Horizon West Transmission, LLC

California Affiliate Transaction Rules Compliance Plan

HORIZONWEST TRANSMISSION

October 15, 2025

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1 Plan Overview

1.1 Summary and Purpose

Horizon West Transmission, LLC (U222-E) ("HWT" or "Company") owns and operates certain high voltage electric transmission facilities in California pursuant to a certificate of public convenience and necessity issued by the California Public Utilities Commission ("CPUC" or "Commission"), Decision ("D.") 18-09-030. Accordingly, HWT is required to comply with the Affiliate Transaction Rules ("Rules") adopted by the Commission. [1] The HWT Compliance Plan ("Compliance Plan") describes actions that HWT will take to comply with the Rules, including responsibilities and detailed methods for compliance. The purpose of the Compliance Plan is to facilitate HWT's implementation of the Rules and to ensure compliance with the Rules in order to ensure the avoidance of potential marketpower abuses and cross-subsidization between regulated and unregulated activities through a culture of compliance that includes:

- A plan that incorporates the Rules and sets out how HWT and, to the extent applicable, NextEra Energy, Inc. ("NextEra") Business Units can ensure sustainable compliance with the Rules; and
- Compliance tools for documenting requirements, assessing compliance with the rules, and reporting as needed.

1.2 Applicability of the Rules

The Rules apply to HWT, which is a public utility electrical corporation in California. Specifically, the Rules apply to transactions between HWT and affiliates engaging in the provision of a product that uses electricity or the provision of services that relate to the use of electricity, unless specifically modified by the Commission.

A list of HWT's affiliates is provided in Attachment A to the Compliance Plan. Pursuant to the Commission's D.18-09-030, the list of affiliates in Attachment A is limited to those affiliates with which HWT shares

[1] The Rules are specified in CPUC Decisions (D.) 97-12-088, 98-08-035, and 98-11-027 (collectively referred to as the "Rules").

resources or transacts. Attachment A also includes a list of affiliates within California that meet the definition of a "Rule II.B. affiliate." HWT monitors for the creation of new affiliates that meet either of these categories and will update the list in Attachment A by filing an advice letter with the Commission, as required in Rule VI, described below in Section 7.

The Rules also apply to transactions between a Commission-regulated utility and another affiliated regulated utility, unless specifically modified by the Commission. HWT is affiliated with Trans Bay Cable LLC ("TBC") (U934-E).

1.3 Scope of Compliance Plan

The scope of this Compliance Plan is to ensure HWT's compliance with the Rules, subject to any waivers or exemptions granted to HWT by the Commission. This Compliance Plan does not cover compliance with the Federal Energy Regulatory Commission ("FERC") Standards of Conduct, North
American Electric Reliability Corporation ("NERC") Reliability Standards, California Independent System Operator Corporation ("CAISO") requirements, or with orders and rules of FERC or the Commission unrelated to the Rules. Nothing in this Compliance Plan is intended to modify requirements for compliance with FERC, NERC, or CAISO standards, tariffs, business practice manuals, or other applicable requirements.

1.4 Communication and Training

This Compliance Plan is available on NextEra's eWeb intranet site for access by employees.

HWT will ensure compliance with the Rules and this Compliance Plan through annual training that is provided to all NextEra employees. Training is an integral part of HWT's Compliance Plan and compliance with the Rules. This training is designed to ensure that all HWT and affiliate personnel understand the Rules and the Compliance Plan, and to ensure that HWT and affiliate personnel are aware of any changes to the Rules or the Compliance Plan.

All NextEra employees complete a combined training program regarding the Rules, as well as the FERC Standards of Conduct and FERC Affiliate Requirements within 30 days of employment and annually thereafter. Compliance & Ethics (C&E) is responsible for administering the training to NextEra employees. Each employee has the responsibility to complete the required training on a timely basis.

2 Definitions

a. *Affiliate* – Any person, corporation, utility, partnership, company, or other entity of which five percent or more of its outstanding securities is owned, controlled, or held with power to vote, directly or indirectly, either by HWT or any of its subsidiaries, or by HWT's controlling corporation and/or any of its subsidiaries, as well as any company in which HWT, its controlling corporation, or any of HWT's affiliates exert substantial control over the operation of the company and/or indirectly have substantial financial interests in the company exercised through means other than ownership.

   For purposes of these Rules, "substantial control" includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. A direct or indirect voting interest of 5% or more by the utility in an entity's company creates a rebuttable presumption of control.

   For purposes of these Rules, "affiliate" shall include the utility's parent or holding company, or any company which directly or indirectly owns, controls, or holds the power to vote 10% or more of the outstanding voting securities of a utility (holding company), to the extent the holding company is engaged in the provision of products or services as set out in Rule II.B.

b. *CAISO* – The California Independent System Operator Corporation.

c. *Commission* – The California Public Utilities Commission or its succeeding state regulatory body.

d. *Compliance & Ethics (C&E)* – The group in NextEra headed by the Vice President of Compliance & Corporate Secretary who, for purposes of this Compliance Plan, is the Chief Compliance Officer ("CCO") responsible for providing guidance on compliance and monitoring compliance with the Rules.

e. *Confidential or non-public information* – Any HWT information not intended for public disclosure and considered to be confidential or proprietary by persons privy to such information.

f. *Corporate support services* – Services shared by HWT and its affiliates for joint corporate oversight, governance, support systems and personnel.

g. *Customer* – Any person or corporation, as defined in Sections 204, 205, and 206 of the California Public Utilities Code ("PU Code"), that is the ultimate consumer of goods and services.

h. *Customer information* – Non-public information and data specific to a utility customer, which the utility acquired or developed in the course of its provision of utility services.

i. *Energy marketing affiliate* – An HWT affiliate that markets electricity and natural gas in the United States and Canada.

j. *FERC* – The Federal Energy Regulatory Commission.

k. *General Counsel* – The NextEra General Counsel Business Unit.

l. *Lone Star Transmission* – Lone Star Transmission, LLC, a regulated utility affiliate of HWT that is based in Austin, Texas and provides wholesale transmission service within the Electric

Reliability Council of Texas ("ERCOT") region. Lone Star Transmission provides transmission control center and operations services to HWT.

m. *NextEra* – NextEra Energy, Inc. or its subsidiaries.

n. *NEER* – NextEra Energy Resources, LLC, a subsidiary of NextEra that, through its subsidiaries, develops, owns, and operates energy projects that provide wholesale and retail electricity, as well as energy products and services.

o. *NEET* – NextEra Energy Transmission, LLC, a subsidiary of NextEra, and the direct, upstream parent company of HWT.

p. *PU Code* – The California Public Utilities Code.

q. *Rules* – The Commission's Affiliate Transaction Rules, as adopted in D.97-12-088 and modified by D.98-08-035.

r. *Rule II.B. affiliate* – An affiliate of HWT that engages in the provision of a product that uses electricity or the provision of services that relate to the use of electricity within California.

s. *Tariff* – HWT's currently effective Transmission Owner Tariff, approved by FERC.

t. *TBC* – Trans Bay Cable LLC (U934-E), a regulated utility affiliate of HWT that is a public utility electrical corporation in California.

u. *Traditional utility merchant function* – To the extent that a utility is engaged in the marketing of the commodity of electricity or natural gas to customers, as opposed to the marketing of transmission or distribution services, it is engaging in merchant functions. HWT does not engage in a traditional utility merchant function.

Other related terms are defined in the Rules (a copy of which is provided in Attachment C) and have the meaning set forth therein.

3 Roles and Responsibilities

Questions regarding this Compliance Plan can be directed to the C&E Director, Ethics and Privacy. The Company has designated the NextEra Energy Transmission, LLC ("NEET") Director, Strategy and Business Development as the California Affiliate Transaction Compliance Officer, who will coordinate the implementation of this Compliance Plan and work with appropriate staff in order to ensure compliance with the Rules.

Each manager (equivalent and above) of the Company is responsible for ensuring that all employees who transact business with affiliates on behalf of the Company within his or her area of responsibility be familiar with the Rules and the Compliance Plan and understand and adhere to them. Failure to abide by the Rules as outlined in this Compliance Plan may be grounds for disciplinary action up to an including termination of employment.

The following key employees are involved in HWT's compliance with the Rules:

3.1 Horizon West Transmission

President

The President of HWT duties include the following related to the Rules and the Compliance Plan:

- Overseeing the investigation of all informal complaints alleging a violation of the Rules.
- Approving employee transfers and employee temporary assignments.
- Approving annual filings and other filings with the Commission; and
- Ensuring that a compliance audit is conducted annually as required by the Commission.

3.2 NextEra Compliance & Ethics (C&E)

Vice President of Compliance & Corporate Secretary, and Chief Compliance Officer (CCO): As head of C&E, the CCO coordinates a comprehensive, corporate-wide strategy and approach to compliance matters, including oversight of HWT's compliance. The CCO reports directly to NextEra's General Counsel.

C&E Director, Ethics and Privacy (and staff) for the Compliance Plan: The C&E Director, Ethics and Privacy provides guidance on compliance and monitors compliance with the Compliance Plan. The C&E Director, Ethics and Privacy reports to the CCO. The C&E Director, Ethics and Privacy and staff duties include:

- Performing assessments (internal random spot checks) and suggesting compliance enhancements to procedures, processes, controls, and training.
- Overseeing and monitoring the timely implementation of any corrective action plans.
- Ensuring the timely completion of required Compliance Plan training for all NextEra employees; and
- Coordinating the annual updating of the Compliance Plan and posting to C&E's internal Intranet website.

3.3 NextEra General Counsel

Attorneys and Analysts of General Counsel: NextEra General Counsel Business Unit ("General Counsel") provides legal guidance on compliance statutes, regulations, and rules, including the Rule and the Compliance Plan. The attorneys also represent HWT at the Commission and coordinate the Commission filings and HWT public Internet website postings for all required reporting. General Counsel analysts provide the names of newly created affiliates to the NEET Director of Strategy and Business Development or General Counsel attorneys (or their designees) for reporting purposes.

3.4 NextEra Energy Transmission

Director of Strategy and Business Development (and staff): The NEET Director of Strategy and Business Development's responsibilities include the following:

- Being the primary contact with HWT, the C&E, and NextEra's General Counsel.
- Monitoring the creation of new affiliates and reporting those new affiliates as required.
- Leading sustainable compliance, including overall execution and monitoring of procedures, processes, and controls and periodic internal self-assessments or spot checks; and

- Reporting any potential violation to the C&E and coordinating a corrective action plan.

The NEET Director of Strategy and Business Development may delegate certain of these responsibilities to staff as appropriate.

NEET Business Management Staff: The NEET Business Management group's responsibilities include reviewing affiliate charges (including affiliate time charges) between HWT and its affiliates to ensure compliance with the Rules.

3.5 NextEra Business Units

Business Unit Representatives: Consistent with the Compliance Plan, HWT receives services, including corporate support services, from certain NextEra Business Unit employees. Business Unit representatives are responsible to ensure that they comply with the Rules and the Compliance Plan.

4 Non-Discrimination

4.1 No Preferential Treatment Regarding Services Provided by the Company (Rule III.A.)

Unless otherwise authorized by the Commission or FERC, HWT shall not:

- Represent that, as a result of the affiliation with HWT, its affiliates or customers of its affiliates will receive any different treatment by HWT than the treatment that HWT provides to other, unaffiliated companies or their customers; or
- Provide its affiliates, or customers of its affiliates, any preference (including, but not limited to, terms and conditions, pricing, or timing) over non-affiliated suppliers or their customers in the provision of services provided by HWT.

