

# Black Hills Power, Inc.

## FERC Standards of Conduct Compliance Policies and Procedures

Effective Date: January 1, 2010

Black Hills Power, Inc. (“Black Hills Power”) is a public utility subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). Black Hills Power owns and operates a transmission system located in South Dakota, Wyoming, and Nebraska that is part of the “Common Use System,” a regional transmission system located in the Western Interconnection whose facilities are owned and operated by Black Hills Power, Basin Electric Power Cooperative, and Powder River Energy Corporation. The owners of the Common Use System provide open access transmission service under their joint open access transmission tariff (“CUS JOATT”), which is on file with FERC.

As a transmission provider, Black Hills Power is subject to the Standards of Conduct for Transmission Providers (“Standards of Conduct”) issued by FERC. 18 C.F.R. Part 358. The following policies and procedures govern Black Hills Power’s provision of transmission services in a manner consistent with the Standards of Conduct.

	18 CFR	Regulation	Policy and Procedure
1	§ 358.1	<p><b><u>Applicability.</u></b></p> <p>(a) This part applies to any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter and conducts transmission transactions with an affiliate that engages in marketing functions.</p> <p>(b) This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions.</p> <p>(c) This part does not apply to a public utility transmission provider that is a Commission-approved Independent System Operator (ISO) or Regional Transmission Organization (RTO). If a public utility transmission owner participates in a</p>	<p>Black Hills Power is a public utility that owns, operates, and controls facilities used for the transmission of electric energy in interstate commerce. Black Hills Power conducts transmission transactions with an affiliate that engages in marketing functions.</p> <p>In 1996, FERC granted Black Hills Power a waiver of the Standards of Compliance. <u>Midwest Energy, Inc., et al.</u>, 77 FERC ¶ 61,208 (1996). Black Hills Power has elected to surrender its Standards of Conduct waiver and has adopted these policies and procedures to govern its provision of transmission services in a manner consistent with the Standards of Conduct.</p>

	18 CFR	Regulation	Policy and Procedure
		<p>Commission-approved ISO or RTO and does not operate or control its transmission system and has no access to transmission function information, it may request a waiver from this part.</p> <p>(d) A transmission provider may file a request for a waiver from all or some of the requirements of this part for good cause.</p>	
2	§ 358.2	<p><b><u>General principles.</u></b></p> <p>(a) A transmission provider must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transportation of natural gas or transmission of electric energy in interstate commerce, or with respect to the wholesale sale of natural gas or of electric energy in interstate commerce.</p> <p>(b) A transmission provider’s transmission function employees must function independently from its marketing function employees, except as permitted in this part or otherwise permitted by Commission order.</p> <p>(c) A transmission provider and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to the transmission provider’s marketing function employees.</p> <p>(d) A transmission provider must provide equal access to non-public transmission function information to all its transmission function customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information.</p>	<p>Black Hills Power will treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and will not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transmission of electric energy in interstate commerce, or with respect to the wholesale sale of electric energy in interstate commerce.</p> <p>Black Hills Power’s transmission function employees function independently from its marketing function employees, except as permitted in 18 C.F.R. Part 358 or otherwise permitted by Commission order.</p> <p>The employees of Black Hills Power who perform transmission functions, all of whom are employees of Black Hills Power’s Transmission Services Department, work in the Transmission System Control Center. The employees of Black Hills Power who perform marketing functions, all of whom are employees of Black Hills Power’s Generation Dispatch and Power Marketing Department, work in the Generation Dispatch and Power Marketing Control Center. The Transmission Control Center and Generation Dispatch and Power Marketing Control Center are located in separate buildings.</p> <p>Access to the Transmission Control Center is controlled by electronically-controlled locked doors. Only Transmission Services Department employees have key-card access to the Transmission Service Center. Employees of other departments are not granted access to the Transmission Control Center</p>

