

STANDARDS OF CONDUCT IMPLEMENTING GUIDELINES FOR THE XCEL ENERGY TRANSMISSION PROVIDERS

In Accordance with the Federal Energy Regulatory Commission Order 717 - Standards of Conduct For Transmission Providers (18 C.F.R. PART 358)

Background

Xcel Energy declares in its **Vision and Mission Statement** that employees will conduct all of our business in an honest and ethical manner. In addition, employees are required to follow the Xcel Energy employee **Code of Conduct**, which states that Xcel Energy Inc. and its subsidiaries and affiliated companies are committed to the highest ethical standards in all we do. We adhere to these high standards because it is, and has always been, the right thing to do. It is essential that our employees demonstrate the highest ethical conduct when conducting business with fellow employees, customers, shareholders, suppliers and the community.

In October 2008, the Federal Energy Regulatory Commission (FERC) issued Order No. 717, revising the Standards of Conduct rules for electric and natural gas Transmission Providers (the Standards). Subsequently, FERC issued several Orders to clarify certain provisions of Order 717. For ease of reference, we refer to each of these Orders collectively as Order 717. FERC Order 717 requires Xcel Energy to establish detailed written compliance procedures. These Implementation Guidelines (Guidelines) are those procedures.

Compliance Obligations

Although this document is titled “Guidelines,” **compliance with these Guidelines by all Xcel Energy employees, contractors, consultants and agents is mandatory.** Affected Employees (as defined in these Guidelines) should strictly adhere to the Order 717 Standards and these Guidelines in performing their jobs. The Standards of Conduct Chief Compliance Officer (SOC CCO), business unit Compliance Liaisons, Senior Officers, business unit executives, department team leaders and supervisors are ultimately responsible for ensuring that all employees within their areas of responsibility review, understand, and comply with the Standards and these Guidelines.

If You Have Questions

Any questions regarding the FERC Standards of Conduct regulations or these Guidelines should be submitted to: SOCChiefComplianceOfficer@xcelenergy.com, or you can contact Marj Green at 303 571-7362.

Updates/Revisions

These Guidelines may be revised from time to time to reflect the most recent rules or interpretations of the Standards by FERC. Updates to these Guidelines may be distributed to Affected Employees by e-mail or also may be viewed on the Xcel Energy website at: http://www.xcelenergy.com/About_Us/Transmission/About_Transmission.

Organization of these Guidelines

These Guidelines are organized to generally follow the organization of the FERC regulations. The Guidelines list the FERC rule number, the FERC rule text in italics and then provide information on how to comply. To aid your understanding of the rules and Guidelines, the Guidelines provide some Order 717 and Xcel Energy definitions first.

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In addition to these general Implementing Guidelines for all Affected Employees, Xcel Energy has developed more detailed compliance information on specific topics to assist employee compliance. The most up-to-date versions of these additional compliance resources are available on XpressNET at the Order 717 information page at: [Standards of Conduct Internal Documents](#).

Some additional compliance materials include the following resources:

- No Conduit Rule Briefing
- Meetings with Transmission Function and/or Wholesale Merchant Function employees Guidelines (Meeting Guidelines) which includes a list of examples of Transmission Function Information
- Internal Transmission Customer Guidelines
- Exception and Recordation Guidelines
- A current listing of Compliance Liaisons for Xcel Energy business areas and their duties
- A list of all employees, contractors, consultants, agents of Xcel Energy with their assigned FERC Classification (FERC ID and FERC Code)
- A list of Transmission Restricted Areas with the monitor name(s)

The Standards of Conduct required posting information is available on the Transmission page of the Xcel Energy website located at:

http://www.xcelenergy.com/About_Us/Transmission/About_Transmission

Employees, contractors, consultants and agents of Xcel Energy are encouraged to consult the Standards of Conduct compliance site on XpressNET and these additional resources for further information on Standards of Conduct compliance issues located at: [Standards of Conduct Internal Documents](#).

