

**Written Compliance Procedures of Pine Needle LNG Company, LLC  
Pursuant to Order No. 717, et seq., and Part 358 of the FERC Regulations  
January 19, 2024**

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**I. Introduction and Definitions**

In its Order Nos. 717, et seq. (“Order No. 717”) issued in Docket Nos. RM07-1-000, et al. “Standards of Conduct for Transmission Providers,” the Federal Energy Regulatory Commission (“FERC” or “Commission”) revised its Standards of Conduct regulations that govern the relationship between an interstate natural gas pipeline that transports gas for others pursuant to Subparts B or G of Part 284 of the Commission’s regulations (“Transmission Provider”) and its affiliate that engages in Marketing Functions and conducts Transmission Transactions with the Transmission Provider.

Pine Needle LNG Company, LLC (“Pine Needle”) is a “Transmission Provider” as defined in section 358.3(k) of the Standards of Conduct.

**A. Definitions**

The Standards of Conduct include, among others, the following defined terms. Other capitalized terms used but not defined herein shall have the meaning given such terms in section 358.3 of the Standards of Conduct.

- “Marketing Functions” is defined in section 358.3(c)(2) as the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:
  - i Bundled retail sales,
  - ii Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities,
  - iii Sales of natural gas solely from a seller’s own production,
  - iv Sales of natural gas solely from a seller’s own gathering or processing facilities, and
  - v On-system sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, by a local distribution company or by a local distribution company operating under section 7(f) of the Natural Gas Act. .
- “Marketing Function Employee” is defined in section 358.3(d) as an employee, contractor, consultant or agent of a Transmission Provider or of an Affiliate of a Transmission Provider who actively and personally engages on a day-to-day basis in Marketing Functions.
- “Non-public Transmission Function Information” is defined as all non-public Transmission Function Information related to the planning, directing, organizing or carrying out of day-to-day Pine Needle Transmission operations, including the granting and denying of Transmission Service requests, available Transmission capability, price, curtailments, storage and balancing, and non-public Transmission Customer information (including a customer’s Transmission request and accompanying information).

- “Transmission” is defined in section 358.3(f) as natural gas transportation, storage, exchange, backhaul or displacement service provided pursuant to subpart B or G of part 284.
- “Transmission Functions” is defined in section 358.3(h) as the planning, directing, organizing or carrying out of day-to-day Transmission operations, including the granting and denying of Transmission service requests.
- “Transmission Function Employee” is defined in section 358.3(i) as an employee, contractor, consultant or agent of a Transmission Provider who actively and personally engages on a day-to-day basis in Transmission Functions.
- “Transmission Provider” is defined in section 358.3(k)(2) as any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of Part 284 of the Commission’s regulations.

#### B. Background Information Regarding Pine Needle

Pine Needle LNG Company, LLC (“Pine Needle”) provides natural gas storage service in interstate commerce pursuant to Part 284(G) of the Commission’s regulations. Therefore, Pine Needle is a Transmission Provider as defined in the Standards of Conduct.

Pine Needle is a limited liability company formed under the laws of North Carolina. The members of Pine Needle are as follows (the members’ respective ownership interests are noted in parentheses): TransCarolina LNG Company (“TransCarolina”), a Delaware corporation and wholly owned subsidiary of Transcontinental Gas Pipe Line Corporation (“Transco”) (35%); Piedmont Interstate Pipeline Company (“PIPICO”), a North Carolina corporation and wholly owned subsidiary of Piedmont Natural Gas Company, Inc. (45%); PSNC Blue Ridge Corporation (“PSNC Blue Ridge”), a North Carolina corporation and wholly owned subsidiary of Public Service Company of North Carolina, Inc. (17%); and the Municipal Gas Authority of Georgia, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia (3%).