18 CFR	Regulation	Policy and Procedure
		<p>without an escort employed in the Transmission Services Department. Generation Dispatch and Power Marketing Department employees are not granted escorted access to the Transmission Control Center except in extraordinary circumstances. Visitors to the Transmission Service Center are required to sign in and out, and the sign-in logs are retained in the records of each department for three (3) years.</p> <p>Data systems in the Transmission Control Center are password protected. Only Transmission Services Department employees have password access to data systems in the Transmission Service Center.</p> <p>The Transmission Services Department maintains emergency backup control equipment, in the form of several data system terminals, that it may utilize to monitor and control the Black Hills Power transmission system in the event the Transmission Control Center is rendered temporarily inoperable or inaccessible. The emergency backup control equipment does not have the full capabilities of the Transmission Control Center and it is not regularly operated to monitor and control the transmission system, but it periodically is operated for training purposes. The Transmission Services Department's emergency backup control equipment currently is located in the Generation Dispatch and Power Marketing Control Center. When the emergency backup control equipment is operated for training purposes, temporary partitions or screens are erected in the area around the equipment to prevent Generation Dispatch and Power Marketing Department employees from viewing any transmission function data appearing on the data monitors during the training exercise.</p> <p>In addition to the physical separation identified above, Black Hills Power's transmission function employees and merchant function employees are functionally separated. Black Hills</p>

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			<p>Power’s transmission function employees do not perform merchant functions and Black Hills Power’s marketing function employees do not perform transmission functions.</p> <p>Black Hills Power and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to Black Hills Power’s marketing function employees.</p> <p>Black Hills Power will provide equal access to non-public transmission function information to all its transmission function customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information.</p>
3	§ 358.3	<p><b><u>Definitions.</u></b></p> <p>(a) <u>Affiliate</u> of a specified entity means:</p> <p>(1) Another person that controls, is controlled by or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operates as a functional unit.</p> <p>(2) For any exempt wholesale generator (as defined under § 366.1 of this chapter), affiliate shall have the meaning set forth in § 366.1 of this chapter, or any successor provision.</p> <p>(3) “Control” as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 percent or more creates a rebuttable presumption of control.</p> <p>(b) <u>OASIS</u> refers to the Internet location where an interstate</p>	<p>For purposes of these Black Hills Power, Inc., FERC Standards of Conduct Compliance Policies and Procedures, the underlined terms have the meanings defined below:</p> <p>(a) <u>Affiliate</u> of a specified entity means:</p> <p>(1) Another person that controls, is controlled by or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operates as a functional unit.</p> <p>(2) For any exempt wholesale generator (as defined under § 366.1 of this chapter), affiliate shall have the meaning set forth in § 366.1 of this chapter, or any successor provision.</p> <p>(3) “Control” as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 percent or more creates a rebuttable presumption of control.</p>

18 CFR	Regulation	Policy and Procedure
	<p>natural gas pipeline or a public utility posts the information, by electronic means, required under this part 358.</p> <p>(c) <u>Marketing functions</u> means:</p> <p>(1) in the case of public utilities and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity; and</p> <p>(2) in the case of interstate pipelines and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:</p> <p>(i) Bundled retail sales,</p> <p>(ii) Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities,</p> <p>(iii) Sales of natural gas solely from a seller’s own production,</p> <p>(iv) Sales of natural gas solely from a seller’s own gathering or processing facilities, and</p> <p>v) Sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, or by a local distribution company making an on-system sale.</p> <p>(d) <u>Marketing function employee</u> means an employee, contractor,</p>	<p>(b) <u>OASIS</u> refers to the Internet location where Black Hills Power posts the information, by electronic means, required under this part 358.</p> <p>(c) <u>Marketing functions</u> means:</p> <p>(1) in the case of Black Hills Power and its affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity; and</p> <p>(d) <u>Marketing function employee</u> means an employee, contractor, consultant or agent of Black Hills Power or of an affiliate of Black Hills Power who actively and personally engages on a day-to-day basis in marketing functions.</p> <p>(e) <u>Open Access Same Time Information System</u> or <u>OASIS</u> refers to the Internet location where Black Hills Power posts the information required by part 37 of this chapter, and where it may also post the information required to be posted on its OASIS by this part 358.</p> <p>(f) <u>Transmission</u> means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with jurisdictional transmission facilities, under 18 C.F.R. Part 35.</p> <p>(g) <u>Transmission customer</u> means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission</p>