Definitions

The following capitalized terms used in these Guidelines have the following meanings:

1. Xcel Energy Definitions

Affected Employees within Xcel Energy include:

- Transmission Function employees in the Transmission Operations (reporting to Greg Pieper, Director, System Operations), Transmission Business Relations and employees in Transmission Planning who perform System Impact Studies used to grant or deny transmission service request (reporting to Ian Benson, Director, Transmission Business Relations/Asset Management);
- System Protection Engineering (reporting to Mark Gutzmann, Manager, Substation Engineering and Design);
- Wholesale Merchant Function employees in: (i) Energy Trading in Commercial Operations (reporting to Eric Pierce, Managing Director, Energy Trading); and (ii) Origination function in Commercial Operations group (reporting Mindy Yaiko, Director, Origination) (iii) contractors/consultants/agents who perform Marketing Function activities;
- Officers, directors, supervisory employees, and any other employees likely to become privy to Transmission Function Information.

SOC Chief Compliance Officer or SOC CCO means the Standards of Conduct Chief Compliance Officer. The SOC CCO is Dan Ahrens. The SOC CCO has a reporting relationship to the Xcel Energy FERC Compliance Officer (Dave Sparby, Sr. VP and Group President), who oversees all FERC compliance activities. The Xcel Energy FERC Compliance Officer has a functional reporting relationship to the Xcel Energy Chief Compliance Officer (Cathy Hart, vice president and Corporate Secretary), who oversees all Xcel Energy compliance activities.

Transmission Restricted Area means an area where Transmission Function employees and other employees that routinely use non-public Transmission Function Information to perform their jobs should be located. The areas have restricted card access readers or other access controls.

MISO means Midwest Independent Transmission System Operator, Inc. NSPM and NSPW are transmission-owning members of MISO.

NERC means the North American Electric Reliability Corporation.

OATT or **Tariff** means Open Access Transmission Tariff. Under separate FERC rules, the Xcel Energy Transmission Providers are obligated to provide open access transmission services to non-affiliated customers on a non-discriminatory basis under an OATT mandated by FERC. An OATT can include (a) the Xcel Energy Operating Companies Joint OATT (Xcel Energy OATT), (b) or the OATT of a Regional Transmission Organization like MISO and SPP.

RTO means a Regional Transmission Organization. MISO and SPP are RTOs with functional control of the NSP/NSPW transmission system and SPS transmission system, respectively.

SPP means the Southwest Power Pool, Inc. SPS is a transmission-owning member of SPP.

The **Xcel Energy Transmission Providers** are:

- Northern States Power Company, a Minnesota corporation (NSPM);
- Northern States Power Company, a Wisconsin corporation (NSPW);
- Public Service Company of Colorado (PSCo); and
- Southwestern Public Service Company (SPS).

These companies own electric transmission facilities and provide non-discriminatory open-access transmission services at wholesale in interstate commerce and are subject to Order 717.¹ NSP and NSPW operate an integrated system referred to as the **NSP System**.

Xcel Energy means Xcel Energy Inc., the registered holding company parent of the Xcel Energy Transmission Providers.

XES or Service Company means Xcel Energy Services Inc., the service company for the Xcel Energy holding company. XES and its employees perform an array of support services on behalf of the Xcel Energy Transmission Providers and their Transmission Function and Wholesale Merchant Function. Under Order 717, the function you perform, not the company that employs you, is what matters. Affected Employees of XES who perform a Transmission Function or Wholesale Merchant Function on behalf of the Xcel Energy Transmission Providers are subject to the Standards and these Guidelines as if they were direct employees of an Xcel Energy Transmission Provider and performing the function.

2. FERC Definitions

The following terms used in these Guidelines have the meanings established by FERC. To assist your understanding, some of the terms are followed by explanatory information. Note: the text in italics is FERC rule text. We have omitted some rule text not applicable to Xcel Energy Transmission Providers, which is shown by an "..." in the text.

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....* (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.*

¹ Another Xcel Energy Inc. subsidiary, WestGas Interstate Inc. (WGI), is an interstate natural gas pipeline that is exempt from the Standards because it does not transport natural gas for affiliates. Young Gas Storage Company Ltd. (Young Gas) is a partially-owned natural gas storage facility subject to the Standards. However, a non-affiliated interstate natural gas transmission company manages Standards compliances for Young Gas. Order 717 also includes a provision (Section 358.1(c)) that can allow an electric Transmission Provider to be exempt from the Standards if it is a member of an RTO. Although NSPM/NSPW are members of the MISO RTO and SPS is a member of the SPP RTO, respectively, MISO and SPP do not directly operate the NSP System or SPS transmission facilities. NSPM, NSPW and SPS are thus not eligible for this RTO member exemption at this time.