Accordingly, HWT shall not:

- Give preferential treatment in favor of affiliates or their customers unless otherwise authorized by the Commission or FERC.
- Represent that such different treatment will be given; or
- Give the appearance that it speaks on behalf of its affiliates or that a customer will receive preferential treatment as a consequence of conducting business with its affiliates.

4.2 Affiliate Transactions (Rule III.B.)

Transactions between HWT and its affiliates shall be limited to tariffed products and services; the sale or purchase of goods, property, products or services made generally available by HWT or an affiliate to all market participants through an open, competitive bidding process; or as provided for in Section V.D. (joint purchases), Section V.E. (corporate support services), and Section VII (utility products and services) of the Rules, provided the transactions provided for in Section VII comply with all of the other adopted Rules.

As a transmission-only utility that provides transmission service only through the CAISO, HWT provides wholesale transmission service exclusively through its FERC-approved Transmission Owner Tariff, which is posted publicly and available through the FERC e-tariff website (https://www.ferc.gov/docs-filing/etariff.asp). HWT's rates for wholesale transmission service are regulated exclusively by FERC and charged through the CAISO Transmission Access Charge. HWT implements its tariff and rates in a non-discriminatory fashion.

HWT maintains affiliate support services agreements with affiliates from which it obtains services. These agreements identify the range of products and services related to corporate governance and support that can be shared.

Pursuant to D.18-09-030, HWT will provide information regarding its affiliate transactions through its FERC Form 1, a copy of which will be made available to Commission Energy Division Staff and California Public Advocates once it is filed with FERC. HWT will also post a copy of its FERC Form 1 on its public website (http://www.horizonwesttransmission.com/).

4.2.1 Provision of Supply, Capacity, Services or Information

Except as provided for in provisions of the Rules related to joint purchasing, corporate support services, and shared employees, as authorized by the Commission in D.18-09-030, HWT shall provide access to utility information, services, and unused capacity or supply on the same terms for all similarly situated market participants. If HWT provides supply, capacity, services, or utility information to its affiliate(s) other than as provided for in Rules related to joint purchasing, corporate support services, and shared employees, HWT shall contemporaneously make the offering available to all similarly situated market participants, which shall include all competitors serving the same market as HWT's affiliates.

4.2.2 Offering of Discounts

Except when made generally available by HWT through an open, competitive bidding process, if HWT offers a discount or waives all or any part of any other charge or fee to its affiliates or offers a discount or waiver for a transaction in which its affiliates are involved, the utility shall contemporaneously make such discount or waiver available to all similarly situated market participants. HWT shall not use the "similarly situated" qualification to create such a unique discount arrangement with its affiliates such that no competitor could be considered similarly situated. All competitors serving the same market as the utility's affiliates should be offered the same discount as the discount received by the affiliates. A utility shall document the cost differential underlying the discount to its affiliates in the affiliate discount report described in Rule III.F.7.

HWT does not offer preferential treatment or discounts to its affiliates or customers of its affiliates. HWT has no plans to provide discounts, rebates, fee waivers, or alternative tariff terms or conditions to its affiliates or customers of its affiliates.

For clarity, HWT also does not interpret "a transaction in which its affiliates are involved" as applying to vendor discounts passed through pro rata to affiliates in connection with joint purchases permissible under Rule V.D. or to shared corporate support services under Rule V.E., since such discounts are not associated with services provided by HWT and are not available to other market participants.

4.2.3 Tariff Discretion and No Tariff Discretion

As a transmission-only utility that provides transmission service only through the CAISO, HWT provides wholesale transmission service exclusively through its FERC-approved Transmission Owner Tariff. HWT implements its tariff in a non-discriminatory fashion.

4.2.4 Processing Requests for Services Provided by the Utility

HWT shall process requests for similar services provided by HWT in the same manner and within the same time for its affiliates and for all other market participants and their respective customers.

For clarity, HWT interprets "similar services provided by HWT" to mean those services similar to those services that HWT provides in its regular course of business (*i.e.*, the provision of wholesale electric transmission services over

HWT's transmission facilities). HWT only provides wholesale transmission service through its FERC-approved Transmission Owner Tariff.

4.3 Tying of Services Provided by a Utility Prohibited (Rule III.C.)

HWT shall not condition or otherwise tie the provision of any services provided by HWT, nor the availability of discounts of rates or other charges or fees, rebates, or waivers of terms and conditions of any services provided by HWT, to the taking of any goods or services from its affiliates.

For clarity, HWT interprets "services provided by HWT" to mean services that HWT provides in its regular course business (*i.e.*, the provision of wholesale electric transmission services over HWT's transmission facilities). HWT only provides wholesale transmission services pursuant to its FERC-approved Transmission Owner Tariff.

4.4 No Assignment of Customers (Rule III.D.)

HWT shall not assign customers to which it currently provides services to any of its affiliates, whether by default, direct assignment, option, or by any other means, unless that means is equally available to all competitors.

For clarity, HWT interprets "services" in the context of Rule III.D. to mean services that HWT provides in its regular course of business (*i.e.*, the provision of wholesale electric transmission services over HWT's transmission facilities). HWT only provides wholesale transmission services pursuant to its FERC approved Transmission Owner Tariff. HWT does not have direct, end-use customers.

4.5 Business Development and Customer Relations (Rule III.E.)

Except as otherwise provided by the Rules, HWT shall not:

- Provide leads to its affiliates.
- Solicit business on behalf of its affiliates.
- Acquire information on behalf of or to provide to its affiliates.
- Share market analysis reports or any other types of proprietary or non-publicly available reports, including but not limited to, market, forecast, planning, or strategic reports with its affiliates.
- Request authorization from its customers to pass on customer information exclusively to its affiliates.
- Give the appearance that HWT speaks on behalf of its affiliates or that the customer will receive preferential treatment as a consequence of conducting business with the affiliate; or
- Give any appearance that the affiliate speaks on behalf of HWT.

HWT does not engage in joint marketing, advertising, or promotional activities of its services with those of its affiliates. As marketing, advertising, or promotional activities are contemplated, necessary safeguards, including approval by the HWT President, will be implemented to ensure that HWT's marketing, advertising, and promotional activities are compliant with Rule III.E. HWT's website does not provide links to the websites of any of the Rule II.B. affiliates within California.

4.6 Affiliate Discount Reports (Rule III.F.)

HWT does not offer preferential treatment or discounts to its affiliates or customers of its affiliates. HWT has no plans to provide discounts, rebates, fee waivers, or alternative tariff terms or conditions to its affiliates or customers of its affiliates.

If HWT provides its affiliates a discount, rebate, or other waiver of any charge or fee associated with services provided by HWT, HWT shall, within 24 hours of the time at which the service provided by HWT, post a notice on its public website providing the following information:

- The name of the affiliate involved in the transaction.
- The rate charged.
- The maximum rate.
- The time period for which the discount or waiver applies.
- The quantities involved in the transaction.
- The delivery points involved in the transaction.
- Any conditions or requirements applicable to the discount or waiver, and a documentation of the cost differential underlying the discount as required in Rule III.B.2; and
- Procedures by which a non-affiliated entity may request a comparable offer.

If HWT provides an affiliate with a discounted rate, rebate, or other waiver of a charge or fee associated with services provided by HWT, HWT shall maintain, for each billing period, the following information:

- The name of the entity being provided services provided by HWT in the transaction.
- The affiliate's role in the transaction (*i.e.*, shipper, marketer, supplier, seller);
- The duration of the discount or waiver.
- The maximum rate.
- The rate or fee actually charged during the billing period; and
- The quantity of products or services scheduled at the discounted rate during the billing period for each delivery point.

All records maintained pursuant to this provision shall also conform to FERC rules where applicable.

For clarity, HWT interprets "services provided by HWT" to mean services that are provided in the course of HWT's regular business (*i.e.*, the provision of wholesale electric transmission services over HWT's transmission facilities). HWT only provides wholesale transmission services pursuant to its FERC approved Transmission Owner Tariff.

In addition, HWT does not interpret "a transaction in which its affiliates are involved" as applying to vendor discounts passed through pro rata to affiliates in connection with joint purchasing permitted by these Rules, since such discounts are not associated with services provided by HWT and are not available to other market participants.

5 Disclosure and Information

5.1 Customer Information (Rule IV.A.)

HWT only provides wholesale transmission services pursuant to its FERC-approved Transmission Owner Tariff and therefore does not have direct, end-use customers.

To the extent HWT obtains customer information, HWT shall provide customer information to its affiliates and unaffiliated entities on a strictly non-discriminatory basis, and only with prior affirmative customer written consent.

Prior to releasing any customer information to any person or entity other than the customer, HWT will obtain the customer's prior written consent for the release of customer information, which shall be approved by the NEET Director of Strategy and Business Development (or staff). HWT may provide customer information without obtaining the customer's prior written consent in the following circumstances:

- When information is provided to the customer via telephone (after appropriate authentication) and the customer allows a third party to listen to the information provided.
- To assist emergency responders when there is an immediate threat to life or property.
- To respond to a warrant or court or law enforcement order, or an order of a regulatory authority with appropriate jurisdiction, such as the Commission or FERC; or
- As otherwise required by state or federal law or regulation.

HWT will post on its website any transactions where customer information was released to an affiliate. These postings will not include customer-specific information or identification.

5.2 Non-Customer Specific Non-Public Information (Rule IV.B.)

HWT shall make non-customer specific non-public information, including but not limited to information about any electricity purchases, sales, or operations, or about HWT's electricity-related goods or services, available to affiliates only if HWT makes that information contemporaneously available to all other service providers on the same terms and conditions, and keeps the information open to public inspection.

HWT is also permitted to exchange confidential or proprietary information on an exclusive basis with its affiliates, as necessary to exchange this information with respect to joint purchases, the provision of corporate support services, or shared employees permitted by these Rules. The affiliate's use of such proprietary information is limited to use in conjunction with the permitted services and is not permitted for any other use.

HWT has safeguards to protect HWT confidential information. Specifically, HWT confidential information may be provided to HWT personnel or affiliate personnel performing joint purchasing services under Rule V.D., providing corporate support services permitted by Rule V.E., or shared employees permitted under Rule V.G. Any personnel who possess HWT confidential information has a duty of care to protect that confidential information from access by a Rule II.B. affiliate personnel. When a situation arises in which HWT confidential information may be discussed (*e.g.*, meetings, presentations, or e-mail), it is the responsibility of the person that possesses HWT confidential information to ensure that the information is not being shared with a person that is restricted from receiving HWT confidential information.

If there is any question whether another individual is eligible to receive HWT confidential information, prior to sharing any HWT confidential information (unless during a system emergency), the person that possesses the HWT confidential information shall contact the NEET Director of Strategy and Business Development, who, in consultation with General Counsel, or C&E if warranted, will then either confirm or deny the request to share the confidential information. If confidential information is shared during a system emergency, as soon as reasonably practicable, the NEET Director of Strategy and Business Development must be notified.

When HWT officers, or officers providing corporate support services to HWT, have joint meetings with officers of Rule II.B. affiliates, the HWT officers and those officers providing corporate support services have a duty of care to protect HWT confidential information. In such meetings, officers of HWT or officers providing corporate support

services will employ adequate safeguards to ensure compliance, including but not limited to leaving the meeting before they discuss confidential information, asking certain participants to leave the meeting before confidential information is discussed, and by not sharing confidential information after the meeting concludes. If there is any doubt as to whether or not certain information may be shared, the NEET Director of Strategy and Business Development (or his or her designee) will determine if the information in question is permissible to be shared, in consultation with the C&E and NextEra General Counsel.

