

Standards of Conduct ID: SOC 2011-1

Submitted by: Dennis Reed

Original Posting Date: April 15, 2011

Final Posting Date: April 29, 2011

Issue:

Receipt of nonpublic transmission information by a market function employee.

Reason:

At approximately 1 pm on Thursday, April 14, 2011 Mr. Mark Scheve, a generation system operator, noticed two faxes from Empire District Electric Company (Empire) on their fax machine. On review of the faxes he noticed that they contained transmission switching requests. Because Mr. Scheve's immediate supervisor was on vacation, he took the faxes to Mr. Grant Wilkerson, Director Marketing Compliance and Structure, telling him what he had received. Mr. Wilkerson had him place the faxes on his desk upside down and called Dennis Reed, the SOC Chief Compliance Officer. While talking to Mr. Reed, John Olsen, Executive Director Bulk Power Marketing was informed of the situation and carried the faxes to Mr. Reed.

Normally the receipt of this information is not an event required to be posted since the generation operators are not classified as marketing function employees, however, since the information was presented to Mr. Wilkerson, who is a marketing function employee, it was determined that this situation became one that should be posted on the OASIS.

Impact:

None, the only marketing function employee that had possession of the faxes was Mr. Wilkerson and he did not review the contents of the faxes.

Resolution:

Upon receipt of the faxes, Mr. Reed called Mr. Bary Warren, Director of Transmission Policy and Compliance for Empire and informed him of the situation. Mr. Warren contacted his transmission operators and directed them to review their fax information to be sure they are sending the switching requests to the correct operators.

The generation operator may have not been aware that Mr. Wilkerson is classified as a marketing function employee. It has been requested that additional training be done for the employees that work in the same area as the marketing function employees (800 Kansas-1N) regarding which employees are marketing function employees and the no-conduit rules. Specifically if the generation system operators are inadvertently sent nonpublic transmission information by a third party in the future they should not pass that information to a marketing function employee, but should give it to either their immediate supervisor, the Executive Director of Bulk Marketing, Transmission Operations, or the Standards of Conduct Chief Compliance Officer.



John Olsen/WRI
04/14/2011 01:37 PM

To Dennis L Reed/WRI@WRI
cc
bcc
Subject Fw: Receipt of EDE fax

For Follow Up:  Normal Priority

Pursuant to our phone conversation, here is Mark's description of the situation regarding the switching orders received from Empire District Electric.

Grant's account of the situation is consistent with Mark's below and my observation that the switching orders were laying face down on Grant's desk when I arrived. He was talking with you at the time which is when I took control of the documents and hand carried them to you.

Let me know if you require any further information.

Thanks.

John Olsen
Ex. Director, Bulk Power Marketing

----- Forwarded by John Olsen/WRI on 04/14/2011 01:33 PM -----



Mark Scheve/WRI
04/14/2011 01:26 PM

To John Olsen/WRI@WRI
cc
Subject Receipt of EDE fax

I was standing by the RSS computer to reset it when I saw two pages in front of the adjacent fax machine. I noticed the fax was from EDE dispatch and mentioned switching orders. At that time I carried the documents over to Grant Wilkerson's desk and informed him what I had.

Grant immediately turned the pages over and asked if I had read them. I answered that I had read them only to the extent that I knew it didn't belong on the floor. At that point he called Dennis Reed and began telling him the story. That is when you approached and took control of the situation.

Mark



"Bary Warren"
<BWarren@empiredistrict.com>

04/14/2011 02:09 PM

To <Dennis.L.Reed@westarenergy.com>

cc "Anthony Due" <ADue@empiredistrict.com>

bcc

Subject Switching Request Fax Communications

For Follow Up:  Normal Priority

Dennis,

Per our discussion, I have contacted EDE's System Operations, Manager of Transmission Operations, Anthony Due, and advised him that it appears our switching request to Westar was incorrectly sent to Westar's generation/marketing desk. We apologize for this error and I have requested Anthony to review the fax numbers with the EDE System/Transmission Operators as well as contact the Westar transmission desk to confirm correct fax numbers.

If I can provide additional assistance, explanation, or followup, please advise.

Bary Warren
Director of Transmission Policy and Compliance

From: Bob Patterson
Sent: Wednesday, April 13, 2011 12:49 PM
To: Dispatchers
Cc: Daniel Goad
Subject: Switching requests

It is my understanding we do not switch these line sections all switching equipment is owned and operated by KGE employees.

Thanks
Bob

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SWITCHING REQUEST KGE Litchfield.doc