B** prohibits providing customer specific consumption or billing data to affiliate or other corporate entity without prior written approval of customer, once each 12 months a request for historic billing data may be made at no cost
 - C** prohibits providing non-customer specific, or aggregated, customer information to an affiliate or other corporate entity without also providing same information on same terms to competitors contemporaneously
 - D** prohibit providing information on distribution system including expansion to affiliate or other corporate entity without also providing the same information on same terms to all AESs contemporaneously
 - E** prohibits providing information received as result of doing business with a competitor to an affiliate or other corporate entity without written approval of competitor
- V Utility - AES Relationship - except as provided elsewhere, utility shall not interfere in business operations of AES**
- A** prohibits utility from giving the appearance that it speaks on behalf of an AES
 - B** prohibits utility from interfering in contractual relationship between AES and its customer, unless clearly permitted by contract or by Commission approved tariff
- VI Compliance Plan**
waiver permitted if can demonstrate that such a waiver will not inhibit the development or functioning of the competitive market
- VII Oversight, Enforcement, and Penalties**