



# **Standards Of Conduct**

## **Implementation Procedures**



**Westar Energy, Inc.**  
**Standards of Conduct**

Introduction

In 1992, Congress passed the Energy Policy Act that was, in part, designed to change the way electric power is supplied in this country. In response to this law the Federal Energy Regulatory Commission (FERC) issued a Notice of Proposed Rulemaking (NOPR) in the spring of 1995 asking interested parties to comment on how the industry should be restructured. The FERC recognized that utilities with local generation and transmission systems have a great deal of control over how power flows throughout their service areas. This type of activity was seen as a potential restriction to the opening of the transmission grid to all eligible customers. The FERC therefore looked at ways to insure that all customers have equal access to and information about, the electric transmission grid.

In Order Nos. 888 and 889 issued on April 24, 1996 and in subsequent orders 888-A, 889-A, 888-B, 889-B, 888-C, 2004, 2004-A, 2004-B, 2004-C, 690, 690-A, 890 890-A, 717, 717-A and 717-B FERC has adopted standards of conduct that all jurisdictional utilities providing transmission access must follow. These orders force a separation between the employees in the day-to-day operation of the transmission system (Transmission Function) and those employees engaged in the day-to-day wholesale sales for resale of electric energy (Marketing Function). These rules are designed to ensure that potential customers have access to information that will enable them to obtain transmission service on a non-discriminatory basis.

As employees of Westar Energy, Inc (“the Company”) and its subsidiaries, we are bound to follow these rules. This document establishes the Company’s Standards of Conduct (“Standards”) that is based upon FERC's requirements (Appendix A). This document further describes the procedures that employees must follow to comply with the Standards. Bracketed [ ] references in this document are references to specific

sections contained in Appendix A. Employees should retain this Standards of Conduct Implementation Procedures document for future reference. Additional details related to specific actions the Company does to implement the Standards can be found in the SOC Policies that can be found on the ePower web page.

## **1. Implementing the Standards of Conduct**

The Company must operate its Transmission system independently of its Marketing Function employees. [Section 358.2(b)] To accomplish this, the Company has and will continue to do the following:

- A. Physically separate employees in the Marketing Function from employees engaged in the Transmission Function by providing facilities for each separated in a manner that reduces incidental contact. At a minimum, the Marketing Function employees will be located on a separate floor of the Company's corporate offices from the one occupied by Transmission Function employees. [Section 358.5(b)(1)] An organizational chart of Transmission Function employees, including job summaries, is available on the Company's OASIS.
- B. Limit access to the transmission system control center located at 818 South Kansas Avenue, Topeka, Kansas 66612 and other related transmission facilities to those employees working in Transmission Operations or who are directly engaged in the construction, operation and maintenance of the transmission system. This will be accomplished by use of a magnetic card lock system. Other transmission areas, including substations, have controlled access either by use of a key and padlock or by a magnetic card lock system. All other employees or visitors are allowed access to these areas, on an approved basis, as long as such access is consistent with these Standards. Market Function employees may have access to the transmission system control center or other transmission areas in the same manner as any other Transmission Customer. . Limitations on access to transmission areas can be waived in cases of properly declared system emergencies; however, all cases in which these rules

are waived must be documented and posted on the Company's OASIS within 24 hours of the waiver. [Section 358.7(g)(2)]

- C. Transfers of personnel between the Transmission Function and the Marketing Function are permitted; however, a notice of the transfer must be posted on the Company's OASIS before the transfer takes place and remain posted for 90 days. [Section 358.7(f)(2)]
- D. Company employees engaged in the Marketing Function are prohibited from having preferential access to any information about the transmission system that is not equally available to all OASIS users. [Section 358.7(a)] The Company will, therefore, post information regarding the status of the transmission system on the Company's OASIS. Energy Management System (EMS) information regarding transmission operations will be restricted to only those employees engaged in operating the transmission system and those employees whose jobs are directly related to constructing and maintaining the transmission system. Transmission information displayed on an EMS console is restricted through the use of console login names and passwords. A detailed list of information that is visible to, and restricted from, the Marketing Function is listed in Appendix B. Other systems that are jointly used by the Marketing Function are the Energy Accounting system, the Company's corporate computer network, the corporate telecommunications network, and the Southwest Power Pool (SPP) SPPNET system. In all cases, each group's information contained in or transmitted through these systems is protected by logins and passwords. Each system is administered by a corporate department outside either the Marketing Function or the Transmission Function with the exception of SPPNET, which is administered by the SPP. All employees having access to transmission system operating data are prohibited from transmitting or communicating any non-public transmission information to the Marketing Function except through public communication made available to all OASIS users at the same time. Limited information regarding the transmission system may be released to any

transmission customer in response to a request for service as specified in the Company's Open Access Tariff or other applicable Open Access Tariff. Exceptions to the above rules may be granted to share crucial operating information to maintain the operations of the transmission system with the Marketing Function. Such instances will be immediately posted on the Company's OASIS. [Section 358.7(a)].

- E. If non-public information about the transmission system is disclosed to any person or persons engaged in the Marketing Function in a manner contrary to the requirements of these Standards, the incident must be reported to Transmission Services and posted on the Company's OASIS immediately. Details regarding the type of information supplied, whom it was supplied to, when and the circumstances surrounding the disclosure must be provided. Failure to supply information regarding such disclosures may result in disciplinary actions.
- F. Employees of the Company will consider any information acquired from non-affiliated Transmission Customers or potential non-affiliated transmission customers or developed in the course of responding to requests for transmission service or ancillary service as confidential and will not convey such information to any person engaged in the Marketing Function, except to the limited extent information is required to be posted on the Company's OASIS in response to a request for transmission service or ancillary services. [Section 358.5(b)(2)] A non-affiliated transmission customer may voluntarily consent, in writing, to allow the Transmission Provider to share the non-affiliated customer's information with the Marketing Function. Notice of such voluntary consent must be posted on the Company's OASIS along with a statement that the Company did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent. [358.7 (c)]
- G. The Company will utilize the Southwest Power Pool's (SPP) OASIS node as its OASIS server. Public information regarding the Company's transmission system and open-access transmission tariff will be posted, or made accessible through this site. A full description of all

the posting requirements related to transmission service are listed in 18 CFR Part 37 (Appendix A). Employees of Transmission Operations are responsible for maintaining the OASIS postings for the Company.