HWT ensures that HWT confidential information is not inappropriately shared through the annual training provided to all NextEra employees and by limiting access to HWT confidential information only to affiliate employees that are performing joint purchasing or shared corporate support services or are shared employees, consistent with Rules V.D., V.E., and V.G and D.18-09-030.

5.3 Service Provider Information (Rule IV.C.)

Except upon request by a customer or as otherwise authorized by the Commission or another government agency, HWT shall not provide customers with any list of service providers, which includes or identifies the utility's affiliates, regardless of whether such list also includes or identifies the names of unaffiliated entities.

If a customer asks for a list of energy service providers, HWT will refer the customer to the CPUC's Registered Electric Service Providers list available on the Commission's website.

5.4 Supplier Information (Rule IV.D.)

HWT may provide non-public information and data which has been received from unaffiliated suppliers to its affiliates or non-affiliated entities only if HWT first obtains written affirmative authorization to do so from the supplier. HWT shall not actively solicit the release of such information exclusively to its own affiliate in an effort to keep such information from other unaffiliated entities.

HWT does not interpret this Rule to apply to information about suppliers with whom affiliates may jointly purchase goods and services with HWT under Rule V.D.

5.5 Affiliate-Related Advice or Assistance (Rule IV.E.)

Except as otherwise provided in the Rules, HWT shall not offer or provide customers advice or assistance with regard to its affiliates or other service providers.

5.6 Record-Keeping (Rule IV.F.)

HWT shall maintain contemporaneous records documenting transactions with its affiliates and shall maintain such records for a minimum of three years and longer if the Commission or another government agency so requires.

For consummated transactions, HWT shall make such final transaction documents available for third-party review upon 72 hours' notice, or at a time mutually agreeable to HWT and third party.

5.7 Maintenance of Affiliate Contracts and Related Bids (Rule IV.G.)

HWT shall maintain a record of all contracts and related bids for the provision of work, products, or services between HWT and its affiliates for no less than a period of three years, and longer if the Commission or another government agency so requires.

HWT maintains affiliate support services agreements with affiliates from which it obtains services. Each agreement identifies the range of products and services related to corporate governance and support that can be shared.

5.8 FERC Reporting Requirements

To the extent that reporting rules imposed by the FERC require more detailed information or more expeditious reporting, nothing in these Rules shall be construed as modifying HWT's obligation to comply with the FERC rules.

6 Separation of HWT from its Affiliates

Rule V.A. requires that HWT be a separate, independent entity from its affiliates and, except as otherwise allowed in the HWT Compliance Plan, HWT cannot share employees, facilities, or other resources with its affiliates without Commission approval.

6.1 Corporate Entities (Rule V.A.)

HWT is and will continue to be a separate corporate entity from its affiliates.

6.2 Books and Records (Rule V.B.)

HWT and its affiliates keep separate books and records, including standalone financial statements. HWT's books and records are kept in accordance with applicable Uniform System of Accounts ("USOA") and Generally Accepted Accounting Procedures ("GAAP"). The books and records include all transactions with HWT's affiliates, whether they involve direct or indirect expenses.

The books and records of affiliates shall be open for examination by the Commission and its staff consistent with the provisions of PU Code Section 314.

6.3 Sharing of Plant, Facilities, Equipment, or Costs (Rule V.C.)

The Commission granted HWT an exemption from Rule V.C. in D.18-09-030, allowing HWT to share office space, office equipment, services, systems, and computer and information systems with its affiliates.

HWT ensures that this sharing does not result in impermissibly sharing HWT confidential information with affiliates that are restricted from having such information through the annual training that is provided to all NextEra employees and by limiting access to HWT confidential information only to affiliate employees that are assisting with joint purchases, are providing shared corporate support functions, or are shared employees, consistent with the Commission's D.18-09-030. To the extent that HWT shares office space with employees providing services to Rule II.B. affiliates, appropriate physical access restrictions apply.

Operation and monitoring of HWT transmission system assets are performed from the Lone Star
Transmission, LLC ("Lone Star Transmission") primary and backup control center facilities located in Austin, Texas. These primary and backup control centers are housed in separate buildings and are access restricted through key card entry restrictions. Access to the Lone Star Transmission control center facilities is restricted only to employees that provide regulated transmission services and is not granted to employees that perform services for Rule II.B. affiliates.

HWT shares information and technology systems with affiliates, and HWT considers that financial, accounting, and purchasing systems are included within sharable support

systems. HWT prevents access by unauthorized users to HWT confidential information through the use of user ID and passwords and uses physical separation and separate information systems where computer security-based controls cannot effectively be established.

6.4 Joint Purchases (Rule V.D.)

To the extent not precluded by any other Rule, HWT and its affiliates may make joint purchases of goods and services, but not those associated with the traditional utility merchant function.

HWT, through NextEra's Integrated Supply Chain personnel, ensures that all joint purchases are priced, reported, and conducted in a manner that permits clear identification of the utility and affiliate portions of such purchases, and in accordance with applicable Commission reporting rules.

HWT does not make joint purchases with its affiliates of gas and electricity for resale, gas transportation and storage capacity, electric transmission, and marketing.

6.5 Corporate Support (Rule V.E.)

Pursuant to Rule V.E. and the Commission's decision in D.18-09-030, HWT receives corporate support services from its affiliates. HWT maintains affiliate support services agreements with affiliates from which it obtains services. Each agreement identifies the range of products and services related to corporate governance and support that can be shared. Costs for shared corporate support services are charged consistent with FERC's requirements for affiliate transaction pricing, as described in Section 6.8 below.

For purposes of the Compliance Plan, HWT considers that shared corporate support services include those services listed in Rule V.E. In addition, HWT utilizes the affiliate services approved in the Commission's decision in D.18-09-030, including but not limited to engineering and operations services.

HWT's use of corporate support services does not provide a means for the transfer of HWT confidential information to an affiliate that would:

- Create an opportunity for preferential treatment or unfair competitive advantage.
- Lead to customer confusion; or
- Create significant opportunities for cross-subsidization of affiliates.

Any confidential information exchanged with affiliates in the course of performing shared corporate support services shall be in accordance with Section 5.2.

6.6 Corporate Identification and Advertising (Rule V.F.)

HWT shall not trade upon, promote, or advertise its Rule II.B. affiliates' affiliation with HWT, nor allow the HWT name or logo to be used by the Rule II. B. affiliate or in any material circulated by the Rule II.B. affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where the HWT name or logo appears that:

- The Rule II. B. affiliate "is not the same company as" HWT.
- The Rule II. B. affiliate is not regulated by the Commission; and
- "You do not have to buy [the Rule II. B. affiliate's] products in order to receive quality regulated services from HWT." The application of the name/logo disclaimer is limited to the use of the name or logo in California.

HWT, through action or words, shall not represent that, as a result of an affiliate's affiliation with HWT, its affiliates will receive any different treatment than other service providers.

HWT shall not offer or provide to its affiliates advertising space in any form of HWT customer written communications (including any HWT billing envelopes) unless it provides access to all other unaffiliated service providers on the same terms and conditions.

HWT shall not participate in joint advertising or joint marketing with its affiliates. This prohibition means that HWT shall not engage in activities that include but are not limited to the following:

- HWT shall not participate with its affiliates in joint sales calls, through joint call centers or otherwise, or joint proposals (including responses to requests for proposals) to existing or potential customers. At a customer's unsolicited request, HWT may participate, on a nondiscriminatory basis, in non-sales meetings with its affiliates or any other market participant to discuss technical or operational subjects regarding HWT's provision of service to the customer.
- HWT shall not participate in any joint activity with its affiliates related to advertising, sales, marketing, communications, and correspondence with existing or potential customers.
- HWT shall not participate with its affiliates in trade shows, conferences, or other information or marketing events held in California.

HWT shall not share or subsidize costs, fees, or payments with its affiliates associated with research and development activities or investment in advanced technology research.

For clarity, HWT does not interpret Rule V.F. to apply to joint activity with affiliates related to joint purchases, corporate support services, or shared employees, consistent with D.18-09-030.

6.7 Employees (Rule V.G.)

Pursuant to Rule V.E. and the Commission's decision in D.18-09-030, HWT shares employees (including directors and officers) with its affiliates. Sharing of employees with HWT affiliates is allowed when the sharing does not compromise the public interest or when adequate safeguards are implemented to preclude inappropriate access to information that would allow or provide a means to (1) transfer confidential information from HWT to a Rule II.B. affiliate, (2) create an opportunity for preferential treatment or unfair competitive advantage, (3) lead to customer confusion, or (4) create significant opportunities for cross subsidization of affiliates.

6.7.1 Shared Employees (Rule V.G.1.)

Pursuant to D.18-09-030, HWT shares employees with affiliates, including shared corporate officers and directors. These shared corporate officers and directors perform oversight activities for HWT, as well as for other affiliates (including certain of the affiliates and Rule II.B. affiliates listed in Attachment A).

A list of shared corporate officers and directors is provided in Attachment B. No later than 30 days following a change to this list, HWT shall notify the Commission's Energy Division and the parties on the service list of Commission proceedings A.15-08-027 and A.17-01-023.

HWT does not use shared employees or corporate officers and directors as a conduit to circumvent the
Rules. All NextEra employees (including employees shared by HWT and affiliates) are required to take an annual training regarding the Rules and the restrictions on sharing HWT confidential information with Rule II.B. affiliates.

Further, HWT has established safeguards to ensure that shared employees, officers, and directors do not provide HWT confidential information to affiliate personnel that are restricted from accessing. When HWT officers or officers providing corporate support services to HWT have joint meetings with officers of Rule II.B. affiliates, the HWT officers and those officers providing corporate support services have a duty of care to protect HWT confidential information. In such meetings, officers of HWT or officers providing corporate support services will employ adequate safeguards to ensure compliance, including but not limited to, leaving the meeting before they discuss confidential information, asking certain participants to leave the meeting before

confidential information is discussed, and by not sharing confidential information after the meeting concludes. When sharing HWT confidential information in a presentation, document, or email, the following statement can be used in designating the content as confidential information:

> "*This presentation (or document or e-mail) contains Horizon West Transmission, LLC confidential information that may not be shared with an employee, contractor, or agent providing services (other than corporate support services) to a NextEra Energy affiliate in California, and must also be treated consistent with the*
> *California Affiliate Transaction Rules."*

If there is any doubt as to whether or not certain information may be shared, the NEET Director of Strategy and Business Development (or his or her designee) will determine if the information in question is permissible to be shared, in consultation with the C&E or General Counsel if deemed warranted.

NEET Business Management staff review time charges by all affiliate employees to HWT. Time charges are reviewed for accuracy and to help implement safeguards, like the separation requirements contained in the Rules.

6.7.2 Employee Transfers (Rule V.G.2.)

To the extent HWT has employees, it will track transfers of any HWT employees from HWT to an affiliated entity. The NEET Director of Strategy and Business Development (and staff) shall regularly receive a report from NextEra Human Resources detailing any such employee transfers and will be responsible for documenting any such transfers that occur.

If any such transfers occur, HWT will comply with the requirements of Rule V.G.2. In particular, HWT shall:

- Report annual employee transfers between HWT and affiliates in an annual report to the Commission, consistent with D.93-02-016.
- If an HWT employee becomes an employee of an affiliate, the employee may not return to the utility for a period of one year. This Rule is inapplicable if the affiliate to which the employee transfers go out of business during the one-year period. In the event that such an employee returns to HWT, such employee cannot be retransferred, reassigned, or otherwise employed by the affiliate for a period of two years. Employees transferring from HWT to the affiliate are expressly prohibited from using information gained from the

utility in a discriminatory or exclusive fashion, to the benefit of the affiliate or to the detriment of other unaffiliated service providers.

