

Tampa Electric Company and Peoples Gas System, Inc.'s Energy Trading & Natural Gas Marketing and Price Reporting Code of Conduct

In keeping with the Federal Energy Regulatory Commission's ("FERC") Regulation 18 CFR § 284.403 (Natural Gas), 18 CFR § 35.41 (Electric), and the "Policy Statement on Natural Gas and Electric Price Indices", issued on July 24, 2003, in Docket No. PL03-3-000, Tampa Electric Company and Peoples Gas System, Inc., indirect subsidiaries of Emera Inc., hereby adopt the following Energy Trading & Natural Gas Marketing and Price Reporting Code of Conduct ("Code of Conduct") governing their natural gas and electric energy trading and price reporting activities:

- 1. Applicability:** This Code of Conduct shall apply to all employees of Tampa Electric Company and Peoples Gas System, Inc. who engage in the purchase or sale of natural gas or electricity on behalf of the company and to all employees who engage in reporting such transactions to independent price-index developers.

2. Ethical Standards

- a) In keeping with the Emera Code of Conduct, employees shall conduct company business in compliance with all applicable international, federal, state and local laws, including, but not limited to the FERC Prohibition of Energy Market Manipulation rules, applicable requirements of the Commodity Futures Trading Commission ("CFTC") and/or other applicable governmental agencies with jurisdiction over TEC.
- b) Employees shall not engage in energy transactions that have no legitimate business purpose and are intended to manipulate market prices, market conditions, or, where present, market rules.
- c) Employees shall not collude with other market participants to affect the price or supply of a commodity, manipulate or divide markets, customers, or products, or otherwise unlawfully restrain competition.
- d) Employees shall not knowingly:
 - i. use any fraudulent device, scheme, or artifice, or make a material misrepresentation or a material omission as to which there is a duty to speak under a FERC-filed tariff, Commission order, rule, or regulation; or
 - ii. engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any entity in connection with the purchase or sale of natural gas or electric energy or transportation of natural gas or transmission of electric energy.
- e) Risk management policies and procedures, designed to ensure compliance with this Code of Conduct, shall continue to be maintained and enforced.
- f) All energy trading transactions shall be properly recorded, classified, and summarized in accordance with applicable company accounting policies in

order to facilitate full, accurate, clear, fair, and timely disclosure of the company's financial position.

3. Trading Practices

- a) No employees shall engage in energy trading on behalf of the company with the purpose of misrepresenting the financial condition of the company.
- b) No employees shall arrange and execute simultaneous offsetting buy and sell trades that involve no economic risk and no net change in beneficial ownership, i.e., with the same counterparty and price, commodity, points of receipt and delivery, and quantity terms, with the intent to artificially affect reported revenues, trading volumes, or prices.
- c) No employees shall engage in electric energy transactions or schedule electric energy resources with the intention of creating transmission congestion in order to manipulate prices or to jeopardize the security of dispatch operations.
- d) Applicable records retention schedules shall be complied with, which requires records retention for the current year plus six years. This also satisfies the FERC requirement to "retain all relevant data relating to reported trades for a minimum of five years" (CITE: 18 CFR §284.403 and §35.41).

4. Price Reporting

- a) Employees charged with the responsibility for reporting data to index developers shall be independent from and not responsible for energy trading activities.
- b) Employees responsible for reporting trade data to independent price-index developers shall exercise due diligence to provide accurate, factual information and shall not knowingly submit false, misleading information or omit material information from such reports.
- c) Subject to the appropriate confidentiality agreements with the price-index developer, Tampa Electric Company and Peoples Gas System, Inc., will report each bilateral transaction separately with non-affiliated companies in the physical (cash) markets for all applicable trades. Physical (cash) market reporting shall not include financial hedges, financial transactions, swaps, or exchanges of gas or electricity. For each transaction, the following information shall be provided: (a) price; (b) volume; (c) direction; (d) zone/meter; (e) trade date; (f) start flow date; (g) end flow date; (h) basis/trade; (i) source; (j) commodity; and (k) exchange.
- d) Errors in reported data shall be corrected as soon as practicable, through the index developer's established error resolution process.
- e) Relevant data shall be retained relating to reported trades and prices reported to independent index publishers, for the current year plus six

years, per the applicable records retention schedule, which also complies with FERC's five-year record retention requirement.

- f) FERC shall be notified within 15 days of any change in its status of price reporting to independent index publishers.
- g) An independent entity shall be engaged biennially to audit trading and price-reporting practices, including the "implementation of and adherence to (the) data gathering and submission process to ensure conformance to this Code of Conduct, which may be amended from time-to-time, and the applicable regulations of FERC, the CFTC and/or any other governmental agency that has jurisdiction.