

Governance Guidelines

I. DIRECTOR QUALIFICATION STANDARDS

- A.** A majority of the members of the Board of Directors must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, the rules promulgated thereunder and the rules of the New York Stock Exchange.
- B.** Directors serve either three-year terms with three (or four) terms of office (but only until such time the Board is fully declassified in 2012), or one-year terms, expiring at each annual meeting, or until their successors have been elected and qualified. A director may serve on no more than five (5) public company boards.
- C.** Directors are expected to advise the Chair of the Board and the Chair of the Nominating and Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member.
- D.** In the event a director experiences a significant change in his or her personal circumstances, including a change in primary employment or occupation, or circumstances that would result in the director no longer being considered independent or that could reasonably be expected to adversely affect the director's service on the Board of Directors or the Company's business or reputation, that director shall immediately notify the chair of the Nominating and Governance Committee and shall tender his or her resignation from the Board of Directors for consideration by the Nominating and Governance Committee. The Nominating and Governance Committee shall make a recommendation to the Board of Directors as to the appropriate action, if any, to be taken with respect to such director. Although the Nominating and Governance Committee may conclude that the change in employment, occupation or personal circumstances does not require the resignation of the director, the Nominating and Governance Committee should re-evaluate the appropriateness of the on-going membership of the director on the Board of Directors in light of any significant change in the qualifications or circumstances of the director.
- E.** No director shall serve as a director, officer or employee of a competitor of the Company.
- F.** The Non-Executive Chair will serve for three year terms. The Non-Executive Chair appointment will be subject to annual review and ratification. Non-Executive Chair positions will be rotated among directors.
- G.** Directors will serve as Committee Chair for three year terms. Committee Chair appointments will be subject to annual review and ratification. Chair positions will be rotated among directors.

II. DIRECTOR RESPONSIBILITIES

- A.** Directors should regularly attend meetings of the Board of Directors and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings.
- B.** The Board of Directors shall at all times maintain an Audit Committee, a Nominating and Governance Committee and a Compensation Committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's by-laws as the Board sees fit.
- C.** Directors shall preserve the confidentiality of confidential material given or presented to the Board of Directors.
- D.** The Chair of the Board shall, in consultation with management, set the agenda of meetings of the Board of Directors and the Chair of each committee shall, in consultation with management, set the agenda of meetings of the applicable committee. Any director may suggest agenda items and may raise at meetings other matters that they consider worthy of discussion.
- E.** Directors must disclose to the Chair of the Board any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

III. DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

- A.** The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations. The Board of Directors and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.
- B.** The Board of Directors will schedule regular executive sessions where non-management directors (i.e., directors who are not company officers but who do not otherwise have to qualify as "independent" directors) meet without management participation.

IV. DIRECTOR COMPENSATION

The Board of Directors or an authorized committee thereof will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. In connection with such director compensation, the Board of Directors will be aware that questions may be raised when directors' fees and benefits exceed what is customary. Similarly, the Board of Directors will be aware that the independence of directors could be questioned if substantial charitable contributions are made to organizations in which a

director is affiliated or if the Company enters into consulting contracts with, or provides other indirect compensation to, a director. The Board of Directors will critically evaluate each of these matters when determining the form and amount of director compensation, and the independence of a director.

V. PROHIBITION ON RE-PRICING OF STOCK OPTIONS

With the adoption of these corporate governance guidelines, the Board of Directors reaffirms its policy prohibiting the re-pricing of stock options, which prohibition shall be applicable to both officers and directors of the Company.

VI. DIRECTOR ORIENTATION AND EDUCATION

In consultation with the Non-Executive Chair, the Company's management, working with the Nominating and Governance Committee, will provide an orientation program for all new directors in order to assist them in obtaining background information helpful to the performance of their duties. The orientation will include information about the electric and gas utility industry generally and about the Company's strategies, operations, policies and practices, as well as meetings with members of the Company's senior management team. The Nominating and Governance Committee and management will work together to develop and present education programs to enhance and maintain skills helpful to the directors' effective performance of their duties. The education programs may include in-house and third-party presentations and programs

VII. MANAGEMENT EVALUATION AND SUCCESSION

A. The Board of Directors (not including any members of management of the Company) will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of the Compensation Committee and Nominating and Governance Committee, as applicable, and as set forth in their respective Charters.

B. The Chief Executive Officer will periodically provide a report on succession planning and related development recommendations to the Nominating and Governance Committee, including a short-term succession plan delineating temporary delegation of authority in the event that the Chief Executive Officer or any other executive officer is unexpectedly unable to perform his or her duties.

VIII. ANNUAL PERFORMANCE EVALUATION OF THE BOARD

A. The Board of Directors will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively.

B. The Board of Directors will conduct a peer evaluation annually to determine whether each director is functioning effectively.

IX. AMENDMENT, MODIFICATION AND WAIVER

These Guidelines may be amended, modified or waived by the Board of Directors and waivers of these Guidelines may also be granted by the Nominating and Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange.

Adopted effective November 1, 2010

Amended August 5, 2011

Amended May 10, 2012