Pine Needle has a management committee that consists of a representative from each member and functions similarly to a board of directors. Pine Needle has two officers, a chairman and a secretary, who serve at the pleasure of the management committee and are employees of Transco. Pine Needle does not have any employees but instead has arranged with Pine Needle Operating Company, LLC (“Pine Needle Operating”), a wholly owned subsidiary of Transco, to operate and maintain Pine Needle’s facilities and handle all of the day-to-day business affairs of Pine Needle. Pine Needle Operating uses Transco employees and, in some cases, other employees of The Williams Companies, Inc. (“Williams”), to perform these activities. For ease of reference, the Transco and Williams employees used by Pine Needle Operating and the Transco employees who serve as officers of Pine Needle are collectively referred to herein as employees of Pine Needle Operating.

Section 358.7(d) of the Standards of Conduct requires that a Transmission Provider post on its Internet Web site current written procedures implementing the Standards of Conduct. The following procedures have been adopted by Pine Needle to comply with the Standards of Conduct promulgated pursuant to FERC Order No. 717.

## **II. Non-Discrimination Requirements**

Pine Needle will comply with the requirements of section 358.4(a)-(d) of the Standards of Conduct.

Pine Needle will strictly enforce all tariff provisions relating to the sale or purchase of open access Transmission service, if the tariff provisions do not permit the use of discretion. The use of discretion will be done in a not unduly discriminatory manner for all of Pine Needle's storage customers. Pine Needle will not give undue preference to any person in matters relating to the sale or purchase of Transmission service. Pine Needle will process all similar requests for Transmission in the same manner and within the same period of time.

## **III. Independent Functioning**

As required by section 358.5(a) of the Standards of Conduct, except as described in Parts III.A and V.H below, the Transmission Function Employees of Pine Needle Operating shall function independently of the Marketing Function Employees of Pine Needle's Affiliates.

As required by sections 358.5(b)(1)(i) and (2) of the Standards of Conduct, the Marketing Function Employees of Pine Needle's Affiliates will not conduct Transmission Functions for Pine Needle and the Transmission Function Employees of Pine Needle Operating will not conduct Marketing Functions.

As required by section 358.5(b)(1)(ii) of the Standards of Conduct, no Marketing Function Employee of Pine Needle's Affiliates will have access to Pine Needle's gas control facilities or similar facilities used for transmission operations that differs in any way from the access available to other Transmission Customers.

### **A. Transmission Function Employees**

As described above, Pine Needle has no employees but has arranged for the employees of Pine Needle Operating to operate, maintain and handle the business affairs of Pine Needle. At this time, Williams has determined that Pine Needle Operating does not have any employees that actively and personally engage on a day-to-day basis in a Marketing Function (which is defined in the Standards of Conduct as excluding the activities set forth in section 358.3(c)(2)(i)-(v)) and, therefore, none of the employees of Pine Needle Operating are Marketing Function Employees. Based on the Commission's guidance in Order 717, Williams has identified certain employees of Pine Needle Operating and certain employees in functional areas of Williams that support Pine Needle and perform Transmission Functions who will be

designated as Transmission Function Employees, and whose job titles and job descriptions will be posted on Pine Needle's Intranet Web site.

The representatives of the members who reside on Pine Needle's management committee, as part of their job function, can receive information concerning Pine Needle's Transmission system and information acquired from non-affiliated storage customers or potential non-affiliated storage customers. The representative(s) of TransCarolina who reside on the management committee are treated as Transmission Function Employees. The representatives of the other members are not Transmission Function Employees and do not have day-to-day duties or responsibilities for planning, organizing, or carrying out natural gas sales functions except for such functions exempted under section 358.3(c)(2). The no-conduit rule described in section 358.6 of the Standards of Conduct will apply to all representatives on the management committee.

**B. Marketing Function Employees**

Two members of Pine Needle, PIPCO and PSNC Blue Ridge, are affiliated with companies that are considered Affiliates of Pine Needle under the Standards of Conduct and that employ or retain Marketing Function Employees. As described in Part V.E.(1) below, those Affiliates are posted by Pine Needle on its Internet Web site in accordance with section 358.7(e)(1).