**2. Non-discriminatory Implementation of Tariffs.**

The Company will strictly enforce all provisions under its open access transmission tariff or other applicable Open Access Tariff on a non-discriminatory basis to all eligible customers. The Company will not favor the interests of its Marketing Function over any other transmission customer. [Section 358.4]

- A. The Company will maintain a log detailing the circumstances and manner in which it exercised its discretion permitted under any terms of the tariff. Information in the log will be posted on the Company's OASIS within 24 hours of when the Company exercises such discretion. [Section 358.7(h)(2)(ii)]
- B. The Company will not give preference to its Marketing Function for sales for resale service over the interests of other transmission customers. To assure this practice, the prices and terms charged to the Marketing Function shall be those prices and terms posted on the Company's OASIS for the same time period and type of service. [Sections 358.4(c)]
- C. All accounting books and records will be kept in accordance with FERC and the Company's guidelines. These books will be kept separate from any affiliate and will be available for FERC inspection. [Section 358.8(d)]

**3. Documentation of Procedures.**

The Company will maintain these procedures implementing the Standards on the Company's OASIS and at its offices at 818 S. Kansas Avenue, Topeka, Kansas 66612. Mandatory annual training will be conducted for all officers, directors and those employees with access to transmission information or information concerning gas or electric purchases, sales or marketing functions. Copies of the Standards will be distributed to these employees and directors of the company whenever changes

occur to these Standards or, at a minimum, once each year. Any questions regarding these Standards should be directed to the the Corporate Compliance Officer [Section 358.8(c)(2)]. The Corporate Compliance Officer for the Standards of Conduct (CCO) is Dennis Reed. The CCO is responsible for the standard of conduct compliance for the Company.

The following regulations were updated to include changes from Order 717A. Changes related to this update are highlighted in Red text and in italic characters.

TITLE 18--CONSERVATION OF POWER AND WATER RESOURCES

CHAPTER I--FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

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**PART 37--OPEN ACCESS SAME-TIME INFORMATION SYSTEMS**

**Authority:** 16 U.S.C. 791-825r, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7101-7352.

**Source:** Order 889, 61 FR 21764, May 10, 1996, unless otherwise noted.

**§ 37.1 Applicability.**

This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and to transactions performed under the *pro forma* tariff required in part 35 of this chapter.

**§ 37.2 Purpose.**

- a) The purpose of this part is to ensure that potential customers of open access transmission service receive access to information that will enable them to obtain transmission service on a non-discriminatory basis from any Transmission Provider. These rules provide standards of conduct and require the Transmission Provider (or its agent) to create and operate an Open Access Same-time Information System (OASIS) that gives all users of the open access transmission system access to the same information.
- b) The OASIS will provide information by electronic means about available transmission capability for point-to-point service and will provide a process for requesting transmission service. OASIS will enable Transmission Providers and Transmission Customers to communicate promptly requests and responses to buy and sell available transmission capacity offered under the Transmission Provider's tariff.

**§ 37.3 Definitions.**

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- a) *Transmission Provider* means any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce.
- b) *Transmission Customer* means any eligible customer (or its designated agent) that can or does execute a transmission service agreement or can or does receive transmission service.
- c) *Responsible party* means the Transmission Provider or an agent to whom the Transmission Provider has delegated the responsibility of meeting any of the requirements of this part.
- d) *Reseller* means any Transmission Customer who offers to sell transmission capacity it has purchased.
- e) *Wholesale merchant function* means the sale for resale of electric energy in interstate commerce.
- f) *Affiliate* means:
  - 1) For any exempt wholesale generator, as defined under section 32(a) of the Public Utility Holding Company Act of 1935, as amended, the same as provided in section 214 of the Federal Power Act; and
  - 2) For any other entity, the term *affiliate* has the same meaning as given in §161.2(a) of this chapter.

[Order 889, 61 FR 21764, May 10, 1996, as amended by Order 889–A, 62 FR 12503, Mar. 14, 1997]

### § 37.4 [Reserved]

### § 37.5 Obligations of Transmission Providers and Responsible Parties.

- a) Each Transmission Provider is required to provide for the operation of an OASIS, either individually or jointly with other Transmission Providers, in accordance with the requirements of this Part. The Transmission Provider may delegate this responsibility to a Responsible Party such as another Transmission Provider, an Independent System Operator, a Regional Transmission Group, or a Regional Reliability Council.
- b) A Responsible Party must provide access to an OASIS providing standardized information relevant to the availability of transmission capacity, prices, and other information (as described in this part) pertaining to the transmission system for which it is responsible.
- c) A Responsible Party may not deny or restrict access to an OASIS user merely because that user makes automated computer-to-computer file transfers or queries, or extensive requests for data.
- d) In the event that an OASIS user's grossly inefficient method of accessing an OASIS node or obtaining information from the node seriously degrades the performance of the node, a Responsible Party may limit a user's access to the OASIS node without prior Commission approval. The Responsible Party must immediately contact the OASIS user to resolve the problem. Notification of the restriction must be made to the Commission within two business days of the incident and include a description of the problem. A closure report describing how the problem was resolved must be filed with the Commission within one week of the incident.
- e) In the event that an OASIS user makes an error in a query, the Responsible Party can block the affected query and notify the user of the nature of the error. The OASIS user must correct the error before making any additional queries. If there is a dispute over whether an error has occurred, the procedures in paragraph (d) of this section apply.
- f) Transmission Providers must provide "read only" access to the OASIS to Commission staff and the staffs of State regulatory authorities, at no cost, after such staff members have complied with the requisite registration procedures.