- When an employee of HWT is transferred, assigned, or otherwise employed by the affiliate, the affiliate shall make a one-time payment to HWT in an amount equivalent to 25% of the employee's base annual compensation, unless the utility can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee included.
- Any HWT employee hired by an affiliate shall not remove or otherwise provide information to the affiliate which the affiliate would otherwise be precluded from having pursuant to this Compliance Plan.
- HWT shall not make temporary or intermittent assignments, or rotations to its Energy Marketing Affiliates. HWT employees not involved in marketing of utility services may be used on a temporary basis (less than 30% of an employee's chargeable time in any calendar year) by affiliates not engaged in energy marketing only if:
    - All such use is documented, priced and reported in accordance with this Compliance Plan and existing Commission reporting requirements, except that when the affiliate obtains the services of a non-executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 10% of direct labor cost, or fair market value. When the affiliate obtains the services of an executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 15% of direct labor cost, or fair market value.
    - Utility needs for utility employees always take priority over any affiliate requests.
    - No more than 5% of full-time equivalent utility employees may be on loan at a given time.
    - HWT employees agree, in writing, that they will abide by this Compliance Plan.
    - Affiliate use of HWT employees must be conducted pursuant to a written agreement approved by appropriate utility and affiliate officers.

6.8 Transfer of Goods and Services (Rule V.H.)

As a transmission-only utility that provides transmission service only through the CAISO, HWT provides wholesale transmission service exclusively through its FERC-approved Transmission Owner

Tariff. HWT's rates are exclusively regulated by FERC, through HWT's FERC-approved wholesale transmission rate. Accordingly, any transfers of goods and

services between HWT and its affiliates are governed by and will be consistent with FERC's requirements, including the Federal Power Act and applicable FERC regulations.

7 Regulatory Oversight

7.1 Compliance Plan (Rule VI.A)

This Compliance Plan serves as HWT's required compliance plan under Rule VI.A. HWT has submitted this Compliance Plan to the Commission's Energy Division via advice letter, effective December 5, 2019. Rule VI.A. requires HWT to file a compliance plan annually thereafter by advice letter served on all parties to Commission proceedings A.15-08-027 and A.17-01-023 where there is some change in the Compliance Plan (*i.e.*, when a new affiliate has been created consistent with Section 7.2. below, or HWT has changed the Compliance Plan for any other reason).

The C&E Director, Ethics and Privacy (and staff) have the responsibility for maintaining the Compliance Plan and periodically reviewing the Compliance Plan for any required updates. The C&E Director, Ethics and Privacy (and staff) will coordinate with the General Counsel, the NEET Director of Strategy and Business Development (and staff), and the HWT President as needed in determining whether any changes to the Compliance Plan are required.

7.2 New Affiliate Compliance Plans (Rule VI.B)

Pursuant to D.18-09-030, HWT will update the list of affiliates in Attachment A upon the creation of a new affiliate with which HWT transacts or shares resources. HWT will also update the list in Attachment A of Rule II.B. affiliates upon the creation of a new Rule II.B. affiliate.

HWT will post on its public website any new affiliates with which it transacts or shares resources or any new Rule II.B. affiliates. No later than 60 days after the creation of such affiliate, HWT will notify the Commission's Energy Division via advice letter.

NextEra General Counsel analysts will track the creation of new NextEra affiliates and notify General Counsel attorneys and the NEET Director of Strategy and Business Development (or staff), who will consult with the C&E Director, Ethics and Privacy as needed to determine whether the new NextEra affiliates qualify as new affiliates for this Compliance Plan that should be added to the list in Attachment A. General Counsel attorneys, C&E, and the NEET Director of Strategy and Business

Development (and staff) will have the responsibility to update the list in Attachment A and to file any required advice letters with the Energy Division.

7.3 Affiliate Audit (Rule VI.C.)

HWT shall have audits performed by independent auditors that cover the calendar year that end on December 31, beginning in the first full calendar year after Commission approval of this Compliance Plan. The audit shall verify that HWT is in compliance with the Rules. HWT shall file the independent auditor's report with the Commission's Energy Division no later than May 1 of the year following the audit period, and HWT shall serve the audit report on the service list for Commission proceedings A.15-08-027 and A.17-01-023. The audits shall be at HWT shareholder expense.

The HWT President has the responsibility to engage an independent auditor and ensure that no audit costs are charged to customers.

7.4 Witness Availability (Rule VI.D.)

Affiliate officers and employees shall be made available to testify before the Commission as necessary or required, without subpoena, consistent with the provisions of PU Code Section 314.

8 Utility Products and Services

Unless otherwise approved by the Commission, any sale of a product or service by HWT will be governed by a tariff approved by FERC or the CPUC. Products and services will be made available to any third-party entity on the same terms and conditions as HWT makes those products and services available to its affiliates. Currently, HWT does not offer any non-tariff products or services. If HWT considers offering a non-tariff product or service, it will file an advice letter with the Commission according to the requirements of Rule VII.E.

9 Complaint Procedures and Remedies

Any employee participating in any activity or transaction within the scope of the HWT Compliance Plan is responsible for full compliance with all of the rules, requirements, policies, procedures, and the spirit of compliance. Failure to comply could expose NextEra or HWT to serious financial and/or legal risk and in certain cases may be grounds for disciplinary action up to and including termination of employment or, if applicable,

criminal prosecution. The Commission strictly enforces these rules and each act or failure to act by HWT in violation of these rules may be considered a separate occurrence.

Any person or corporation may complain to the Commission or to HWT in writing, identifying a possible violation by HWT, any utility or affiliate of any rule set forth in this Compliance Plan.

9.1 CPUC Communications and Approvals

It is HWT's policy that employee or external communications with the CPUC or any requests for CPUC approvals be conducted only by authorized representatives of NextEra or HWT as designated by the President of HWT, or his or her designee, unless the communication is for a complaint or is otherwise authorized in this Compliance plan for the ordinary course of filing required reports with the CPUC. General Counsel must be consulted, and approval obtained before any communications, whether informal or formal, are presented to the CPUC.

9.2 Complaint Evaluation

C&E is responsible for providing compliance oversight and guidance with the Rules and HWT Compliance Plan. The Affiliate Compliance Manager (NEET Director of Strategy and Business
Development) is responsible for HWT's compliance with the rules and, in conjunction with C&E, HWT's Compliance Plan. The NEET Director of Strategy and Business Development is also responsible for receiving, investigating, and attempting to resolve complaints; and may delegate these responsibilities as necessary. In the event a complaint is reported, the NEET Director of Strategy and Business Development will work with the C&E Director, Ethics and Privacy, CCO, and NextEra General Counsel, if warranted, to investigate and attempt to resolve the complaint. HWT will follow the procedures required in Rule VIII.C.2 through VIII.C.4 when a complaint is received. Any potential communications with the CPUC relating to complaints are governed by Section 9.1, CPUC Communications and Approvals.

9.3 Complaints

9.3.1 Informal Complaints

A potential complainant may contact HWT and/or the Energy Division to inform them of a possible violation of the affiliate rules. If the potential complainant

seeks an informal meeting to discuss the complaint, HWT will make reasonable efforts to arrange such meeting. If informal contact with HWT is made by a potential complainant, HWT will respond in writing within fifteen (15) calendar days. The response should include whether or not the issues raised by the potential complainant require further investigation. All alleged violations of the rules or HWT Compliance Plan are to be documented as informal complaints and provided to the NEET Director of Strategy and Business Development, who will coordinate with the C&E, NextEra General Counsel, and President of HWT, as needed.

Any questions regarding documenting an informal complaint should be directed to the NEET Director of Strategy and Business Development or C&E.

9.3.2 NextEra Hotline

NextEra also maintains a Compliance Hotline that can be utilized to report concerns. Such complaints may also be communicated anonymously. Any person may call the NextEra Compliance Hotline at 888-906-9NEE (888-906-9633) and leave a message, or submit an online report on the secure web portal at nexteraenergy.ethicspoint.com. Notice will be provided to the NEET Director of Strategy and Business Development and complaints will be processed as outlined in Section 8.2.1.

9.3.3 Preventing, Detecting, Disclosing and Rectifying Violations

HWT utilizes web-based training, the HWT Compliance Plan, the FERC/PUCT Compliance Plan, and NextEra Energy's Code of Business Conduct and Ethics, which are all available to employees on NextEra Energy's intranet. These resources help ensure that employees are knowledgeable of the Rules. Training directs employees to contact their supervisor, C&E, or the NextEra Hotline to report any potential violation of the Rules.

It is the HWT's obligation to address, investigate and resolve any such concerns, raised in good faith, without fear of retaliation. Upon notification of an alleged violation, the NEET Director of Strategy and Business Development will immediately begin an investigation into the alleged violation and notify C&E and General Counsel of the investigation. C&E and NextEra General Counsel will be kept apprised of the investigation until a resolution is reached. The investigation shall consist of gathering all relevant facts and data concerning the event(s) in question and reviewing those facts and data to determine whether, and to what extent, a violation has occurred. Corrective action will be taken and steps to prevent further violations will be implemented as appropriate.

The NEET Director of Strategy and Business Development will maintain records of facts gathered in conjunction with the investigation. HWT will evaluate the nature of the violation and will notify the CPUC either through written communication or by notifying the external auditors during the course of the audit, depending on the timing and severity of the offense as outlined in the Rules. Written records of the informal complaint resolution shall be maintained for three years as defined in Section 5.6, Record Retention Policy, by the NEET Director of Strategy and Business Development (or staff).