**IV. No Conduit Rule**

Pine Needle will observe the no-conduit rule as required by section 358.6 of the Standards of Conduct. The no-conduit rule will apply to all Williams employees of Pine Needle Operating, Pine Needle's members, and the representatives who reside on Pine Needle's management committee, and to any contractor, consultant or agent of Pine Needle.

**A) Access Control Procedures**

Neither Pine Needle nor Pine Needle Operating share any computer systems with any Marketing Function Employees. Access to computer servers is restricted by access control mechanisms (such as user ids, passwords, FERC deny flag for Windows servers, visibility restriction of FERC IT components in the access control system).

Pine Needle follows the Williams Access Control process under which Pine Needle ensures that Marketing Function Employees do not have preferential computer access to non-public Transmission Function Information.

Any transfer by a Transmission Function Employee of Pine Needle Operating to a Marketing Function position will be treated as a termination for access purposes.

## B. Physical Access to Premises

A card key is required to access the office space that the Pine Needle Operating employees occupy in Houston. Card key access is not provided to Marketing Function Employees of Pine Needle's Affiliates. Marketing Function Employees of Pine Needle's Affiliates may enter the office space occupied by the Pine Needle Operating employees after registering with a receptionist and providing identification, but they do not receive a card key and must be escorted by an employee with a card key in order to gain access to such office space.

Williams employees who have access to Pine Needle's non-public Transmission Function Information are responsible for securing such information from unauthorized disclosure using properly secured information/processing systems and for similarly securing hard copy information.

## V. **Transparency Rule**

### A. Contemporaneous Disclosure

As required by section 358.7(a)(1) of the Standards of Conduct, in the event that Pine Needle's non-public Transmission Function Information, other than information identified in the next sentence of this paragraph, is disclosed in a manner contrary to the requirements of section 358.6 (the No-conduit Rule, which is discussed in Part IV above), then Pine Needle will immediately post the information that was disclosed on its Internet Web site. As required by section 358.7(a)(2), in the event that non-public Transmission Customer information, critical energy infrastructure information or any other information that the Commission by law has determined is to be subject to limited dissemination is disclosed in a manner contrary to the requirements of section 358.6, Pine Needle will immediately post notice on its Internet Web site that the information was disclosed. The requirement to contemporaneously disclose does not apply to information covered by section 358.7(b), relating to a specific request for Transmission service by a Marketing Function Employee, which is discussed in Part V.B below.

### B. Exclusion for Specific Transaction Information

As permitted by section 358.7(b) of the Standards of Conduct, Pine Needle is not required to contemporaneously disclose information otherwise covered by 358.6 if the information relates solely to a Marketing Function Employee's specific request for Transmission Service.

### C. Voluntary Consent

As permitted by section 358.7(c) of the Standards of Conduct, in the event that a Transmission Customer (whether affiliated or non-affiliated with Pine Needle) gives Pine Needle its voluntary consent, in writing, to allow Pine Needle to disclose the Transmission Customer's non-public information to the Marketing Function Employees of Pine Needle's Affiliates, then Pine Needle will post notice on Pine Needle's Internet Web site of the Transmission Customer's consent along with a

statement that Pine Needle did not provide any preference, either operational or rate-related, in exchange for that voluntary consent.

D. Written Procedures

As required by section 358.7(d) of the Standards of Conduct, Pine Needle will post on its Internet Web site the current procedures it has implemented to ensure compliance with the Standards of Conduct.

E. Identification of Affiliate Information

(1) Names and Addresses

As required by section 358.7(e)(1) of the Standards of Conduct, Pine Needle identifies on its Internet Web site all of its Affiliates that employ or retain Marketing Function Employees.