[Order 889, 61 FR 21764, May 10, 1996, as amended by Order 605, 64 FR 34124, June 25, 1999; Order 638, 65 FR 17400, Mar. 31, 2000; Order 676, 71 FR 26212, May 4, 2006]

### § 37.6 Information to be posted on the OASIS.

- a) The information posted on the OASIS must be in such detail and the OASIS must have such capabilities as to allow Transmission Customers to:
  - 1) Make requests for transmission services offered by Transmission Providers, Resellers and other providers of ancillary services, request the designation of a network resource, and request the termination of the designation of a network resource;
  - 2) View and download in standard formats, using standard protocols, information regarding the transmission system necessary to enable prudent business decision making;
  - 3) Post, view, upload and download information regarding available products and desired services;
  - 4) Clearly identify the degree to which transmission service requests or schedules were denied or interrupted;
  - 5) Obtain access, in electronic format, to information to support available transmission capability calculations and historical transmission service requests and schedules for various audit purposes; and

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- 6) Make file transfers and automated computer-to-computer file transfers and queries as defined by the Standards and Communications Protocols Document.
- b) *Posting transfer capability.* The available transfer capability on the Transmission Provider's system (ATC) and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set out in this section.
  - 1) *Definitions.* For purposes of this section the terms listed below have the following meanings:
    - i) *Posted path* means any control area to control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted. For this last category, the posting must continue for 180 days and thereafter until 180 days have elapsed from the most recent request for service over the requested path. For purposes of this definition, an hour includes any part of an hour during which service was denied, curtailed or interrupted.
    - ii) *Constrained posted path* means any posted path having an ATC less than or equal to 25 percent of TTC at any time during the preceding 168 hours or for which ATC has been calculated to be less than or equal to 25 percent of TTC for any period during the current hour or the next 168 hours.
    - iii) *Unconstrained posted path* means any posted path not determined to be a constrained posted path.
    - iv) The word *interconnection*, as used in the definition of "posted path", means all facilities connecting two adjacent systems or control areas.
    - v) *Available transfer capability or ATC* means the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses, or such definition as contained in Commission-approved Reliability Standards.
    - vi) *Total transfer capability or TTC* means the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions, or such definition as contained in Commission-approved Reliability Standards.
    - vii) *Capacity Benefit Margin or CBM* means the amount of TTC preserved by the Transmission Provider for load-serving entities, whose loads are located on that Transmission Provider's system, to enable access by the load-serving entities to generation from interconnected systems to meet generation reliability requirements, or such definition as contained in Commission-approved Reliability Standards.
    - viii) *Transmission Reliability Margin or TRM* means the amount of TTC necessary to provide reasonable assurance that the interconnected transmission network will be secure, or such definition as contained in Commission-approved Reliability Standards.
  - 2) *Calculation methods, availability of information, and requests.*
    - i) Information used to calculate any posting of ATC and TTC must be dated and time-stamped and all calculations shall be performed according to consistently applied methodologies referenced in the Transmission Provider's transmission tariff and shall be based on Commission-approved Reliability Standards as well as current industry practices, standards and criteria.
    - ii) On request, the Responsible Party must make all data used to calculate ATC, TTC, CBM, and TRM for any constrained posted paths publicly available (including the limiting element(s) and the cause of the limit ( e.g. , thermal, voltage, stability), as well as load forecast assumptions) in electronic form within one week of the posting. The information is required to be provided only in the electronic format in which it was created, along with any necessary decoding instructions, at a cost limited to the cost of reproducing the material. This information is to be retained for six months after the applicable posting period.
    - iii) System planning studies, facilities studies, and specific network impact studies performed for customers or the Transmission Provider's own network resources are to be made publicly available in electronic form on request and a list of such studies shall be posted on the OASIS. A study is required to be provided only in the electronic format in which it was created, along with any necessary decoding instructions, at a cost limited to the cost of reproducing the material. These studies are to be retained for five years.
  - 3) *Posting.* The ATC, TTC, CBM, and TRM for all Posted Paths must be posted in megawatts by specific direction and in the manner prescribed in this subsection.
    - i) *Constrained posted paths. —*
      - (A) *For firm ATC and TTC.*
        - (1) The posting shall show ATC, TTC, CBM, and TRM for a 30-day period. For this period postings shall be: by the hour, for the current hour and the 168 hours next following; and thereafter, by the day. If the Transmission Provider charges separately for on-peak and off-peak periods in its tariff, ATC, TTC, CBM, and TRM will be posted daily for each period.