18 CFR	Regulation	Policy and Procedure
	<p>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.</p> <p>(e) <u>Open Access Same Time Information System</u> or <u>OASIS</u> refers to the Internet location where a public utility posts the information required by part 37 of this chapter, and where it may also post the information required to be posted on its OASIS by this part 358.</p> <p>(f) <u>Transmission</u> means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with jurisdictional transmission facilities, under part 35 of this chapter; and natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of part 284 of this chapter.</p> <p>(g) <u>Transmission customer</u> means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.</p> <p>(h) <u>Transmission functions</u> means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.</p> <p>(i) <u>Transmission function employee</u> means an employee, contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in transmission functions.</p> <p>(j) <u>Transmission function information</u> means information relating</p>	<p>service or for information regarding transmission.</p> <p>(h) <u>Transmission functions</u> means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.</p> <p>(i) <u>Transmission function employee</u> means an employee, contractor, consultant or agent of Black Hills Power who actively and personally engages on a day-to-day basis in transmission functions.</p> <p>(j) <u>Transmission function information</u> means information relating to transmission functions.</p> <p>(k) <u>Black Hills Power</u> means Black Hills Power, Inc.</p> <p>(l) <u>Transmission service</u> means the provision of any transmission as defined in § 358.3(f).</p> <p>(m) <u>Waiver</u> means the determination by Black Hills Power, if authorized by the CUS JOATT, to waive any provisions of the CUS JOATT for a given entity.</p>

	18 CFR	Regulation	Policy and Procedure
		<p>to transmission functions.</p> <p>(k) <u>Transmission provider</u> means:</p> <p>(1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce; or</p> <p>(2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter.</p> <p>(3) A transmission provider does not include a natural gas storage provider authorized to charge market-based rates.</p> <p>(l) <u>Transmission service</u> means the provision of any transmission as defined in § 358.3(f).</p> <p>(m) <u>Waiver</u> means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.</p>	
4	§ 358.4	<p><b><u>Non-discrimination requirements.</u></b></p> <p>(a) A transmission provider must 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.</p> <p>(b) A transmission provider must apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.</p> <p>(c) A transmission provider may not, through its tariffs or</p>	<p>In its capacity as tariff administrator for the CUS JOATT, Black Hills Power provides transmission service on the Common Use System to all eligible customers on an equal, non-preferential, non-discriminatory basis subject to the following principles:</p> <p>(a) Black Hills Power will strictly enforce all CUS JOATT provisions relating to the sale or purchase of open access transmission service, if the CUS JOATT provisions do not permit the use of discretion.</p> <p>(b) Black Hills Power will apply all CUS JOATT provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a not unduly discriminatory</p>

	18 CFR	Regulation	Policy and Procedure
		<p>otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).</p> <p>(d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.</p>	<p>manner, if the CUS JOATT provisions permit the use of discretion.</p> <p>(c) Black Hills Power will not, through the CUS JOATT or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).</p> <p>(d) Black Hills Power will process all similar requests for transmission in the same manner and within the same period of time.</p>
5	§ 358.5	<p><b><u>Independent functioning rule.</u></b></p> <p>(a) <u>General rule.</u> Except as permitted in this part or otherwise permitted by Commission order, a transmission provider's transmission function employees must function independently of its marketing function employees.</p> <p>(b) <u>Separation of functions.</u></p> <p>(1) A transmission provider is prohibited from permitting its marketing function employees to:</p> <p>(i) Conduct transmission functions; or</p> <p>(ii) Have access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers.</p> <p>(2) A transmission provider is prohibited from permitting its transmission function employees to conduct marketing functions.</p>	<p>Black Hills Power's transmission function employees function independently from its marketing function employees, except as permitted in 18 C.F.R. Part 358 or otherwise permitted by Commission order. The employees of Black Hills Power's Transmission Services Department do not perform merchant functions and the employees of Black Hills Power's Generation Dispatch and Power Marketing Department do not perform transmission functions.</p> <p>The employees of Black Hills Power who perform transmission functions, all of whom are employees of Black Hills Power's Transmission Services Department, work in the Transmission System Control Center. The employees of Black Hills Power who perform marketing functions, all of whom are employees of Black Hills Power's Generation Dispatch and Power Marketing Department, work in the Generation Dispatch and Power Marketing Control Center. The Transmission Control Center and Generation Dispatch and Power Marketing Control Center are located in separate buildings.</p> <p>Access to the Transmission Control Center is controlled by electronically-controlled locked doors. Only Transmission</p>