Explanation: The Xcel Energy Transmission Providers and XES are affiliates of each other because they are under the common control of Xcel Energy Inc. The Transmission Function and Wholesale Merchant Function are "functional units" within the Xcel Energy Transmission Providers or XES, because the functions can be performed either by utility or XES personnel.

Under Order 717, it is your job function, not the company within the Xcel Energy family that employs you, that matters. The Xcel Energy Transmission Providers must treat functional units within business units that perform a Wholesale Merchant Function or a Transmission Function as if those functional units were affiliated separate legal entities.

Critical Energy Infrastructure Information means *specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on critical infrastructure; (iii) is exempt from mandatory disclosure under the federal Freedom of Information Act; and (iv) does not simply give the general location of the critical infrastructure.*

Critical Infrastructure means *existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.*

Internet website refers to the Internet location where...a public utility posts the information, by electronic means, required under this part 358.

Explanation: The Xcel Energy Transmission Providers post the information, by electronic means, required under Order 717 at the Transmission Page of the Xcel Energy website, located at: http://www.xcelenergy.com/About_Us/Transmission/About_Transmission

In addition to posting on the Xcel Energy website, the Xcel Energy Transmission Providers may also post this information on their respective Open Access Same Time Information System (OASIS) site.

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....*

Explanation: At Xcel Energy, we refer to Marketing Functions as the **Wholesale Merchant Function**. Affected Employees in these functions make *wholesale* sales, or offer to make sales, of electric energy or capacity, demand response, virtual transaction or financial or physical transmission rights in interstate commerce. However, the vast majority of electric customers served by the Xcel Energy Transmission Providers are *bundled retail* sales customers taking service subject to state (not FERC) jurisdiction and tariffs. The Wholesale Merchant Function excludes employees solely engaged in making bundled retail or Provider of Last Resort (POLR) sales.²

² NSPW is subject to retail electric competition for its service area in the Upper Peninsula of Michigan. At this time, however, all NSPW customers in Michigan continue to take bundled retail service from NSPW. FERC has ruled these NSPW POLR services are not Wholesale Merchant Function services subject to the Standards (*Northern*

Marketing Function [or Wholesale Merchant 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.

Explanation: At Xcel Energy, the Wholesale Merchant Function employees are located in the Energy Trading area in Commercial Operations, reporting to Eric Pierce and the Originators function reporting to Mindy Yajko. FERC also clarified that an employee making business decisions about non-price terms and conditions also can be considered a Wholesale Merchant Function employee if the employee is actively and personally engaged in marketing functions. However, an employee who simply drafts or redrafts a contract, including non-price terms and conditions, without making business decisions, is not a marketing or Wholesale Merchant Function employee.

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.

Explanation: The Xcel Energy Transmission Providers have been required to operate an OASIS site for several years. The Xcel Energy Transmission Providers and their Transmission Customers use OASIS to, among other things, request or approve transmission service.³ Under Order 717, some information previously published on OASIS shall now be published on an **Internet website**. Information that must be posted pursuant to the Standards will be made available via the Transmission page of the Xcel Energy website at http://www.xcelenergy.com/About_Us/Transmission/About_Transmission. In addition, this information also may be posted on the applicable OASIS site.

Transmission or Transmission services 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 CFR part 35.

Explanation: Transmission services can be provided under the Xcel Energy OATT, (b) the regional OATTs of MISO or SPP, or (c) individual transmission service contracts (called rate schedules) on file with FERC.

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.

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.

States Power Co. and Northern States Power Co. (Wisconsin) 119 FERC ¶ 61,103 (2007)).

³ The applicable web links to the NSP System, PSCo and SPS OASIS sites are:

- <http://oasis.midwestiso.org/OASIS/MISO>
- <http://www.oatioasis.com/psco/index.html>
- <http://sppoasis.spp.org/OASIS>

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.