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- (2) Postings shall also be made by the month, showing for the current month and the 12 months next following.
  - (3) If planning and specific requested transmission studies have been done, seasonal capability shall be posted for the year following the current year and for each year following to the end of the planning horizon but not to exceed 10 years.
  - (B) *For non-firm ATC and TTC.* The posting shall show ATC, TTC, CBM and TRM for a 30-day period by the hour and days prescribed under paragraph (b)(3)(i)(A)( 1 ) of this section and, if so requested, by the month and year as prescribed under paragraph (b)(3)(i)(A) ( 2 ) and ( 3 ) of this section. The posting of non-firm ATC and TTC shall show CBM as zero.
  - (C) *Updating posted information for constrained paths.*
    - (1) The capability posted under paragraphs (b)(3)(i)(A) and (B) of this section must be updated when transactions are reserved or service ends or whenever the estimate for the path changes by more than 10 percent.
    - (2) All updating of hourly information shall be made on the hour.
    - (3) When the monthly and yearly capability posted under paragraphs (b)(3)(i)(A) and (B) of this section are updated because of a change in TTC by more than 10 percent, the Transmission Provider shall post a brief, but specific, narrative explanation of the reason for the update. This narrative should include, the specific events which gave rise to the update (e.g., scheduling of planned outages and occurrence of forced transmission outages, de-ratings of transmission facilities, scheduling of planned generation outages and occurrence of forced generation outages, changes in load forecast, changes in new facilities' in-service dates, or other events or assumption changes) and new values for ATC on the path (as opposed to all points on the network).
    - (4) When the monthly and yearly capability posted under paragraphs (b)(3)(i)(A) and (B) of this section remain unchanged at a value of zero for a period of six months, the Transmission Provider shall post a brief, but specific, narrative explanation of the reason for the unavailability of ATC.
  - ii) *Unconstrained posted paths.*
    - (A) Postings of firm and nonfirm ATC, TTC, CBM, and TRM shall be posted separately by the day, showing for the current day and the next six days following and thereafter, by the month for the 12 months next following. If the Transmission Provider charges separately for on-peak and off-peak periods in its tariff, ATC, TTC, CBM, and TRM will be posted separately for the current day and the next six days following for each period. These postings are to be updated whenever the ATC changes by more than 20 percent of the Path's TTC.
    - (B) If planning and specific requested transmission studies have been done, seasonal capability shall be posted for the year following the current year and for each year following until the end of the planning horizon but not to exceed 10 years.
  - iii) *Calculation of CBM.*
    - (A) The Transmission Provider must reevaluate its CBM needs at least every year.
    - (B) The Transmission Provider must post its practices for reevaluating its CBM needs.
  - iv) *Daily load.* The Transmission Provider must post on a daily basis, its load forecast, including underlying assumptions, and actual daily peak load for the prior day.
- c) *Posting Transmission Service Products and Prices.*
- 1) Transmission Providers must post prices and a summary of the terms and conditions associated with all transmission products offered to Transmission Customers.
  - 2) Transmission Providers must provide a downloadable file of their complete tariffs in the same electronic format as the tariff that is filed with the Commission. Transmission Providers also must provide a link to all of the rules, standards and practices that relate to transmission services posted on the Transmission Providers' public Web sites.
  - 3) Any offer of a discount for any transmission service made by the Transmission Provider must be announced to all potential customers solely by posting on the OASIS.
  - 4) For any transaction for transmission service agreed to by the Transmission Provider and a customer, the Transmission Provider (at the time when ATC must be adjusted in response to the transaction), must post on the OASIS (and make available for download) information describing the transaction (including: price; quantity; points of receipt and delivery; length and type of service; identification of whether the transaction involves the Transmission Provider's wholesale merchant function or any affiliate; identification of what, if any, ancillary service transactions are associated with this transmission service transaction; and any other relevant terms and

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- conditions) and shall keep such information posted on the OASIS for at least 30 days. A record of the transaction must be retained and kept available as part of the audit log required in §37.7.
- 5) Customers choosing to use the OASIS to offer for resale transmission capacity they have purchased must post relevant information to the same OASIS as used by the Transmission Provider from whom the Reseller purchased the transmission capacity. This information must be posted on the same display page, using the same tables, as similar capability being sold by the Transmission Provider, and the information must be contained in the same downloadable files as the Transmission Provider's own available capability.
- d) *Posting Ancillary Service Offerings and Prices.*
- 1) Any ancillary service required to be provided or offered under the *pro forma* tariff prescribed by part 35 of this chapter must be posted with the price of that service.
  - 2) Any offer of a discount for any ancillary service made by the Transmission Provider must be announced to all potential customers solely by posting on the OASIS.
  - 3) For any transaction for ancillary service agreed to by the Transmission Provider and a customer, the Transmission Provider (at the time when ATC must be adjusted in response to an associated transmission service transaction, if any), must post on the OASIS (and make available for download) information describing the transaction (including: date and time when the agreement was entered into; price; quantity; length and type of service; identification of whether the transaction involves the Transmission Provider's wholesale merchant function or any affiliate; identification of what, if any, transmission service transactions are associated with this ancillary service transaction; and any other relevant terms and conditions) and shall keep such information posted on the OASIS for at least 30 days. A record of the transaction must be retained and kept available as part of the audit log required in §37.7.
  - 4) Any other interconnected operations service offered by the Transmission Provider may be posted, with the price for that service.
  - 5) Any entity offering an ancillary service shall have the right to post the offering of that service on the OASIS if the service is one required to be offered by the Transmission Provider under the *pro forma* tariff prescribed by part 35 of this chapter. Any entity may also post any other interconnected operations service voluntarily offered by the Transmission Provider. Postings by customers and third parties must be on the same page, and in the same format, as postings of the Transmission Provider.
- e) *Posting specific transmission and ancillary service requests and responses —*
- 1) *General rules.*
    - i) All requests for transmission and ancillary service offered by Transmission Providers under the *pro forma* tariff, including requests for discounts, and all requests to designate or terminate a network resource, must be made on the OASIS and posted prior to the Transmission Provider responding to the request, except as discussed in paragraphs (e) (1)(ii) and (iii) of this section. The Transmission Provider must post all requests for transmission service, for ancillary service, and for the designation or termination of a network resource comparably. Requests for transmission service, ancillary service, and to designate and terminate a network resource, as well as the responses to such requests, must be conducted in accordance with the Transmission Provider's tariff, the Federal Power Act, and Commission regulations.
    - ii) The requirement in paragraph (e)(1)(i) of this section, to post requests for transmission and ancillary service offered by Transmission Providers under the *pro forma* tariff, including requests for discounts, prior to the Transmission Provider responding to the request, does not apply to requests for next-hour service made during Phase I.
    - iii) In the event that a discount is being requested for ancillary services that are not in support of basic transmission service provided by the Transmission Provider, such request need not be posted on the OASIS.
    - iv) In processing a request for transmission or ancillary service, the Responsible Party shall post the same information as required in paragraphs (c)(4) and (d)(3) of this section, and the following information: the date and time when the request is made, its place in any queue, the status of that request, and the result (accepted, denied, withdrawn). In processing a request to designate or terminate the designation of a network resource, the Responsible Party shall post the date and time when the request is made.
    - v) For any request to designate or terminate a network resource, the Transmission Provider (at the time when the request is received), must post on the OASIS (and make available for download) information describing the request (including: name of requestor, identification of the resource, effective time for the designation or termination, identification of whether the transaction involves the Transmission Provider's wholesale merchant function or any affiliate; and any other relevant terms and conditions) and shall keep such