18 CFR	Regulation	Policy and Procedure
		<p>Services Department employees have key-card access to the Transmission Service Center. Employees of other departments are not granted access to the Transmission Control Center without an escort employed in the Transmission Services Department. Generation Dispatch and Power Marketing Department employees are not granted escorted access to the Transmission Control Center except in extraordinary circumstances. Visitors to the Transmission Service Center are required to sign in and out, and the sign-in logs are retained in the records of each department for three (3) years.</p> <p>Data systems in the Transmission Control Center are password protected. Only Transmission Services Department employees have password access to data systems in the Transmission Service Center.</p> <p>The Transmission Services Department maintains emergency backup control equipment, in the form of several data system terminals, that it may utilize to monitor and control the Black Hills Power transmission system in the event the Transmission Control Center is rendered temporarily inoperable or inaccessible. The emergency backup control equipment does not have the full capabilities of the Transmission Control Center and it is not regularly operated to monitor and control the transmission system, but it periodically is operated for training purposes. The Transmission Services Department's emergency backup control equipment currently is located in the Generation Dispatch and Power Marketing Control Center. When the emergency backup control equipment is operated for training purposes, temporary partitions or screens are erected in the area around the equipment to prevent Generation Dispatch and Power Marketing Department employees from viewing any transmission function data appearing on the data monitors during the training exercise.</p>

	18 CFR	Regulation	Policy and Procedure
6	§ 358.6	<p><b><u>No conduit rule.</u></b></p> <p>(a) A transmission provider is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to its marketing function employees.</p> <p>(b) An employee, contractor, consultant or agent of a transmission provider, and an employee, contractor, consultant or agent of an affiliate of a transmission provider that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any of the transmission provider’s marketing function employees.</p>	<p>Black Hills Power and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to Black Hills Power’s marketing function employees.</p>
7	§ 358.7	<p><b><u>Transparency rule.</u></b></p> <p>(a) <u>Contemporaneous disclosure.</u></p> <p>(1) If a transmission provider discloses non-public transmission function information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of § 358.6, the transmission provider must immediately post the information that was disclosed on its OASIS.</p> <p>(2) If a transmission provider discloses, in a manner contrary to the requirements of § 358.6, non-public transmission customer information, critical energy infrastructure information (CEII) as defined in § 388.113(c)(1) of this chapter or any successor provision, or any other information that the Commission by law has determined is to be subject to limited dissemination, the transmission provider must immediately post notice on its website that the information was disclosed.</p> <p>(b) <u>Exclusion for specific transaction information.</u> A transmission provider’s transmission function employee may</p>	<p>For purpose of compliance with 18 C.F.R. § 358.7, Black Hills Power’s Open Access Same Time Information System (“OASIS”) constitutes Black Hills Power’s Internet website.</p> <p>If Black Hills Power discloses non-public transmission function information, other than information identified in 18 C.F.R. § 358.7(a)(2), in a manner contrary to the requirements of § 358.6, Black Hills Power will immediately post the information that was disclosed on its OASIS.</p> <p>If Black Hills Power discloses, in a manner contrary to the requirements of § 358.6, non-public transmission customer information, critical energy infrastructure information (“CEII”) as defined in § 388.113(c)(1) of this chapter or any successor provision, or any other information that the Commission by law has determined is to be subject to limited dissemination, Black Hills Power will immediately post notice on its OASIS that the information was disclosed.</p> <p>A Black Hills Power transmission function employee may discuss with a Black Hills Power marketing function employee a specific request for transmission service submitted by the</p>

18 CFR	Regulation	Policy and Procedure
	<p>discuss with its marketing function employee a specific request for transmission service submitted by the marketing function employee. The transmission provider 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.</p> <p>(c) <u>Voluntary consent provision.</u> A transmission customer may voluntarily consent, in writing, to allow the transmission provider to disclose the transmission customer’s non-public information to the transmission provider’s marketing function employees. If the transmission customer authorizes the transmission provider to disclose its information to marketing function employees, the transmission provider must post notice on its OASIS of that consent along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.</p> <p>(d) <u>Posting written procedures on the public Internet.</u> A transmission provider must post on its OASIS current written procedures implementing the standards of conduct.</p> <p>(e) <u>Identification of affiliate information on the public Internet.</u></p> <p>(1) A transmission provider must post on its OASIS the names and addresses of all its affiliates that employ or retain marketing function employees.</p> <p>(2) A transmission provider must post on its OASIS a complete list of the employee-staffed facilities shared by any of the transmission provider’s transmission function employees and marketing function employees. The list must include the types of facilities shared and the addresses of the facilities.</p> <p>(3) The transmission provider must post information concerning</p>	<p>marketing function employee. Black Hills Power will not contemporaneously disclose information otherwise covered by § 358.6 if the information relates solely to a marketing function employee’s specific request for transmission service.</p> <p>A CUS JOATT transmission customer may voluntarily consent, in writing, to allow Black Hills Power to disclose the transmission customer’s non-public information to Black Hills Power’s marketing function employees. If the transmission customer authorizes Black Hills Power to disclose its information to marketing function employees, Black Hills Power will post notice on its OASIS of that consent along with a statement that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.</p> <p>Black Hills Power will maintain on its OASIS its current written procedures implementing the standards of conduct.</p> <p>Black Hills Power will maintain on its OASIS the names and addresses of all its affiliates that employ or retain marketing function employees.</p> <p>Black Hills Power will maintain on its OASIS a complete list of the employee-staffed facilities shared by any of Black Hills Power’s transmission function employees and marketing function employees. The list will include the types of facilities shared and the addresses of the facilities.</p> <p>Black Hills Power will maintain on its OASIS information concerning potential merger partners as affiliates that may employ or retain marketing function employees, within seven days after the potential merger is announced.</p> <p>Black Hills Power will maintain on its OASIS the job titles and job descriptions of its transmission function employees.</p>

