OPERATING PROCEDURES
Compliance With Texas Code of Conduct

Inter-Company Transfers

This process is to be used to track and document the movement of employees who are engaged in transmission and distribution system operations, when those employees transfer to or from an affiliate providing competitive services. The employee transfer information must be posted to the TNMP Web Site and reported to the Public Utility Commission of Texas (PUCT) on an annual basis as part of the Annual Report of Affiliate Activities.

The transferring employee must sign a Transferring Employee Form acknowledging that the employee has read and is aware of the Internal Code Of Conduct, its rules, policies and procedures. To ensure this tracking and reporting takes place in a timely manner:

1. Staffing Tech will run a report every day to capture all inter-company transfers.

2. Staffing Tech forwards notice of employee transfer to Communications Department and Regulatory Policy, within 24 hours of transfer.

3. Regulatory Policy e-mails statement and Internal Code of Conduct form to the employee, requesting it be signed and returned within 3 business days.

4. Communications Department will post notice of transfer on Internet Web site for 30 days.

5. Employee confirms understanding of Internal Code of Conduct requirements by signing statement and returning to Regulatory Policy.

6. Regulatory Policy retains record of transfer and posting for purpose of tracking and filing, and sends original, signed form to RIMS for filing in personnel file.

7. Regulatory Policy will establish a tracking system to follow up, to ensure form has been completed.

New Hire Training
1. Staffing Tech will run a report quarterly that indicates new hires in TNMP Texas and Shared Services and forward to Regulatory Policy and Organizational Learning.
2. Regulatory Policy will schedule those employees for Texas Code of Conduct training.

As of November 2006, the appropriate contacts are:
o Staffing Tech – Kevin Kohls
o Communications – Valerie Smith
o Regulatory Policy – Tony Thompson
o Organizational Learning - Cris Nichols

November 2006