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- information posted on the OASIS for at least 30 days. A record of the transaction must be retained and kept available as part of the audit log required in §37.7.
- vi) The Transmission Provider shall post a list of its current designated network resources and all network customers' current designated network resources on OASIS. The list of network resources should include the name of the resource, its geographic and electrical location, its total installed capacity, and the amount of capacity to be designated as a network resource.
- 2) *Posting when a request for transmission service is denied.*
    - i) When a request for service is denied, the Responsible Party must provide the reason for that denial as part of any response to the request.
    - ii) Information to support the reason for the denial, including the operating status of relevant facilities, must be maintained for five years and provided, upon request, to the potential Transmission Customer and the Commission's Staff.
    - iii) Any offer to adjust operation of the Transmission Provider's System to accommodate the denied request must be posted and made available to all Transmission Customers at the same time.
  - 3) *Posting when a transaction is curtailed or interrupted.*
    - i) When any transaction is curtailed or interrupted, the Transmission Provider must post notice of the curtailment or interruption on the OASIS, and the Transmission Provider must state on the OASIS the reason why the transaction could not be continued or completed.
    - ii) Information to support any such curtailment or interruption, including the operating status of the facilities involved in the constraint or interruption, must be maintained and made available upon request, to the curtailed or interrupted customer, the Commission's Staff, and any other person who requests it, for five years.
    - iii) Any offer to adjust the operation of the Transmission Provider's system to restore a curtailed or interrupted transaction must be posted and made available to all curtailed and interrupted Transmission Customers at the same time.
  - f) *Posting Transmission Service Schedules Information.* Information on transmission service schedules must be recorded by the entity scheduling the transmission service and must be available on the OASIS for download. Transmission service schedules must be posted no later than seven calendar days from the start of the transmission service.
  - g) *Posting Other Transmission-Related Communications.*
    - 1) The posting of other communications related to transmission services must be provided for by the Responsible Party. These communications may include "want ads" and "other communications" (such as using the OASIS as a Transmission-related conference space or to provide transmission-related messaging services between OASIS users). Such postings carry no obligation to respond on the part of any market participant.
    - 2) The Responsible Party is responsible for posting other transmission-related communications in conformance with the instructions provided by the third party on whose behalf the communication is posted. It is the responsibility of the third party requesting such a posting to ensure the accuracy of the information to be posted.
    - 3) Notices of transfers of personnel shall be posted as described in §358.4(c). The posting requirements are the same as those provided in §37.7 for audit data postings.
    - 4) Logs detailing the circumstances and manner in which a Transmission Provider or Responsible Party exercised its discretion under any terms of the tariff shall be posted as described in §358.5(c)(4). The posting requirements are the same as those provided in §37.7 for audit data postings.
  - h) *Posting information summarizing the time to complete transmission service request studies.*
    - 1) For each calendar quarter, the Responsible Party must post the set of measures detailed in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section related to the Responsible Party's processing of transmission service request system impact studies and facilities studies. The Responsible Party must calculate and post the measures in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section for requests for short-term firm point-to-point transmission service, requests for long-term firm point-to-point transmission service, and requests to designate a new network resource or network load. When calculating the measures in paragraph (h)(1)(i) through paragraph (h)(1)(iv) of this section, the Responsible Party may aggregate requests for short-term firm point-to-point service and requests for long-term firm point-to-point service, but must calculate and post measures separately for transmission service requests from Affiliates and transmission service requests from Transmission Customers who are not Affiliates. The Responsible Party is required to include in the calculations of the measures in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section all studies the Responsible Party conducts of transmission service requests on another Transmission Provider's OASIS.
      - i) *Process time from initial service request to offer of system impact study agreement.*