Explanation: At Xcel Energy, Transmission Function employees are located in the Transmission Operations area (reporting to Greg Pieper, Systems Operations Director), the Transmission Business Relations and Transmission Asset Management areas (reporting to Ian Benson, Director, Transmission Business Relations/Asset Management), and the System Protection Engineering area (reporting to Mark Gutzmann, Manager, Substation Engineering and Design) These areas are actively and personally engaged on a day-to day basis in transmission operations, including the granting or denying of transmission service and interconnection requests.

Transmission Function Information means information relating to transmission functions.

Explanation: Xcel Energy has interpreted **Transmission Function Information** to mean any internal information related to the planning, directing, organizing or carrying out of day-to day transmission operations, including the granting and denying of transmission service and interconnection requests of an Xcel Energy Transmission Provider transmission system. Below are some examples of Transmission Function Information:

- Transmission operating data
- Transmission flows
- Transmission equipment status
- Capacity available on the transmission system (present or future)
- Transmission outages(planned and unplanned, current and future)
- Transmission operating and switching procedures
- Non-affiliated Transmission Customer information
- Transmission information received by the Transmission Function about the transmission system of others

Other examples of Transmission Function Information can be found in the Meeting with Transmission Function and/or Wholesale Merchant Function employees Guidelines found on XpressNET at [Standards of Conduct Internal Documents](#)

The Xcel Energy Transmission Providers will provide comparable access to Transmission Function Information by posting such information on the Internet website and/or the applicable Transmission Provider's OASIS.

Transmission Provider means...any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce.

Explanation: NSP, NSPW, PSCo and SPS are Transmission Providers subject to the Standards because they own, operate or control facilities used for the transmission of electric energy in

interstate commerce.⁴

Waiver means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

Explanation: Under FERC rules, an Xcel Energy Transmission Provider (or MISO or SPP) can sometimes waive application of a provision of an OATT to avoid unintended harm to a customer. Waivers are infrequent, but if an OATT waiver is granted, the Standards apply and a notice of each waiver granted to the affiliated WMF must be posted within one business day of the act of the waiver. The Transmission Function must also maintain a log of all acts of waiver and must make it available to the Commission upon request. The records must be kept for five years from the date of each waiver.

358.1 Applicability

358.1(b) This [rule] 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.

Compliance Guidance: These Guidelines apply to the Xcel Energy Transmission Providers: NSP, NSPW, PSCo and SPS. These companies are subject to the Standards because they own electric transmission facilities and provide non-discriminatory open-access transmission services to its affiliated Wholesale Merchant Function. In addition, Affected Employees in the Service Company are subject to the Standards because they may have access to Transmission Function Information that is subject to the Standard of Conduct rules.

358.2 General Principles

358.2(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 non-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... transmission of electric energy in interstate commerce, or with respect to the wholesale sale of ...electric energy in interstate commerce.

Compliance Guidance: The Xcel Energy Transmission Providers will treat all Transmission Customers, affiliated and non-affiliated, on a non-discriminatory basis, and will not make or grant any undue preference or advantage to any internal or external Transmission Customer with respect to transmission of and/or wholesale sale of electric energy in interstate commerce

Please refer to the discussion of the **Non-discrimination Requirements** below for additional compliance information.

⁴ Another Xcel Energy Inc. subsidiary, Young Gas Storage Company Ltd. (Young Gas) is a partially-owned natural gas storage facility subject to the Standards. However, a non-affiliated interstate natural gas transmission company manages Standards compliances for Young Gas.

358.2(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.

Compliance Guidance: Xcel Energy Transmission Function employees in the Transmission business unit must function independently of Wholesale Merchant Function personnel in Commercial Operations. Transmission Function personnel also will be physically separated from Wholesale Merchant Function personnel. Separation is required based on each employee's functional classification; it does not matter if the employee is a direct employee of an Xcel Energy Transmission Provider (e.g., PSCo) or an employee of the Service Company.

Please refer to discussion of the **Independent Functioning Rule** below for additional compliance information.

358.2(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.

Compliance Guidance: The Xcel Energy Transmission Providers and their employees, contractors, consultants and agents will not disclose or use a conduit to disclose, non-public Transmission Function Information to Wholesale Merchant Function employees.

Please refer to discussion of the **No Conduit Rule** below for additional compliance information.