18 CFR	Regulation	Policy and Procedure
	<p>potential merger partners as affiliates that may employ or retain marketing function employees, within seven days after the potential merger is announced.</p> <p>(f) <u>Identification of employee information on the public Internet.</u></p> <p>(1) A transmission provider must post on its OASIS the job titles and job descriptions of its transmission function employees.</p> <p>(2) A transmission provider must post a notice on its OASIS of any transfer of a transmission function employee to a position as a marketing function employee, or any transfer of a marketing function employee to a position as a transmission function employee. The information posted under this section must remain on its OASIS for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted must include:</p> <p>(i) The name of the transferring employee,</p> <p>(ii) The respective titles held while performing each function (<u>i.e.</u>, as a transmission function employee and as a marketing function employee), and</p> <p>(iii) The effective date of the transfer.</p> <p>(g) <u>Timing and general requirements of postings on the public Internet.</u></p> <p>(1) A transmission provider must update on its OASIS the information required by this part 358 within seven business days of any change, and post the date on which the information was updated. A public utility may also post the information required to be posted under part 358 on its OASIS, but is not required to do so.</p>	<p>Black Hills Power will post notice on its OASIS of any transfer of a transmission function employee to a position as a marketing function employee, or any transfer of a marketing function employee to a position as a transmission function employee. The information posted under this section will remain on OASIS for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted will include:</p> <p>(i) The name of the transferring employee,</p> <p>(ii) The respective titles held while performing each function (<u>i.e.</u>, as a transmission function employee and as a marketing function employee), and</p> <p>(iii) The effective date of the transfer.</p> <p>Black Hills Power will update on its OASIS the information required by 18 C.F.R. Part 358 within seven business days of any change, and post the date on which the information was updated.</p> <p>In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts Black Hills Power’s normal business operations, the posting requirements in 18 C.F.R. Part 358 may be suspended by Black Hills Power. If the disruption lasts longer than one month, Black Hills Power will so notify the Commission and may seek a further exemption from the posting requirements.</p> <p>All postings on Black Hills Power’s OASIS required by 18 C.F.R. Part 358 will be sufficiently prominent as to be readily accessible.</p> <p>Notwithstanding the requirements of 18 C.F.R. §§ 358.5(a) and 358.6, Black Hills Power’s transmission function employees and marketing function employees may exchange certain non-public</p>

18 CFR	Regulation	Policy and Procedure
	<p>(2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts a transmission provider’s normal business operations, the posting requirements in this part may be suspended by the transmission provider. If the disruption lasts longer than one month, the transmission provider must so notify the Commission and may seek a further exemption from the posting requirements.</p> <p>(3) All OASIS postings required by this part must be sufficiently prominent as to be readily accessible.</p> <p><u>(h) Exclusion for and recordation of certain information exchanges.</u></p> <p>(1) Notwithstanding the requirements of §§ 358.5(a) and 358.6, a transmission provider’s transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in § 358.7(h)(2), in which case the transmission provider must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record must be made of the exchange as soon as practicable after the fact. The transmission provider shall make the record available to the Commission upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.</p> <p>(2) The non-public information subject to the exclusion in § 358.7(h)(1) is as follows:</p> <p>(i) Information pertaining to compliance with Reliability Standards approved by the Commission, and</p>	<p>transmission function information, as delineated in § 358.7(h)(2), in which case Black Hills Power will make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record will be made of the exchange as soon as practicable after the fact. Black Hills Power will make the record available to the Commission upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and will be retained for a period of five years.</p> <p>The non-public information subject to the exclusion in 18 C.F.R. § 358.7(h)(1) is as follows:</p> <p>(i) Information pertaining to compliance with Reliability Standards approved by the Commission, and</p> <p>(ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.</p> <p>Black Hills Power is a member of the Rocky Mountain Reserve Group (“RMRG”), an electric power reserve sharing group with members that operate electric utility systems in Colorado, Wyoming, South Dakota, Nebraska, and New Mexico. RMRG is registered with WECC and NERC as a Reserve Sharing Group. On an as-needed basis during emergencies and other extraordinary circumstances to allow its members to serve their load and supply obligations, RMRG will from time to time notify its members of the need to share supply resources to assist other members. Black Hills Power’s Generation Dispatch and Power Marketing Department, the function within Black Hills Power with the responsibility to administer Black Hills Power’s membership in RMRG and to dispatch Black Hills Power’s resources when called up by RMRG, maintains a RMRG data</p>