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- (A) Number of new system impact study agreements delivered during the reporting quarter to entities that request transmission service,
  - (B) Number of new system impact study agreements delivered during the reporting quarter to entities that request transmission service more than thirty (30) days after the Responsible Party received the request for transmission service,
  - (C) Mean time (in days), for all requests acted on by the Responsible Party during the reporting quarter, from the date when the Responsible Party received the request for transmission service to when the Responsible Party changed the transmission service request status to indicate that the Responsible Party could offer transmission service or needed to perform a system impact study,
  - (D) Mean time (in days), for all system impact study agreements delivered by the Responsible Party during the reporting quarter, from the date when the Responsible Party received the request for transmission service to the date when the Responsible Party delivered a system impact study agreement, and
  - (E) Number of new system impact study agreements executed during the reporting quarter.
- ii) *System impact study processing time.*
- (A) Number of system impact studies completed by the Responsible Party during the reporting quarter,
  - (B) Number of system impact studies completed by the Responsible Party during the reporting quarter more than 60 days after the Responsible Party received an executed system impact study agreement,
  - (C) For all system impact studies completed more than 60 days after receipt of an executed system impact study agreement, average number of days study was delayed due to transmission customer's actions ( e.g. , delays in providing needed data),
  - (D) Mean time (in days), for all system impact studies completed by the Responsible Party during the reporting quarter, from the date when the Responsible Party received the executed system impact study agreement to the date when the Responsible Party provided the system impact study to the entity who executed the system impact study agreement, and
  - (E) Mean cost of system impact studies completed by the Responsible Party during the reporting quarter.
- iii) *Transmission service requests withdrawn from the system impact study queue.*
- (A) Number of transmission service requests withdrawn from the Responsible Party's system impact study queue during the reporting quarter,
  - (B) Number of transmission service requests withdrawn from the Responsible Party's system impact study queue during the reporting quarter more than 60 days after the Responsible Party received the executed system impact study agreement, and
  - (C) Mean time (in days), for all transmission service requests withdrawn from the Responsible Party's system impact study queue during the reporting quarter, from the date the Responsible Party received the executed system impact study agreement to date when request was withdrawn from the Responsible Party's system impact study queue.
- iv) *Process time from completed system impact study to offer of facilities study.*
- (A) Number of new facilities study agreements delivered during the reporting quarter to entities that request transmission service,
  - (B) Number of new facilities study agreements delivered during the reporting quarter to entities that request transmission service more than thirty (30) days after the Responsible Party completed the system impact study,
  - (C) Mean time (in days), for all facilities study agreements delivered by the Responsible Party during the reporting quarter, from the date when the Responsible Party completed the system impact study to the date when the Responsible Party delivered a facilities study agreement, and
  - (D) Number of new facilities study agreements executed during the reporting quarter.
- v) *Facilities study processing time.*
- (A) Number of facilities studies completed by the Responsible Party during the reporting quarter,
  - (B) Number of facilities studies completed by the Responsible Party during the reporting quarter more than 60 days after the Responsible Party received an executed facilities study agreement,
  - (C) For all facilities studies completed more than 60 days after receipt of an executed facilities study agreement, average number of days study was delayed due to transmission customer's actions ( e.g. , delays in providing needed data),
  - (D) Mean time (in days), for all facilities studies completed by the Responsible Party during the reporting quarter, from the date when the Responsible Party received the executed facilities study agreement to the date when the Responsible Party provided the facilities study to the entity who executed the facilities study agreement,

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- (E) Mean cost of facilities studies completed by the Responsible Party during the reporting quarter, and
- (F) Mean cost of upgrades recommended in facilities studies completed during the reporting quarter.
- vi) *Service requests withdrawn from facilities study queue.*
  - (A) Number of transmission service requests withdrawn from the Responsible Party's facilities study queue during the reporting quarter,
  - (B) Number of transmission service requests withdrawn from the Responsible Party's facilities study queue during the reporting quarter more than 60 days after the Responsible Party received the executed facilities study agreement, and
  - (C) Mean time (in days), for all transmission service requests withdrawn from the Responsible Party's facilities study queue during the reporting quarter, from the date the Responsible Party received the executed facilities study agreement to date when request was withdrawn from the Responsible Party's facilities study queue.
- 2) The Responsible Party is required to post the measures in paragraph (h)(1)(i) through paragraph (h)(1)(vi) of this section for each calendar quarter within 15 days of the end of the calendar quarter. The Responsible Party will keep the quarterly measures posted on OASIS for three calendar years.
- 3) The Responsible Party will be required to post on OASIS the measures in paragraph (h)(3)(i) through paragraph (h)(3)(iv) of this section in the event the Responsible Party, for two consecutive calendar quarters, completes more than twenty (20) percent of the studies associated with requests for transmission service from entities that are not Affiliates of the Responsible Party more than sixty (60) days after the Responsible Party delivers the appropriate study agreement. The Responsible Party will have to post the measures in paragraph (h)(3)(i) through paragraph (h)(3)(iv) of this section until it processes at least ninety (90) percent of all studies within 60 days after it has received the appropriate executed study agreement. For the purposes of calculating the percent of studies completed more than sixty (60) days after the Responsible Party delivers the appropriate study agreement, the Responsible Party should aggregate all system impact studies and facilities studies that it completes during the reporting quarter.
  - i) Mean, across all system impact studies the Responsible Party completes during the reporting quarter, of the employee-hours expended per system impact study the Responsible Party completes during reporting period;
  - ii) Mean, across all facilities studies the Responsible Party completes during the reporting quarter, of the employee-hours expended per facilities study the Responsible Party completes during reporting period;
  - iii) The number of employees the Responsible Party has assigned to process system impact studies;
  - iv) The number of employees the Responsible Party has assigned to process facilities studies.
- 4) The Responsible Party is required to post the measures in paragraph (h)(3)(i) through paragraph (h)(3)(iv) of this section for each calendar quarter within 15 days of the end of the calendar quarter. The Responsible Party will keep the quarterly measures posted on OASIS for five calendar years.
  - i) *Posting data related to grants and denials of service.* The Responsible Party is required to post data each month listing, by path or flowgate, the number of transmission service requests that have been accepted and the number of transmission service requests that have been denied during the prior month. This posting must distinguish between the length of the service request ( e.g. , short-term or long-term requests) and between the type of service requested ( e.g. , firm point-to-point, non-firm point-to-point or network service). The posted data must show:
    - 1) The number of non-Affiliate requests for transmission service that have been rejected,
    - 2) The total number of non-Affiliate requests for transmission service that have been made,
    - 3) The number of Affiliate requests for transmission service, including requests by the transmission provider's merchant function to designate a network resource or to procure secondary network service, that have been rejected, and
    - 4) The total number of Affiliate requests for transmission service, including requests by the transmission provider's merchant function to designate, or terminate the designation of, a network resource or to procure secondary network service, that have been made.
  - j) *Posting redispatch data.*
    - 1) The Transmission Provider must allow the posting on OASIS of any third party offer to relieve a specified congested transmission facility.
    - 2) The Transmission Provider must post on OASIS (i) its monthly average cost of planning and reliability redispatch, for which it invoices customers, at each internal transmission facility or interface over which it provides redispatch service and (ii) a high and low redispatch cost for the month for each of these same transmission facilities. The transmission provider must post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to transmission customers for redispatch-related services.