10 Revision History

1.0	Eric S. Gleason W. Scott Seeley	December 5, 2019 – Original
2.0	Eric S. Gleason W. Scott Seeley	December 31, 2019 – Updated list of affiliates in Exhibit A
3.0	Eric S. Gleason W. Scott Seeley	May 8, 2020- Updated list of affiliates in Exhibit A
4.0	Eric S. Gleason W. Scott Seeley	June 2, 2020- Updated list of affiliates in Exhibit A
5.0	Eric S. Gleason W. Scott Seeley	June 15, 2020- Updated list of affiliates in Exhibit A
6.0	Eric S. Gleason W. Scott Seeley	June 19, 2020- Updated list of affiliates in Exhibit A
7.0	Eric S. Gleason	June 25, 2020- Updated list of affiliates in Exhibit A
	W. Scott Seeley	
8.0	Eric S. Gleason W. Scott Seeley	July 20, 2020- Updated list of officers in Exhibit A
9.0	Ingrid Nickolaus	August 18, 2020- Updated list of affiliates in Exhibit A
10.0	Ingrid Nickolaus	September 9, 2020- Updated list of affiliates in Exhibit A
11.0	Ingrid Nickolaus	October 20, 2020- Updated list of affiliates in Exhibit A
12.0	Ingrid Nickolaus	November 2, 2020- Updated list of affiliates in Exhibit A
13.0	Ingrid Nickolaus	December 11, 2020 - Updated list of affiliates in Exhibit A
14.0	Ingrid Nickolaus	January 5, 2021- Updated Reporting hotline reference
15.0	Ingrid Nickolaus	March 29, 2021 - Updated list of affiliates in Exhibit A
16.0	Ingrid Nickolaus	April 9, 2021 - Updated list of affiliates in Exhibit A
17.0	Ingrid Nickolaus	April 13, 2021 - Updated list of affiliates in Exhibit A

18.0		DATE – Updated roles and general clean-up edits
19.0	Ingrid Nickolaus	June 11, 2021 - Updated list of affiliates in Exhibit A
20.0	Ingrid Nickolaus	July 29, 2021 - Updated list of affiliates in Exhibit A
21.0	Ingrid Nickolaus	September 1, 2021 - Updated list of affiliates in Exhibit A
22.0	Ingrid Nickolaus	October 5, 2021- Updated list of affiliates in Exhibit A
23.0	Lenneal Gardner	November 15, 2021 – Updated list of affiliates in Exhibit A
24.0	Ingrid Nickolaus	December 27, 2021 – Updated list of affiliates in Exhibit A
25.0	Ingrid Nickolaus	Jan 3, 2022 – Updated list of affiliates in Exhibit A
26.0	Lenneal Gardner	February 10, 2022 – Updated list of affiliates in Exhibit A and list of shared officers in Exhibit B
27.0	Lenneal Gardner	August 8, 2022 – Updated list of affiliates in Exhibit A and list of shared officers in Exhibit B
28.0	Julie Krauss	October 17, 2022-Updated list of affiliates in Exhibit A and list of shared officers in Exhibit B
29.0	Julie Krauss	November 18. 2022-Updated list of affiliates in Exhibit A.
30.0	Julie Krauss	December 22, 2022-Updated list of affiliates in Exhibit A
31.0	Julie Krauss	January 24, 2023-Updated list of affiliates in Exhibit A and list of shared officers in Exhibit B
32.0	Julie Krauss	March 3, 2023-Updated list of affiliates in Exhibit A
33.0	Julie Krauss	March 28, 2023-Updated list of affiliate in Exhibit A
34.0	Julie Krauss	April 24, 2023-Updated list of affiliates in Exhibit A and list of shared officers in Exhibit B
35.0	Julie Krauss	May 23, 2023-Updated List of affiliates in Exhibit A and list of shared officers in Exhibit B
36.0	Julie Krauss	July 3, 2023-Updated List of shared officers in Exhibit B
37.0	Julie Krauss	August 14, 2023-Updated List of affiliates in Exhibit A
38.0	Julie Krauss	September 21, 2023-Updated List of affiliates in Exhibit A
39.0	Julie Krauss	October 24, 2023-Updated List of affiliates in Exhibit A
40.0	Lenneal Gardner	December 29, 2023-Updated List of affiliates in Exhibit A
40.1	Julie Krauss	January 3, 2024-Updated List of affiliates in Exhibit A
41.0	Julie Krauss	January 23, 2024-Updated List of affiliates in Exhibit A
42.0	Julie Krauss	March 28, 2024-Updated List of affiliates in Exhibit A and updated officer list in Exhibit B
43.0	Julie Krauss	May 21, 2024-Updated List of affiliates in Exhibit A and updated officer list in Exhibit B
44.0	Julie Krauss	June 18, 2024-Updated List of Affiliates in Exhibit A
45.0	Julie Krauss	July 12, 2024-Updated List of Affiliates in Exhibit A
46.0	Julie Krauss	August 16, 2024-Updated List of Affiliates in Exhibit A
47.0	Julie Krauss	September 20, 2024-Updated List of Affiliates in Exhibit A and updated officer list in Exhibit B
47.1	Anita Mixon	September 25, 2024-Replaced Compliance and Responsibility Organization (CRO) with Compliance & Ethics (C&E)

48.0	Julie Krauss	October 18, 2024-Updated List of Affiliates in Exhibit A
49.0	Julie Krauss	November 22, 2024-Updated List of Affiliates in Exhibit A
50.0	Julie Krauss	December 23, 2024-Updated List of Affiliates in Attachment A
51.0	Julie Krauss	January 28, 2025-Updated List of Affiliates in Attachment A
52.0	Julie Krauss	February 17, 2025-Updated List of Affiliates in Attachment A
52.1	Anita Mixon	February 27, 2025- Replaced Director of Ethics & Compliance with Director, Ethics and Privacy
53.0	Julie Krauss	March 12, 2025-Updated List of Affiliates in Attachment A
54.0	Julie Krauss	April 11, 2025-Updated List of Affiliates in Attachment A
55.0	Julie Krauss	May 27, 2025-Updated List of Officers in Attachment B
56.0	Julie Krauss	August 28, 2025-Updated List of Affiliates in Attachment A
57.0	Julie Krauss	October 15, 2025-Updated List of Affiliates on Attachment A

Horizon West Transmission, LLC
California Affiliate Transaction Rules Compliance Plan
Attachment A
October 15, 2025

Attachment A – List of Affiliates

List of Affiliates With Which HWT Shares Resources or Transacts

- Florida Power & Light Company
- GridLiance West LLC
- Lone Star Transmission, LLC
- NextEra Energy Capital Holdings, Inc.
- NextEra Energy, Inc.
- NextEra Energy Project Management, LLC
- NextEra Energy Resources, LLC
- NextEra Energy Transmission, LLC
- Trans Bay Cable LLC

Rule II.B. Affiliates within California

- Adelanto Solar II, LLC
- Adelanto Solar, LLC
- Altamont Power LLC
- Arboleda Energy Storage, LLC
- Argenta Energy Center I, LLC
- Argenta Solar Energy Center, LLC
- Aries Solar Holding, LLC
- Arlington Energy Center II, LLC
- Arlington Energy Center III, LLC
- Arlington Solar, LLC
- Alta Wind VIII, LLC
- Bay Eport 1, LLC
- Beltran Solar, LLC
- Blythe Energy Storage II, LLC
- Blythe Energy Storage III, LLC
- Blythe Energy Storage 110, LLC
- Blythe Solar 110, LLC
- Blythe Solar II, LLC
- Blythe Solar III, LLC
- Blythe Solar IV, LLC
- CA BTM Energy Storage, LLC
- CA Energy Storage Holdings, LLC

- Coram California Development LP
- Coram Energy, LLC
- Coram Tehachapi, LLC
- Corby Energy Storage, LLC
- Crow Creek Solar, LLC
- Desert Peak Energy Center, LLC
- Desert Peak Energy Storage I, LLC
- Desert Peak Energy Storage II, LLC
- Desert Peak Energy Storage III, LLC
- Desert Sands Energy Center, LLC
- Desert Sands Energy Storage I, LLC
- Desert Sands Energy Storage II, LLC
- Desert Sunlight 250, LLC
- Desert Sunlight 300, LLC
- Desert Sunlight Holdings, LLC
- DG ACWD 1, LLC
- DG Bruin, LLC
- DG Colton, LLC
- DG Colton Slover, LLC
- DG Gerber Road Sacramento, LLC
- DG Harvest Solar, LLC
- DG Jamboree, LLC
- DG Kern Ridge, LLC
- DG NF West 1, LLC
- DG Rodeo Solar, LLC
- DG San Ardo, LLC
- DG West 2021, LLC
- DG West 2023, LLC
- DG WM Simi, LLC
- Distributed Energy Storage Associates, LLC
- Dos Palmas Energy Storage, LLC
- Eagle Crest Energy Company
- East Field Energy Storage, LLC
- eIQ Mobility, Inc.
- Ellwood Energy Center, LLC
- Ephemeris Energy Center, LLC
- ESI Altamont Acquisitions, Inc.
- ESI Bay Area GP, Inc.
- ESI Bay Area, Inc.
- Espresso Energy Storage, LLC

- EverBright, LLC
- EverBright R1, LLC
- FPL Energy Green Power Wind, LLC
- FPL Energy Montezuma Wind, LLC
- FPL Energy Services, Inc.
- FPL Smart Services, LLC
- Genesis Solar, LLC
- Gexa Energy California, LLC
- Gexa Energy Solutions, LLC
- Golden Hills Energy Storage, LLC
- Golden Hills Interconnection, LLC
- Golden Hills North Wind, LLC
- Golden Hills Wind, LLC
- Golden Trails Solar Holdings, LLC
- Goleta Grove Energy Storage, LLC
- Grace Orchard Energy Center, LLC
- Grace Orchard Solar II, LLC
- Grace Orchard Solar III, LLC
- Grace Orchard Solar Interconnection, LLC
- Greenlane Infrastructure, LLC
- Greenlane Operations, LLC
- Green Ridge Power LLC
- Green Ridge Services LLC
- Griffith Energy Storage, LLC
- GSA Solar, LLC
- Guardian Solar, LLC
- High Winds Energy Storage, LLC
- Juno Barstow, LLC
- Juno Baker, LLC
- Juno Colton, LLC
- Keifer Landfill Generating III, LLC
- Kepler Energy Storage, LLC
- Key Energy Storage, LLC
- Kola Energy Storage, LLC
- Kola Energy Storage II, LLC
- Kola Interconnect, LLC
- Lock Energy Center, LLC
- Lucerne Solar, LLC
- Luz Solar Partners Ltd., III
- Luz Solar Partners Ltd., IV
- Luz Solar Partners Ltd., V

- Luz Solar Partners Ltd., VI
- Luz Solar Partners Ltd., VII
- Mars Energy Storage 1 LLC
- Mars Energy Storage 2 LLC
- Mars Energy Storage 3 LLC
- Mars Energy Storage 4 LLC
- McCoy Energy Storage, LLC
- McCoy Solar, LLC
- Mesaville Solar, LLC
- Mobility Infrastructure, LLC
- Mobility Infrastructure Contracting, LLC
- Montezuma II Energy Storage, LLC
- Mulqueeney Ranch PS, LLC
- NEPM II, LLC
- NextEra Blythe Solar Energy Center, LLC
- NextEra Desert Center Blythe, LLC
- NextEra Desert Sunlight Holdings, LLC
- NextEra Energy Marketing, LLC
- NextEra Energy Montezuma II Wind, LLC
- NextEra Energy Resources Interconnection Holdings, LLC
- NextEra Energy Solutions, LLC
- NextEra Home, LLC
- NextEra Renewable Fuels Development, LLC
- North Bay Interconnect, LLC
- North Central Valley Energy Storage, LLC
- North Central Valley Solar, LLC
- North Sky River Energy, LLC
- Odessey Solar Holdings, LLC
- Orchard Energy Storage, LLC
- Orchard Solar Interconnection, LLC
- Orange County Distributed Energy Storage I, LLC
- Orange County Distributed Energy Storage II, LLC
- Ord Mountain Solar, LLC
- Power Wizard, LLC Proxima Solar, LLC
- Residential Energy Solutions, LLC
- Resurgence I Energy Storage, LLC
- Resurgence Solar II, LLC
- Roadhouse Energy Storage, LLC
- SCP 5 LLC
- SCP 71, LLC
- SCP 72, LLC

- SCP 73 LLC
- SCP 77 LLC
- SCP 81 LLC
- Shafter Solar, LLC
- Sighten, Inc.
- Sirius Solar, LLC
- Sky River LLC
- Sky River Wind, LLC
- SOCAL Eport 1, LLC
- Solstice Energy Center, LLC
- South Lake Solar, LLC
- Sunlight Storage II, LLC
- Trimmer II Energy Storage, LLC
- UniEnergy Properties II, LLC
- Ursa Major Energy Storage, LLC
- Valencia Energy Storage, LLC
- Vasco Winds, LLC
- Vulcan Solar Project, LLC
- Westside Solar, LLC
- Whitney Point Solar, LLC
- WindCo LLC
- Windpower Partners 1990, L.P.
- Windpower Partners 1991, L.P.
- Windpower Partners 1991-2, L.P.
- Windpower Partners 1992, L.P.
- Windpower Partners 1993, LLC
- Windstar Energy, LLC
- Windstar Energy Storage, LLC
- Yellow Pine Energy Center I, LLC
- Yellow Pine Energy Center II, LLC
- Yellow Pine Solar II, LLC
- Yellow Pine Solar III, LLC
- ZNE Energy Storage, LLC