18 CFR	Regulation	Policy and Procedure
	<p>(ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.</p> <p>(i) <u>Posting of waivers.</u> A transmission provider must post on its OASIS 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 must be made within one business day of the act of a waiver. The transmission provider must also maintain a log of the acts of waiver, and must make it available to the Commission upon request. The records must be kept for a period of five years from the date of each act of waiver.</p>	<p>terminal in the Generation Dispatch and Power Marketing Control Center that it uses in carrying out Black Hills Power’s obligations as a member of RMRG. On occasion, RMRG will disclose transmission information (usually concerning transmission outages) to the RMRG data terminal incidental to its communication calling upon RMRG members to share reserves. In that instance, Black Hills Power’s merchant function employees may gain access to the same transmission information that is available to all RMRG members through the RMRG data terminal but that may not be available to the public at large. RMRG maintains records of the information posted to the RMRG data terminal, so information about non-public transmission information that may be made available by RMRG to Black Hills Power’s merchant function will be maintained.</p> <p>Black Hills Power will post on its OASIS notice of each waiver of a CUS JOATT 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. Black Hills Power also will maintain a log of the acts of waiver, and will 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.</p>
8	<p>§ 358.8 <b><u>Implementation requirements.</u></b></p> <p>(a) <u>Effective date.</u></p> <p>A transmission provider must be in full compliance with the standards of conduct on the date it commences transmission transactions with an affiliate that engages in marketing functions.</p> <p>(b) <u>Compliance measures and written procedures.</u></p> <p>(1) A transmission provider must implement measures to ensure</p>	<p>In 1996, FERC granted Black Hills Power a waiver of the Standards of Compliance. <u>Midwest Energy, Inc., et al.</u>, 77 FERC ¶ 61,208 (1996). Black Hills Power has elected to surrender its Standards of Conduct waiver and has adopted these policies and procedures to govern its provision of transmission services in a manner consistent with the Standards of Conduct.</p> <p>Black Hills Power’s Standards of Conduct Implementation Policies and Procedures constitute measures to ensure that the requirements of 18 C.F.R. §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates. Black Hills</p>

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	<p>that the requirements of §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates.</p> <p>(2) A transmission provider must distribute the written procedures referred to in § 358.7(d) to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.</p> <p>(c) <u>Training and compliance personnel.</u></p> <p>(1) A transmission provider must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. The transmission provider must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this section, within the first 30 days of their employment. The transmission provider must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.</p> <p>(2) A transmission provider must designate a chief compliance officer who will be responsible for standards of conduct compliance. The transmission provider must post the name of the chief compliance officer and provide his or her contact information on its OASIS.</p> <p>(d) <u>Books and records.</u> A transmission provider must maintain its books of account and records (as prescribed under parts 101, 125, 201 and 225 of this chapter) separately from those of its affiliates that employ or retain marketing function employees, and these must be available for Commission inspections.</p>	<p>Power will distribute its written Standards of Conduct Implementation Policies and Procedures to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.</p> <p>Black Hills Power will provide annual training on the Standards of Conduct to all the employees listed in 18 C.F.R. § 358.8(b)(2) (transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information). Black Hills Power will provide training on the Standards of Conduct to new employees in the categories listed in 18 C.F.R. § 358.8(b)(2) (transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information) within the first 30 days of their employment. Black Hills Power will require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.</p> <p>Black Hills Power has designated a chief compliance officer who will be responsible for Standards of Conduct compliance. Black Hills Power will maintain the name and contact information of its chief compliance officer on its OASIS.</p> <p>Black Hills Power maintain its books of account and records (as prescribed under 18 C.F.R. Parts 101 and 125) separately from those of its affiliates that employ or retain marketing function employees, and makes them available for Commission inspections.</p>