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[Order 889, 61 FR 21764, May 10, 1996, as amended by Order 889–A, 62 FR 12503, Mar. 14, 1997; Order 605, 64 FR 34124, June 25, 1999; Order 2004, 68 FR 69157, Dec. 11, 2003; Order 890, 72 FR 12493, Mar. 15, 2007; Order 890–A, 73 FR 3111, Jan. 16, 2008]

### **§ 37.7 Auditing Transmission Service Information.**

- a) All OASIS database transactions, except other transmission-related communications provided for under §37.6(g)(2), must be stored, dated, and time stamped.
- b) Audit data must remain available for download on the OASIS for 90 days, except ATC/TTC postings that must remain available for download on the OASIS for 20 days. The audit data are to be retained and made available upon request for download for five years from the date when they are first posted in the same electronic form as used when they originally were posted on the OASIS.

[Order 889, 61 FR 21764, May 10, 1996, as amended by Order 889–A, 62 FR 12504, Mar. 14, 1997; Order 890, 72 FR 12496, Mar. 15, 2007]

### **§ 37.8 Obligations of OASIS users.**

Each OASIS user must notify the Responsible Party one month in advance of initiating a significant amount of automated queries. The OASIS user must also notify the Responsible Party one month in advance of expected significant increases in the volume of automated queries.

[Order 605, 64 FR 34124, June 25, 1999]

**PART 358—STANDARDS OF CONDUCT**

**Sec.**

- § 358.1 Applicability.
- § 358.2 General principles.
- § 358.3 Definitions.
- § 358.4 Non-discrimination requirements.
  
- § 358.5 Independent functioning rule.
  
- § 358.6 No conduit rule.
  
- § 358.7 Transparency rule.
  
- § 358.8 Implementation requirements.

**Authority:** 15 U.S.C. 717–717w, 3301–3432; 16 U.S.C. 791–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

**§ 358.1 Applicability.**

- (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.
  
- (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.
  
- (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 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.
  
- (d) A transmission provider may file a request for a waiver from all or some of the requirements of this part for good cause.

**§ 358.2 General principles.**

- (a) As more fully described and implemented in subsequent sections of this part, 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

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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.

- (b) As more fully described and implemented in subsequent sections of this part, 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.
- (c) As more fully described and implemented in subsequent sections of this part, 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.
- (d) As more fully described and implemented in subsequent sections of this part, a transmission provider must provide equal access to non-public transmission function information disclosed to marketing function employees to all its transmission customers, affiliated and non-affiliated, except as permitted in this part or otherwise permitted by Commission order.

### § 358.3 Definitions.

- (a) Affiliate of a specified entity means:
  - (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.
  - (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.
  - (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.
- (b) Internet website refers to the Internet location where an interstate natural gas pipeline or a public utility posts the information, by electronic means, required under this part 358.
- (c) Marketing functions means:
  - (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
  - (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:
    - (i) Bundled retail sales,
    - (ii) Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities,
    - (iii) Sales of natural gas solely from a seller's own production,
    - (iv) Sales of natural gas solely from a seller's own gathering or processing facilities, and

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- (v) On-system sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, by a local distribution company, or by a local distribution company operating under section 7(f) of the Natural Gas Act
  
- (d) Marketing function employee means an employee, contractor, 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.
  
- (e) Open Access Same Time Information System or OASIS 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 Internet website by this part 358.
  
- (f) Transmission 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.
  
- (g) Transmission customer 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.
  
- (h) Transmission functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.
  - (i) Transmission function employee 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.
  
- (j) Transmission function information means information relating to transmission functions.
  
- (k) Transmission provider means:
  - (1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce; or
  - (2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter.
  - (3) A transmission provider does not include a natural gas storage provider authorized to charge market-based rates.
  
- (l) Transmission service means the provision of any transmission as defined in § 358.3(f).
  
- (m) Waiver means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

**§ 358.4 Non-discrimination requirements.**

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- (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.
- (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.
- (c) A transmission provider may not, through its tariffs 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).
- (d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.

### § 358.5 Independent functioning rule.

- (a) General rule. 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.
- (b) Separation of functions.
  - (1) A transmission provider is prohibited from permitting its marketing function employees to:
    - (i) Conduct transmission functions; or
    - (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.
  - (2) A transmission provider is prohibited from permitting its transmission function employees to conduct marketing functions.

### § 358.6 No conduit rule.

- (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.
- (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.

### § 358.7 Transparency rule.

- (a) Contemporaneous disclosure.
  - (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 Internet website.