As stated above, three members of Pine Needle, TransCarolina, PIPCO and PSNC Blue Ridge, are affiliated with companies that are considered Affiliates of Pine Needle under the Standards of Conduct. The Williams FERC Compliance Officer will be notified by the Corporate Secretary or Corporate Legal Counsel of the parent company of each such member when any company is formed or acquired by such parent companies or their subsidiaries so that a determination can be made as to whether such company employs or retains Marketing Function Employees and so that the posted Affiliate information can be updated accordingly. In addition, the Corporate Secretary or Corporate Legal Counsel will notify the Williams FERC Compliance Officer of any company that employs Marketing Function Employees that is being sold or dissolved so that the posted Affiliate information can be updated accordingly.

(2) Shared Facilities

As required by section 358.7(e)(2) of the Standards of Conduct, Pine Needle will post on its Internet Web site a complete list of the employee-staffed facilities shared by any of Transmission Function Employees of Pine Needle Operating and any Marketing Function Employees of Pine Needle's Affiliates, including the types of facilities shared and the addresses.

The Williams FERC Compliance Officer will be responsible for making sure that the posted information is updated within seven business days of any change.

(3) Mergers

As required by section 358.7(e)(3) of the Standards of Conduct, Pine Needle will post information concerning potential merger partners as Affiliates that may employ or retain Marketing Function Employees, within seven days after the potential merger is announced.

The members of Pine Needle will notify the Williams FERC Compliance Officer at the same time a potential merger is publicly announced and will cooperate with the Williams FERC Compliance Officer to determine whether the potential merger partner may employ or retain Marketing Function Employees. If the potential merger partner may employ or retain Marketing Function Employees, then the Williams FERC Compliance Officer will notify Pine Needle Operating to post the required information within seven days after the potential merger is announced.

F. Identification of Employee Information

(1) Job Titles and Job Descriptions

As required by section 358.7(f)(1) of the Standards of Conduct, Pine Needle will post on its Internet Web site the job titles and job descriptions of the Transmission Function Employees of Pine Needle Operating.

(2) Employee Transfers

As required by section 358.7(f)(2) of the Standards of Conduct, notice of any transfer of a Transmission Function Employee of Pine Needle Operating to a position as a Marketing Function Employee, or any transfer of a Marketing Function Employee to a position as a Transmission Function Employee of Pine Needle Operating, will be posted on Pine Needle's Internet Web site. The information to be posted will include the name of the transferring employee, the respective titles held while performing each function and the effective date of the transfer. The information will be posted for 90 days.

G. Timing and General Requirements of Postings

Pine Needle will update on its Internet Web site the information required by Part 358 within seven business days of any change unless a different posting time frame is specified by the regulations and will post the date on which the information was updated. All Internet Web site postings required by Part 358 will be sufficiently prominent as to be readily accessible.

In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts Pine Needle's normal business operations, the posting requirements under Part 358 may be suspended by Pine Needle. If the disruption lasts longer than one month, Pine Needle will notify the Commission and may seek a further exemption from the posting requirements.

H. Exclusion for and Recordation of Certain Information Exchanges

As permitted by section 358.7(h) of the Standards of Conduct, notwithstanding the requirements of sections 358.5(a) and 358.6 (the Independent Functioning and No-conduit Rule respectively, as discussed in Parts III and IV, respectively, above), the Transmission Function Employees of Pine Needle Operating and the Marketing Function Employees of Pine Needle's Affiliates may exchange certain non-public Transmission Function Information of Pine Needle necessary to maintain or restore



operation of Pine Needle's storage facilities. Pine Needle Operating will make and retain a contemporaneous record of all such exchanges except in emergency circumstances. In the case of an emergency, Pine Needle Operating will make a record of the exchange as soon as practicable after the fact. Pine Needle Operating shall make the record available to the Commission upon request. Pine Needle Operating's Gas Control and Customer Service are responsible for ensuring that records of any information exchange under this exclusion are prepared and maintained for a period of five years.