Horizon West Transmission, LLC
California Affiliate Transaction Rules Compliance Plan
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October 15, 2025

Attachment B – List of Shared Corporate Officers and Directors

Officers Shared by Horizon West Transmission, LLC and NextEra Energy, Inc. Affiliates

Name	Title
Matthew Valle	Chairman & Executive Manager
Mitchell S. Ross	Executive Manager
Matthew G. Ulman	Executive Manager
Jaime Hoffman	President
Vincent J. Scrima	Vice President
Stephanie Castaneda	Assistant Vice President
Christopher H. Zajic	Vice President & Treasurer
David Flechner	Vice President & Secretary
Jason Pear	Assistant Secretary

Horizon West Transmission, LLC
California Affiliate Transaction Rules Compliance Plan
Attachment C
October 15, 2025

Attachment C - Affiliate Transaction Rules

I. Definitions

Unless the context otherwise requires, the following definitions govern the construction of these Rules:

A. "Affiliate" means any person, corporation, utility, partnership, or other entity5 per cent or more of whose outstanding securities are owned, controlled, or held with power to vote, directly or indirectly either by a utility or any of its subsidiaries, or by that utility's controlling corporation and/or any of its subsidiaries as well as any company in which the utility, its controlling corporation, or any of the utility's affiliates exert substantial control over the operation of the company and/or indirectly have substantial financial interests in the company exercised through means other than ownership. For purposes of these Rules, "substantial control" includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. A direct or indirect voting interest of 5% or more by the utility in an entity's company creates a rebuttable presumption of control.

For purposes of this Rule, "affiliate" shall include the utility's parent or holding company, or any company which directly or indirectly owns, controls, or holds the power to vote 10% or more of the outstanding voting securities of a utility (holding company), to the extent the holding company is engaged in the provision of products or services as set out in Rule II.B. However, in its compliance plan filed pursuant to Rule VI., the utility shall demonstrate both the specific mechanism and procedures that the utility and holding company have in place to assure that the utility is not utilizing the holding company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules. Examples include but are not limited to specific mechanisms and procedures to assure the Commission that the utility will not use the holding company or another utility affiliate not covered by these Rules as a vehicle to (1) disseminate information transferred to them by the utility to an affiliate covered by these Rules in contravention of these Rules, (2) provide services to its affiliates covered by these Rules in contravention of these Rules or (3) to transfer employees to its affiliates covered by these Rules in contravention of these Rules. In the compliance plan, a corporate officer from the utility and holding company shall verify the adequacy of these specific mechanisms and procedures to ensure that the utility is not utilizing the holding company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules.

Regulated subsidiaries of a utility, defined as subsidiaries of a utility, the revenues and expenses of which are subject to regulation by the Commission and are included by the Commission in establishing rates for the utility, are not included within the definition of affiliate. However, these Rules apply to all interactions any regulated subsidiary has with other affiliated entities covered by these rules.

B. "Commission" means the California Public Utilities Commission or its succeeding state regulatory body.

C. "Customer" means any person or corporation, as defined in Sections 204, 205and 206 of the California Public Utilities Code, that is the ultimate consumer of goods and services.

D. "Customer Information" means non-public information and data specific to utility customer which the utility acquired or developed in the course of its provision of utility services.

E. "FERC" means the Federal Energy Regulatory Commission.

F. "Fully Loaded Cost" means the direct cost of good or service plus all applicable indirect charges and overheads.

G. "Utility" means any public utility subject to the jurisdiction of the Commission as an Electrical Corporation or Gas Corporation, as defined in California Public Utilities Code Sections 218 and 222.

II. Applicability

A. These Rules shall apply to California public utility gas corporations and California public utility electrical corporations, subject to regulation by the California Public Utilities Commission.

B. For purposes of a combined gas and electric utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity, unless specifically exempted below. For purposes of an electric utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or the provision of services that relate to the use of electricity. For purposes of a gas utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or the provision of services that relate to the use of gas.

C. These Rules apply to transactions between a Commission-regulated utility and another affiliated utility, unless specifically modified by the Commission in addressing a separate application to merge or otherwise conduct joint ventures related to regulated services.

D. These rules do not apply to the exchange of operating information, including the disclosure of customer information to its FERC-regulated affiliate to the extent such information is required by the affiliate to schedule and confirm nominations for the interstate transportation of natural gas, between a utility and its FERC-regulated affiliate, to the extent that the affiliate operates an interstate natural gas pipeline.

E. Existing Rules: Existing Commission rules for each utility and its parent holding company shall continue to apply except to the extent they conflict with these Rules. In such cases, these Rules shall supersede prior rules and guidelines, provided that nothing herein shall preclude (1) the Commission from adopting other utility-specific guidelines; or (2) a utility or its parent holding company from adopting other utility-specific guidelines, with advance Commission approval.

F. Civil Relief: These Rules shall not preclude or stay any form of civil relief, or rights or defenses thereto, that may be available under state or federal law.

G. Exemption (Advice Letter): A Commission-jurisdictional utility may be exempted from these Rules if it files an advice letter with the Commission requesting exemption. The utility shall file the advice letter within 30 days after the effective date of this decision adopting these Rules and shall serve it on all parties to this proceeding. In the advice letter filing, the utility shall:

1. Attest that no affiliate of the utility provides services as defined by Rule II.B. above; and

2. Attest that if an affiliate is subsequently created which provides services as defined by Rule II.B. above, then the utility shall:

   a. Notify the Commission, at least 30 days before the affiliate begins to provide services as defined by Rule II.B. above, that such an affiliate has been created; notification shall be accomplished by means of a letter to the Executive Director, served on all parties to this proceeding; and

   b. Agree in this notice to comply with the Rules in their entirety.

H. Limited Exemption (Application): A California utility which is also a multistate utility and subject to the jurisdiction of other state regulatory commissions, may file an application, served on all parties to this proceeding, requesting a limited exemption from these Rules or a part thereof, for transactions between the utility solely in its capacity serving its jurisdictional areas wholly outside of California, and its affiliates. The applicant has the burden of proof.

I. These Rules should be interpreted broadly, to effectuate our stated objectives of fostering competition and protecting consumer interests. If any provision of these Rules, or the application thereof to any person, company, or circumstance, is held invalid, the remainder of the Rules, or the application of such provision to other persons, companies, or circumstances, shall not be affected thereby.

III. Nondiscrimination

A. No Preferential Treatment Regarding Services Provided by the Utility: Unless otherwise authorized by the Commission or the FERC, or permitted by these Rules, a utility shall not:

1. represent that, as a result of the affiliation with the utility, its affiliates or customers of its affiliates will receive any different treatment by the utility than the treatment the utility provides to other, unaffiliated companies or their customers; or

2. provide its affiliates, or customers of its affiliates, any preference (including but not limited to terms and conditions, pricing, or timing) over non-affiliated suppliers or their customers in the provision of services provided by the utility.

B. Affiliate Transactions: Transactions between a utility and its affiliates shall be limited to tariffed products and services, the sale or purchase of goods, property, products or services made generally available by the utility or affiliate to all market participants through an open, competitive bidding process, or as provided for in Sections V D and V E (joint purchases and corporate support) and Section VII (new products and services) below, provided the transactions provided for in Section VII comply with all of the other adopted Rules.

1. Provision of Supply, Capacity, Services or Information: Except as provided for in Sections V D, V E, and VII, provided the transactions provided for in Section VII comply with all of the other adopted Rules, a utility shall provide access to utility information, services, and unused capacity or supply on the same terms for all similarly situated market participants. If a utility provides supply, capacity, services, or information to its affiliate(s), it shall contemporaneously make the offering available to all similarly situated market participants, which include all competitors serving the same market as the utility's affiliates.

2. Offering of Discounts: Except when made generally available by the utility through an open, competitive bidding process, if a utility offers a discount or waives all or any part of any other charge or fee to its affiliates or offers a discount or waiver for a transaction in which its affiliates are involved, the utility shall contemporaneously make such discount or waiver available to all similarly situated market participants. The utilities should not use the "similarly situated" qualification to create such a unique discount arrangement with their affiliates such that no competitor could be considered similarly situated. All competitors serving the same market as the utility's affiliates should be offered the same discount as the discount received by the affiliates. A utility shall document the cost differential underlying the discount to its affiliates in the affiliate discount report described in Rule III.F.7. below.

3. Tariff Discretion: If a tariff provision allows for discretion in its application, a utility shall apply that tariff provision in the same manner to its affiliates and other market participants and their respective customers.

4. No Tariff Discretion: If a utility has no discretion in the application of a tariff provision, the utility shall strictly enforce that tariff provision.

5. Processing Requests for Services Provided by the Utility: A utility shall process requests for similar services provided by the utility in the same manner and within the same time for its affiliates and for all other market participants and their respective customers.

C. Tying of Services Provided by a Utility Prohibited: A utility shall not condition or otherwise tie the provision of any services provided by the utility, nor the availability of discounts of rates or other charges or fees, rebates, or waivers of terms and conditions of any services provided by the utility, to the taking of any goods or services from its affiliates.

D. No Assignment of Customers: A utility shall not assign customers to which it currently provides services to any of its affiliates, whether by default, direct assignment, option or by any other means, unless that means is equally available to all competitors.

E. Business Development and Customer Relations: Except as otherwise provided by these Rules, a utility shall not:

1. provide leads to its affiliates.
2. solicit business on behalf of its affiliates.
3. acquire information on behalf of or to provide to its affiliates.
4. share market analysis reports or any other types of proprietary or non-publicly available reports, including but not limited to market, forecast, planning or strategic reports, with its affiliates.
5. request authorization from its customers to pass on customer information exclusively to its affiliates.
6. give the appearance that the utility speaks on behalf of its affiliates or that the customer will receive preferential treatment as a consequence of conducting business with the affiliates; or
7. give any appearance that the affiliate speaks on behalf of the utility.

F. Affiliate Discount Reports: If a utility provides its affiliates a discount, rebate, or other waiver of any charge or fee associated with services provided by the utility, the utility shall, within 24 hours of the time at which the service provided by the utility is so provided, post a notice on its electronic bulletin board providing the following information:

1. the name of the affiliate involved in the transaction.
2. the rate charged.
3. the maximum rate.
4. the time period for which the discount or waiver applies.
5. the quantities involved in the transaction.
6. the delivery points involved in the transaction.

7. any conditions or requirements applicable to the discount or waiver, and a documentation of the cost differential underlying the discount as required in Rule III.B.2. above, and

8. procedures by which a nonaffiliated entity may request a comparable offer.

A utility that provides an affiliate a discounted rate, rebate, or other waiver of a charge or fee associated with services provided by the utility shall maintain, for each billing period, the following information:

9. the name of the entity being provided services provided by the utility in the transaction.

10. the affiliate's role in the transaction (i.e., shipper, marketer, supplier, seller);

11. the duration of the discount or waiver.

12. the maximum rate.
13. the rate or fee actually charged during the billing period; and

14. the quantity of products or services scheduled at the discounted rate during the billing period for each delivery point.

