

Additions to the NTPC Code of Conduct, as per Board Decision 6-2009, dated February 6, 2009

With the exception of Directive 2, which specifies a location within the Code of Conduct where text is to be added, the exact wording from Board Sections 4.3.1, 4.3.2 and 4.3.3 were inserted into the Code of Conduct in a discretionary manner. The paragraph "In sharing such services, NTPC will attempt to maximize the utilization of its utility resources and recover a component of the costs (on a cost recovery basis) to the benefit of ratepayers..." page 7 of the Code of Conduct was deleted, due to the insertion of new text, provided by the Board, on Cost Recovery.

1. No wording was added to the Code of Conduct in response to Board Directive 1, as the directive is contingent on the Taltson expansion proceeding. "If the Taltson expansion project proceeds, the Board directs NTPC and its affiliates to consider any distribution connected customers served from exempt generation and transmission facilities as regulated customers subject to the Public Utilities Act"(page 23).
2. The preamble to Policy A-3, and the section entitled "Policy" on the first page of the Code of Conduct, were amended to include the phrase " and the Boards and management of the affiliates of these corporations..." to reflect Section 4.2 of Decision 6-2009, as per Board Directive 2.
3. The definition of "Affiliate", as defined by the Board in Section 4.3.1 of Decision 6-2009, was added to the first page of the NTPC Code of Conduct, as per Board Directive 3.
4. The intent and objectives of the Code of Conduct, as defined by the Board in Section 4.3.2, were added to the third page of the NTPC Code of Conduct, as per Directive 4, between the "Background" section and the "Directives" section of the Code.
5. The Board's determinations on Shared Services and For Profit Affiliate Services, as set out in Section 4.3.3, were incorporated into the text of pages 6 and 7 of the Code of Conduct, in the section entitled "NTPC Affiliate Transactions". The sentence "NTPC's affiliate transactions involve sharing of financial reporting, purchasing, IT support and senior management services with NTEC, NTEC(O3) and Sahdae" on page 6 of the Code of Conduct, was changed to reflect the Board's statement that "The Board considers Shared Services to be those where employees or assets are being shared to provide financial reporting, IT support and senior management services"(p.20). Further statements by the Board regarding Shared Services, Cost Recovery, and For Profit Affiliate Services, on pages 20-21 of Decision 6-2009, were incorporated verbatim into the Code of Conduct on pages 6 and 7, as per Board Directive 5.

6. The statement “In addition, the revenues earned and costs allocated in establishing the Shared Services and the For Profit Affiliate Services will be properly forecast and accounted for in setting NTPC’s revenue requirement in future GRAs” was added to the end of the “NTPC Affiliate Transactions” section of the Code of Conduct, page 7, as per Board Directive 6, Section 4.3.3.