#### I. Posting of Waivers

As required by section 358.7(i) of the Standards of Conduct, Pine Needle will post on its Internet Web site notice of each waiver of a tariff provision that it grants in favor of an Affiliate, unless such waiver has been approved by the Commission. The posting will be made within one business day of the act of a waiver. Pine Needle will also maintain a log of the acts of waiver granted in favor of an Affiliate, and make it available to the Commission upon request. The records will be kept for a period of five years from the date of each act of waiver. Pine Needle Operating's Manager who authorizes a waiver will be responsible for ensuring that each waiver of a tariff provision that Pine Needle grants in favor of an Affiliate is posted within one business day of the act of a waiver and is included in the log.

### **VI. Implementation Requirements**

#### A. Compliance Measures and Written Procedures

As required by section 358.8(b)(1) and (2) of the Standards of Conduct, Pine Needle has implemented procedures to ensure that the requirements of sections 358.5 and 358.6 are observed by the employees of Pine Needle Operating and by the employees of Pine Needle's Affiliates which are described in Parts III and IV above. The Williams FERC Compliance Officer will distribute an electronic copy of these compliance procedures to all Transmission Function Employees of Pine Needle Operating, Marketing Function Employees of Pine Needle's Affiliates, and all other officers, directors, supervisory employees and any other employees likely to become privy to Pine Needle's Transmission Function Information. In addition, Williams has adopted a Policy addressing the Standards of Conduct Compliance Plan, which states, among other things, the following: "Employees who violate any provision of this policy will be subject to disciplinary action, up to and including termination. For any disciplinary action taken, there will be a notation of the same placed in the employee's personnel file that will reflect the incident and the disciplinary action taken."

#### B. Training

Williams will provide annual training on the Standards of Conduct for all Transmission Function Employees of Pine Needle Operating and all other officers, directors, supervisory employees and any other employees likely to become privy to Pine Needle's Transmission Function Information. Either Pine Needle or the appropriate member of Pine Needle will provide annual training on the Standards of Conduct for

the Marketing Function Employees of Pine Needle's Affiliates. All trained employees will certify that they have been trained on the Standards of Conduct as required by section 358.8(c)(1) of the Standards of Conduct. Those employees that are on disability or administrative leave will not be trained unless and until they resume full time active employment in which case they will be trained within the time frame for new hires.

The Standards of Conduct training will primarily be computer based, and provided through the Williams e-learning system. Completion of the training by each employee will be tracked and monitored by the Williams FERC Compliance Officer or her designee.

Newly hired Transmission Function Employees of Pine Needle Operating, Marketing Function Employees of Pine Needle's Affiliates, and officers, directors, supervisory employees and any other newly hired employees likely to become privy to Pine Needle's Transmission Function Information will complete the training within 30 days of the effective date of their employment.

Employees or Contractors who have access to any non-public Transmission Function Information through a FERC identified component must complete the Standards of Conduct training module within 30 days of their start date or must complete the Standards of Conduct training module within 30 days of being granted access to the FERC identified component. A "FERC identified component" is any Pine Needle component (application, application's sub-components, system or database) that contains any non-public Transmission Function Information.

#### C. Compliance Officer

As required by section 358.8(c)(2) of the Standards of Conduct, Williams has designated Nick Baumann, a corporate employee, as the Williams FERC Compliance Officer. The contact information for Mr. Baumann is set forth below and is posted on Pine Needle's Internet Web site:

Nick Baumann  
2800 Post Oak Blvd  
Level 12  
Houston, Texas  
713-215-3383 – office phone  
281-714-7056 – cell phone

In certain instances, the Williams FERC Compliance Officer may designate others as having responsibility for certain functions, such as Williams IT-Security for computer access control.

Employees of Pine Needle Operating can report infractions of the Standards of Conduct anonymously to the Williams FERC Compliance Officer, by calling the Williams Action Line at 1-800-324-3606 or inline at [www.williams.ethicspoint.com](http://www.williams.ethicspoint.com).

D. Books and Records

Pine Needle will maintain its books of accounts and records separately from those of its Affiliates that employ or retain Marketing Function Employees as required by section 358.8(d) of the Standards of Conduct.