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- (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.
- (b) Exclusion for specific transaction information. A transmission provider's transmission function employee may 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.
- (c) Voluntary consent provision. 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 Internet website 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.
- (d) Posting written procedures on the public Internet. A transmission provider must post on its Internet website current written procedures implementing the standards of conduct.
- (e) Identification of affiliate information on the public Internet.
- (1) A transmission provider must post on its Internet website the names and addresses of all its affiliates that employ or retain marketing function employees.
  - (2) A transmission provider must post on its Internet website 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.
  - (3) The transmission provider must post information concerning potential merger partners as affiliates that may employ or retain marketing function employees, within seven days after the potential merger is announced.
- (f) Identification of employee information on the public Internet.
- (1) A transmission provider must post on its Internet website the job titles and job descriptions of its transmission function employees.
  - (2) A transmission provider must post a notice on its Internet website 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 Internet website 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:
    - (i) The name of the transferring employee,
    - (ii) The respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and

(iii) The effective date of the transfer.

(g) Timing and general requirements of postings on the public Internet.

- (1) A transmission provider must update on its Internet website 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.
- (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.
- (3) All Internet website postings required by this part must be sufficiently prominent as to be readily accessible.

(h) Exclusion for and recordation of certain information exchanges.

- (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.
- (2) The non-public information subject to the exclusion in § 358.7(h)(1) is as follows:
  - (i) Information pertaining to compliance with Reliability Standards approved by the Commission, and
  - (ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.
- (i) Posting of waivers. A transmission provider must post on its Internet website 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.

**§ 358.8 Implementation requirements.**

(a) Effective date.

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.

(b) Compliance measures and written procedures.

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- (1) A transmission provider must implement measures to ensure that the requirements of §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates.
- (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.

### (c) Training and compliance personnel.

- (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.
- (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 Internet website.

### (d) Books and records. 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.

## Energy Management System Information Displays

### Information available to the Marketing Function:

1. Power Plant substation one-lines (including device status), fuel usage and prices, Static VAR System data, bus volts, flows across transformers, and all analog meters dealing with generators (i.e. gross energy, auxiliaries, net output, operating limits, unit ramp rates, etc.).
2. Automatic Generation Control (AGC) tuning factors (regulation participation factors, pulse definitions, unit response, etc.).
3. Total net interchange.
4. System frequency.
5. Area Control Error (ACE) and its components (frequency deviation and net tie line deviation).
6. Production cost data per unit and system lambda.
7. Computer system status including, logger, communications, and Remote Terminal Unit (RTU) status.
8. Adaptive Load Forecast (ALF) weather and load data.
9. Transaction Evaluation and Unit Commitment (TEUC) study program.
10. Economic Dispatch study program.
11. NERC Control Performance Standard (CPS) data (includes ACE, Frequency, Tie- line deviation and total net interchange).
12. Alarm and event messages for points assigned to generation information.
13. Trending of analog meter data, for those meters available to the Marketing Function, to the trend buffer.

### Information not available to the Marketing Function

1. Real-time line flows either individually or totaled by company (KGE and Westar Energy). The Marketing Function only has access to a single number representing the total net interchange.
2. Real-time line flows within the Company's Control Area.
3. Status of Transmission line devices.
4. State Estimator and Security calculator study programs.
5. Archived MWH values for the tie lines and internal line flows.
6. ITS transmission schedules.
7. System-wide lists of tags and off-normal points.
8. Voltage regulation displays.
9. Under frequency displays.
10. Load shed displays.
11. Sequence of Events (SOE) reporting.
12. Device operations counters.

## Appendix C

### The Interchange Transaction Scheduler and Energy Accounting Systems

The Interchange Transaction Scheduler (ITS) is no longer used at the Company. Traditionally control area operators enter their schedules into a ITS system which calculates the Net Schedule Interchange value (NSI) which is passed to the AGC system. Beginning December 1, 2001, the Company started receiving the NSI used in the AGC system from SPP. The NSI number is produced by SPP from a combination of RTOSS and the Energy Imbalance Market. The number is updated every five minutes electronically. All schedules are submitted to RTOSS via a NERC tag. Also, beginning February 1, 2002, the Company turned over all schedule approval authority to SPP. All schedules to be implemented by the Company must be submitted through RTOSS and are reviewed and acted on by SPP schedulers and tariff administrators. Schedules approved by SPP are received by the Company using a software system called WATTAGE and entered into the Energy Accounting System for tracking and billing purposes.

Beginning May 1, 2011 WATTAGE and the Energy Accounting Systems were replaced with a new energy accounting system which is an offsite program administered by MCG Energy Solutions to track all transmission transactions and produce various reports and billing information needed in the operation of the Transmission and Generation areas of the company. A primary goal of the system is to implement the Open Access Transmission requirements as set forth by FERC. The accounting system is also designed to track and bill those transactions that occur outside the Company's Control Area associated with the Marketing and Energy Affiliate as well as those transactions that occur within the Company's Control Area.

Built into the software are various safeguards that control a user's access to information based upon their logon. These systems are currently used by both the Marketing Function and the Transmission Function.

#### **Information available to the Marketing Function:**

1. All data on the status of the Generators. (gross output, net output, etc.)
2. Total net interchange (single number by hour).
3. Hourly demand information for the transmission dependent Generating Municipals used to supply load following services and billing information.
4. All schedules that the Marketing Function is either the supplier, purchaser, scheduling agent, or is a participant in.
5. Net schedules between KGE and the Company.
6. Authorized customers to transmission and generation agreements.

#### **Information not available to the Marketing Function:**

1. Inter-company line flows.
2. Transmission schedules that the Marketing and Energy Affiliate is not a participant to.
3. Meter data.
4. Components that comprise the net interchange calculation, except where those tie meters are also the billing meters to the Marketing Function's customers.
5. Transmission billing information.