All records maintained pursuant to this provision shall also conform to FERC rules where applicable.

IV. Disclosure and Information

A. Customer Information: A utility shall provide customer information to its affiliates and unaffiliated entities on a strictly non-discriminatory basis, and only with prior affirmative customer written consent.

B. Non-Customer Specific Non-Public Information: A utility shall make noncustomer specific nonpublic information, including but not limited to information about a utility's natural gas or electricity purchases, sales, or operations or about the utility's gas-related goods or services, electricity related goods or services, available to the utility's affiliates only if the utility makes that information contemporaneously available to all other service providers on the same terms and conditions, and keeps the information open to public inspection. Unless otherwise provided by these Rules, a utility continues to be bound by all Commission-adopted pricing and reporting guidelines for such transactions. Utilities are also permitted to exchange proprietary information on an exclusive basis with their affiliates, provided the utility follows all Commission-adopted pricing and reporting guidelines for such transactions, and it is necessary to exchange this information in the provision of the corporate support services permitted by Rule V.E. below. The affiliate's use of such proprietary information is limited to use in conjunction with the permitted

corporate support services and is not permitted for any other use. Nothing in this Rule precludes the exchange of information pursuant to D.97-10-031. C. Service Provider Information:

1. Except upon request by a customer or as otherwise authorized by the Commission, or approved by another governmental body, a utility shall not provide its customers with any list of service providers, which includes or identifies the utility's affiliates, regardless of whether such list also includes or identifies the names of unaffiliated entities. A utility shall submit lists approved by other governmental bodies in the first semi-annual advice letter filing referenced in Rule IV.C.2. following such approval but may provide customers with such lists pending action on the advice letter.

2. If a customer requests information about any affiliated service provider, the utility shall provide a list of all providers of gas-related, electricity related, or other utility-related goods and services operating in its service territory, including its affiliates. The Commission shall authorize, by semi-annual utility advice letter filing, and either the utility, the Commission, or a Commission-authorized third-party provider shall maintain on file with the Commission a copy of the most updated lists of service providers which have been created to disseminate to a customer upon a customer's request. Any service provider may request that it be included on such list, and, barring Commission direction, the utility shall honor such request. Where maintenance of such list would be unduly burdensome due to the number of service providers, subject to Commission approval by advice letter filing, the utility shall direct the customer to a generally available listing of service providers (e.g., the Yellow Pages). In such cases, no list shall be provided. If there is no Commission authorized list available, utilities may refer customers to a generally available listing of service providers (e.g., the Yellow Pages). The list of service providers should make clear that the Commission does not guarantee the financial stability or service quality of the service providers listed by the act of approving this list.

D. Supplier Information: A utility may provide non-public information and data which has been received from unaffiliated suppliers to its affiliates or non-affiliated entities only if the utility first obtains written affirmative authorization to do so from the supplier. A utility shall not actively solicit the release of such information exclusively to its own affiliate in an effort to keep such information from other unaffiliated entities.

E. Affiliate-Related Advice or Assistance: Except as otherwise provided in these Rules, a utility shall not offer or provide customers advice or assistance with regard to its affiliates or other service providers.

F. Record-Keeping: A utility shall maintain contemporaneous records documenting all tariffed and non-tariffed transactions with its affiliates, including but not limited to, all waivers of tariff or contract provisions and all discounts. A utility shall maintain such records for a minimum of three years and longer if this Commission or another government agency so requires. The utility shall

make such records available for third party review upon 72 hours' notice, or at a time mutually agreeable to the utility and third party.

If D.97-06-110 is applicable to the information the utility seeks to protect, the utility should follow the procedure set forth in D.97-06-110, except that the utility should serve the third party making the request in a manner that the third party receives the utility's D.97-06-110 request for confidentiality within 24 hours of service.

G. Maintenance of Affiliate Contracts and Related Bids: A utility shall maintain a record of all contracts and related bids for the provision of work, products or services to and from the utility to its affiliates for no less than a period of three years, and longer if this Commission or another government agency so requires.

H. FERC Reporting Requirements: To the extent that reporting rules imposed by the FERC require more detailed information or more expeditious reporting, nothing in these Rules shall be construed as modifying the FERC rules.

V. Separation

A. Corporate Entities: A utility and its affiliates shall be separate corporate entities.

B. Books and Records: A utility and its affiliates shall keep separate books and records.

1. Utility books and records shall be kept in accordance with applicable Uniform System of Accounts (USOA) and Generally Accepted Accounting Procedures (GAAP).
2. The books and records of affiliates shall be open for examination by the Commission and its staff consistent with the provisions of Public Utilities Code Section 314.

C. Sharing of Plant, Facilities, Equipment or Costs: A utility shall not share office space, office equipment, services, and systems with its affiliates, nor shall a utility access the computer or information systems of its affiliates or allow its affiliates to access its computer or information systems, except to the extent appropriate to perform shared corporate support functions permitted under Section V E of these Rules. Physical separation required by this rule shall be accomplished preferably by having office space in a separate building, or, in the alternative, through the use of separate elevator banks and/or security-controlled access. This provision does not preclude a utility from offering a joint service provided this service is authorized by the Commission and is available to all non-affiliated service providers on the same terms and conditions (e.g., joint billing services pursuant to D.97-05-039).

D. Joint Purchases: To the extent not precluded by any other Rule, the utilities and their affiliates may make joint purchases of goods and services, but not those associated with the traditional utility merchant function. For purpose of these Rules, to the extent that a utility is engaged in the marketing of the commodity of electricity or natural gas to customers, as opposed to the marketing of transmission and distribution services, it is engaging in merchant functions. Examples of

permissible joint purchases include joint purchases of office supplies and telephone services. Examples of joint purchases not permitted include gas and electric purchasing for resale, purchasing of gas transportation and storage capacity, purchasing of electric transmission, systems operations, and marketing. The utility must ensure that all joint purchases are priced, reported, and conducted in a manner that permits clear identification of the utility and affiliate portions of such purchases, and in accordance with applicable Commission allocation and reporting rules.

E. Corporate Support: As a general principle, a utility, its parent holding company, or a separate affiliate created solely to perform corporate support services may share with its affiliates joint corporate oversight, governance, support systems and personnel. Any shared support shall be priced, reported and conducted in accordance with the Separation and Information Standards set forth herein, as well as other applicable Commission pricing and reporting requirements.

As a general principle, such joint utilization shall not allow or provide a means for the transfer of confidential information from the utility to the affiliate, create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidization of affiliates. In the compliance plan, a corporate officer from the utility and holding company shall verify the adequacy of the specific mechanisms and procedures in place to ensure the utility follows the mandates of this paragraph, and to ensure the utility is not utilizing joint corporate support services as a conduit to circumvent these Rules.

Examples of services that may be shared include payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment policies), employee records, regulatory affairs, lobbying, legal, and pension management.

Examples of services that may not be shared include employee recruiting, engineering, hedging and financial derivatives and arbitrage services, gas and electric purchasing for resale, purchasing of gas transportation and storage capacity, purchasing of electric transmission, system operations, and marketing.

F. Corporate Identification and Advertising:

1. A utility shall not trade upon, promote, or advertise its affiliate's affiliation with the utility, nor allow the utility name or logo to be used by the affiliate or in any material circulated by the affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where the utility name or logo appears that:

    a. the affiliate "is not the same company as [i.e. PG&E, Edison, the Gas Company, etc.], the utility,";

    b. the affiliate is not regulated by the California Public Utilities Commission; and

c. "you do not have to buy [the affiliate's] products in order to continue to receive quality regulated services from the utility."

The application of the name/logo disclaimer is limited to the use of the name or logo in California.

2. A utility, through action or words, shall not represent that, as a result of the affiliate's affiliation with the utility, its affiliates will receive any different treatment than other service providers.

3. A utility shall not offer or provide to its affiliates advertising space in utility billing envelopes or any other form of utility customer written communication unless it provides access to all other unaffiliated service providers on the same terms and conditions.

4. A utility shall not participate in joint advertising or joint marketing with its affiliates. This prohibition means that utilities may not engage in activities which include, but are not limited to the following:

   a. A utility shall not participate with its affiliates in joint sales calls, through joint call centers or otherwise, or joint proposals (including responses to requests for proposals (RFPs)) to existing or potential customers. At a customer's unsolicited request, a utility may participate, on a nondiscriminatory basis, in non-sales meetings with its affiliates or any other market participant to discuss technical or operational subjects regarding the utility's provision of transportation service to the customer.

   b. Except as otherwise provided for by these Rules, a utility shall not participate in any joint activity with its affiliates. The term "joint activities" includes, but is not limited to, advertising, sales, marketing, communications and correspondence with any existing or potential customer.

   c. A utility shall not participate with its affiliates in trade shows, conferences, or other information or marketing events held in California.

5. A utility shall not share or subsidize costs, fees, or payments with its affiliates associated with research and development activities or investment in advanced technology research.

G. Employees:

1. Except as permitted in Section V E (corporate support), a utility and its affiliates shall not jointly employ the same employees. This Rule prohibiting joint employees also applies to Board Directors and corporate officers, except for the following circumstances: In instances when this Rule is applicable to holding companies, any board member or corporate officer may serve on the holding company and with either the utility or affiliate

(but not both). Where the utility is a multi-state utility, is not a member of a holding company structure, and assumes the corporate governance functions for the affiliates, the prohibition against any board member or corporate officer of the utility also serving as a board member or corporate officer of an affiliate shall only apply to affiliates that operate within California. In the case of shared directors and officers, a corporate officer from the utility and holding company shall verify in the utility's compliance plan the adequacy of the specific mechanisms and procedures in place to ensure that the utility is not utilizing shared officers and directors as a conduit to circumvent any of these Rules. In its compliance plan required in Rule VI., the utility shall list all shared directors and officers between the utility and affiliates. No later than 30 days following a change to this list, the utility shall notify the Commission's Energy Division and the parties on the service list of R.97-04-011/I.97-04-012 of any change to this list.

2. All employee movement between a utility and its affiliates shall be consistent with the following provisions:

    a. A utility shall track and report to the Commission all employee movement between the utility and affiliates. The utility shall report this information annually pursuant to our Affiliate Transaction Reporting Decision, D.93-02-016, 48 CPUC2[d] 163, 171-172 and 180 (Appendix A, Section I and Section II H.).

    b. Once an employee of a utility becomes an employee of an affiliate, the employee may not return to the utility for a period of one year. This Rule is inapplicable if the affiliate to which the employee transfers goes out of business during the one year period. In the event that such an employee returns to the utility, such employee cannot be retransferred, reassigned, or otherwise employed by the affiliate for a period of two years. Employees transferring from the utility to the affiliate are expressly prohibited from using information gained from the utility in a discriminatory or exclusive fashion, to the benefit of the affiliate or to the detriment of other unaffiliated service providers.

    c. When an employee of a utility is transferred, assigned, or otherwise employed by the affiliate, the affiliate shall make a one-time payment to the utility in an amount equivalent to 25% of the employee's base annual compensation, unless the utility can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee included. In the limited case where a rank-and-file (nonexecutive) employee's position is eliminated as a result of electric industry restructuring, a utility may demonstrate that no fee or a lesser percentage than 15% is appropriate. The Board of Directors must vote to classify these employees as "impacted" by electric restructuring and these employees must be transferred no later than December 31, 1998, except for the transfer of employees working at divested plants. In that instance, the Board of Directors must vote to classify these employees as "impacted" by electric restructuring and these employees must be

transferred no later than within 60 days after the end of the O&M contract with the new plant owners. All such fees paid to the utility shall be accounted for in a separate memorandum account to track them for future ratemaking treatment (i.e. credited to the Electric Revenue Adjustment Account or the Core and Noncore Gas Fixed Cost Accounts, or other ratemaking treatment, as appropriate), on an annual basis, or as otherwise necessary to ensure that the utility's ratepayers receive the fees. This transfer payment provision will not apply to clerical workers. Nor will it apply to the initial transfer of employees to the utility's holding company to perform corporate support functions or to a separate affiliate performing corporate support functions, provided that that transfer is made during the initial implementation period of these rules or pursuant to a § 851 application or other Commission proceeding. However, the rule will apply to any subsequent transfers or assignments between a utility and its affiliates of all covered employees at a later time.

d. Any utility employee hired by an affiliate shall not remove or otherwise provide information to the affiliate which the affiliate would otherwise be precluded from having pursuant to these Rules.

e. A utility shall not make temporary or intermittent assignments, or rotations to its energy marketing affiliates. Utility employees not involved in marketing may be used on a temporary basis (less than 30% of an employee's chargeable time in any calendar year) by affiliates not engaged in energy marketing only if:

    i. All such use is documented, priced and reported in accordance with these Rules and existing Commission reporting requirements, except that when the affiliate obtains the services of a non-executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 10% of direct labor cost, or fair market value. When the affiliate obtains the services of an executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 15% of direct labor cost, or fair market value.

    ii. Utility needs for utility employees always take priority over any affiliate requests.

    iii. No more than 5% of full time equivalent utility employees may be on loan at a given time;

    iv. Utility employees agree, in writing, that they will abide by these Affiliate Transaction Rules; and

v. Affiliate use of utility employees must be conducted pursuant to a written agreement approved by appropriate utility and affiliate officers.

H. Transfer of Goods and Services: To the extent that these Rules do not prohibit transfers of goods and services between a utility and its affiliates, and except for as provided by Rule V.G.2.e., all such transfers shall be subject to the following pricing provisions:

1. Transfers from the utility to its affiliates of goods and services produced, purchased or developed for sale on the open market by the utility will be priced at fair market value.

2. Transfers from an affiliate to the utility of goods and services produced, purchased or developed for sale on the open market by the affiliate shall be priced at no more than fair market value.

3. For goods or services for which the price is regulated by a state or federal agency, that price shall be deemed to be the fair market value, except that in cases where more than one state commission regulates the price of goods or services, this Commission's pricing provisions govern.

4. Goods and services produced, purchased or developed for sale on the open market by the utility will be provided to its affiliates and unaffiliated companies on a nondiscriminatory basis, except as otherwise required or permitted by these Rules or applicable law.

5. Transfers from the utility to its affiliates of goods and services not produced, purchased or developed for sale by the utility will be priced at fully loaded cost plus 5% of direct labor cost.

6. Transfers from an affiliate to the utility of goods and services not produced, purchased or developed for sale by the affiliate will be priced at the lower of fully loaded cost or fair market value.

VI. Regulatory Oversight

A. Compliance Plans: No later than December 31, 1997, each utility shall file a compliance plan demonstrating to the Commission that there are adequate procedures in place that will preclude the sharing of information with its affiliates that is prohibited by these Rules. The utility should file its compliance plan as an advice letter with the Commission's Energy Division and serve it on the parties to this proceeding. The utility's compliance plan shall be in effect between the filing and a Commission determination of the advice letter. A utility shall file a compliance plan annually thereafter by advice letter served on all parties to this proceeding where there is some change in the compliance plan (i.e., when a new affiliate has been created, or the utility has changed the compliance plan for any other reason).

B. New Affiliate Compliance Plans: Upon the creation of a new affiliate which is addressed by these Rules, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission, served on the parties to this proceeding. The advice letter shall demonstrate how the utility will implement these Rules with respect to the new affiliate.

C. Affiliate Audit: No later than December 31, 1998, and every year thereafter, the utility shall have audits performed by independent auditors that cover the calendar year which ends on December 31, and that verify that the utility is in compliance with the Rules set forth herein. The utilities shall file the independent auditor's report with the Commission's Energy Division beginning no later than May 1, 1999, and serve it on all parties to this proceeding. The audits shall be at shareholder expense.

D. Witness Availability: Affiliate officers and employees shall be made available to testify before the Commission as necessary or required, without subpoena, consistent with the provisions of Public Utilities Code Section 314.

VII. Utility Products and Services

A. General Rule: Except as provided for in these Rules, new products and services shall be offered through affiliates.

B. Definitions: The following definitions apply for the purposes of this section (Section VII) of these Rules:

1. "Category" refers to a factually similar group of products and services that use the same type of utility assets or capacity. For example, "leases of land under utility transmission lines" or "use of a utility repair shop for third party equipment repair" would each constitute a separate product or service category.

2. "Existing" products and services are those which a utility is offering on the effective date of these Rules.

3. "Products" include use of property, both real and intellectual, other than those uses authorized under General Order 69-C.

4. "Tariff" or "tariffed" refers to rates, terms and conditions of services as approved by this Commission or the Federal Energy Regulatory Commission (FERC), whether by traditional tariff, approved contract or other such approval process as the Commission or the FERC may deem appropriate.

C. Utility Products and Services: Except as provided in these Rules, a utility shall not offer nontariffed products and services. In no event shall a utility offer natural gas or electricity commodity service on a non-tariffed basis. A utility may only offer for sale the following products and services:

1. Existing products and services offered by the utility pursuant to tariff.

2. Unbundled versions of existing utility products and services, with the unbundled versions being offered on a tariffed basis;
3. New products and services that are offered on a tariffed basis; and

4. Products and services which are offered on a non-tariffed basis, and which meet the following conditions:

    a. The non-tariffed product or service utilizes a portion of a utility asset or capacity.

    b. such asset or capacity has been acquired for the purpose of and is necessary and useful in providing tariffed utility services.

    c. the involved portion of such asset or capacity may be used to offer the product or service on a non-tariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services.

    d. the products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risk being incurred by utility ratepayers, and no undue diversion of utility management attention; and

    e. The utility's offering of such non-tariffed product or service does not violate any law, regulation, or Commission policy regarding anticompetitive practices.

D. Conditions Precedent to Offering New Products and Services: This Rule does not represent an endorsement by the Commission of any particular non-tariffed utility product or service. A utility may offer new non-tariffed products and services only if the Commission has adopted and the utility has established:

1. A mechanism or accounting standard for allocating costs to each new product or service to prevent cross-subsidization between services a utility would continue to provide on a tariffed basis and those it would provide on a non-tariffed basis.

2. A reasonable mechanism for treatment of benefits and revenues derived from offering such products and services, except that in the event the Commission has already approved a performance-based ratemaking mechanism for the utility and the utility seeks a different sharing mechanism, the utility should petition to modify the performance-based ratemaking decision if it wishes to alter the sharing mechanism, or clearly justify why this procedure is inappropriate, rather than doing so by application or other vehicle;

3. Periodic reporting requirements regarding pertinent information related to non-tariffed products and services; and

4. Periodic auditing of the costs allocated to and the revenues derived from non-tariffed products and services.

E. Requirement to File an Advice Letter: Prior to offering a new category of non-tariffed products or services as set forth in Section VII C above, a utility shall file an advice letter in compliance with the following provisions of this paragraph.

1. The advice letter shall:

   a. demonstrate compliance with these rules.

   b. address the amount of utility assets dedicated to the non-utility venture, in order to ensure that a given product or service does not threaten the provision of utility service and show that the new product or service will not result in a degradation of cost, quality, or reliability of tariffed goods and services.

   c. demonstrate that the utility has not received competition transition charge (CTC) recovery in the Transition Cost Proceeding, A.96-08-001, or other related CTC Commission proceeding, for the portion of the utility asset dedicated to the nonutility venture;

   d. address the potential impact of the new product or service on competition in the relevant market, including but not limited to the degree in which the relevant market is already competitive in nature and the degree to which the new category of products or services is projected to affect that market; and

   e. be served on the service list of Rulemaking 97-04-011/Investigation 97-04-012, as well as on any other party appropriately designated by the rules governing the Commission's advice letter process.

2. For categories of non-tariffed products or services targeted and offered to less than 1% of the number of customers in the utility's customer base, in the absence of a protest alleging non-compliance with these Rules or any law, regulation, decision, or Commission policy, or allegations of harm, the utility may commence offering the product or service 30 days after submission of the advice letter. For categories of non-tariffed products or services targeted and offered to 1% or more of the number of customers in the utility's customer base, the utility may commence offering the product or service after the Commission approves the advice letter through the normal advice letter process.

3. A protest of an advice letter filed in accordance with this paragraph shall include:

a. An explanation of the specific Rules, or any law, regulation, decision, or Commission policy the utility will allegedly violate by offering the proposed product or service, with reasonable factual detail; or

b. An explanation of the specific harm the protestant will allegedly suffer.

4. If such a protest is filed, the utility may file a motion to dismiss the protest within 5 working days if it believes the protestant has failed to provide the minimum grounds for protest required above. The protestant has 5 working days to respond to the motion.

5. The intention of the Commission is to make its best reasonable efforts to rule on such a motion to dismiss promptly. Absent a ruling granting a motion to dismiss, the utility shall begin offering that category of products and services only after Commission approval through the normal advice letter process.

F. Existing Offerings: Unless and until further Commission order to the contrary as a result of the advice letter filing or otherwise, a utility that is offering tariffed or non-tariffed products and services, as of the effective date of this decision, may continue to offer such products and services, provided that the utility complies with the cost allocation and reporting requirements in this rule. No later than January 30, 1998, each utility shall submit an advice letter describing the existing products and services (both tariffed and non-tariffed) currently being offered by the utility and the number of the Commission decision or advice letter approving this offering, if any, and requesting authorization or continuing authorization for the utility's continued provision of this product or service in compliance with the criteria set forth in Rule VII. This requirement applies to both existing products and services explicitly approved and not explicitly approved by the Commission.

G. Section 851 Application: A utility must continue to comply fully with the provisions of Public Utilities Code Section 851 when necessary or useful utility property is sold, leased, assigned, mortgaged, disposed of, or otherwise encumbered as part of a non-tariffed product or service offering by the utility. If an application pursuant to Section 851 is submitted, the utility need not file a separate advice letter, but shall include in the application those items which would otherwise appear in the advice letter as required in this Rule.

H. Periodic Reporting of Non-Tariffed Products and Services: Any utility offering non-tariffed products and services shall file periodic reports with the Commission's Energy Division twice annually for the first two years following the effective date of these Rules, then annually thereafter unless otherwise directed by the Commission. The utility shall serve periodic reports on the service list of this proceeding. The periodic reports shall contain the following information:

1. A description of each existing or new category of non-tariffed products and services and the authority under which it is offered.

2. A description of the types and quantities of products and services contained within each category (so that, for example, "leases for agricultural nurseries at 15 sites" might be listed

under the category "leases of land under utility transmission lines," although the utility would not be required to provide the details regarding each individual lease);

3. The costs allocated to and revenues derived from each category; and

4. Current information on the proportion of relevant utility assets used to offer each category of product and service.

I. Offering of Non-Tariffed Products and Services to Affiliates: Non-tariffed products and services which are allowed by this Rule may be offered to utility affiliates only in compliance with all other provisions of these Affiliate Rules. Similarly, this Rule does not prohibit affiliate transactions which are otherwise allowed by all other provisions of these Affiliate Rules.