358.2(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 to all its transmission function customers, affiliated and non-affiliated, except as permitted in this part or otherwise permitted by Commission Order.

Compliance Guidance: The Xcel Energy Transmission Providers and their employees, contractors, consultants and agents will post immediately non-public Transmission Function Information that was inadvertently disclosed to Wholesale Merchant Function employee on its Internet website. However, if non-public Transmission Customer information or Critical Energy Infrastructure Information is disclosed, the Xcel Energy Transmission Providers will post notice that information was disclosed and will not disclose the confidential information.

Please refer to the discussion of the **Transparency Rule** below for additional compliance information.

358.4 Non-discrimination Requirements

358.4(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.

Compliance Guidance: The Xcel Energy Transmission Providers will strictly enforce all Tariff provisions relating to the purchase or sale of all open access transmission services for which there is no discretion in the application of the Tariff provision.⁵

*358.4(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.*⁶

Compliance Guidance: The Xcel Energy Transmission Providers will apply all Tariff provisions relating to the sale or purchase of open access transmission services in a fair and impartial manner that treats all internal, external and potential Transmission Customers in a non-discriminatory manner, if these provisions permit the use of discretion. If a provision of the OATT allows discretion, the Xcel Energy Transmission Provider may post a business practice on OASIS describing how the discretionary action will be applied.

*358.4(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).*⁷

Compliance Guidance: The Xcel Energy Transmission Providers may not, through its tariffs or otherwise, give undue preference to internal, external and potential Transmission Customers 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).

Xcel Energy internal Transmission Customers include but are not limited to

- The Transmission Access function who (1) submit requests on OASIS to request transmission services to service the native load customers on the NSP System, SPS, and PSCo;
- The Transmission Access function or other employees who submit (or may submit) requests for interconnection of new generation projects or upgrades to existing Company-owned generation facilities and interconnection requests for network resources on behalf of the Generation Operation function, Resource Planning function and Purchase Power function;
- Transmission Access function or other employees who submit (or may submit) requests for interconnection of new Operating Company-owned wind generation plants; and
- Distribution or other employees who submit requests for new transmission-to-distribution load serving interconnections and significant increases above the annual forecast load

Under the Standards, employees in these functions can have access to non-public Transmission Function Information and are subject to the No Conduit; however, they remain subject to the general comparability and non-discrimination requirements of the Standards.

⁵ All new transmission service and generation interconnection service requests for the NSP System and the SPS transmission system are administered by MISO or SPP, respectively, pursuant to their regional OATTs. NSP/NSPW and SPS no longer offer new transmission services under the Xcel Energy OATT

⁶ i.d.

⁷ i.d.

358.4(d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.

Compliance Guidance: The Xcel Energy Transmission Providers will process all similar requests for transmission service and interconnections in the same manner and within the same period of time for affiliated and non-affiliated Transmission Customers.

Internal Customers (e.g. Transmission Access, Distribution, Generation Operation, etc.) should refer to the Internal Transmission Customer Guidelines available on the XpressNET at: [Standards of Conduct Internal Documents](#).

358.5 Independent Functioning Rule

358.5(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.

Compliance Guidance: Xcel Energy Transmission Function employees (Transmission Operations, Transmission Asset Management, Transmission Business Relations and Substation Protection Engineering) will function independently of Wholesale Merchant Function personnel (Energy Trading and Origination Function) in Commercial Operations. Transmission Function personnel also will be physically separated from the Wholesale Merchant Function personnel. Separation is required based on the employee's functional classification in Peoplesoft, the human resource management system used by Xcel Energy. The Transmission Function and Wholesale Merchant Function employees may be a direct employee of an Xcel Energy Transmission Provider (e.g., PSCo) or an employee of the Service Company.

Transmission Function employees shall be located in Transmission Restricted Areas, which have restricted electronic card access entrances. Wholesale Merchant Function employees are never to be allowed into or given access to a Transmission Control Center except in cases of a declared system reliability emergency.

Important reminder: To comply with the physical separation requirement, it is important that the hiring leader or supervisor of Transmission Function employees works with Property Services and the SOC Chief Compliance Officer as needed to ensure that Transmission Function employees are located in a Transmission Restricted Area or in an office with a lock.

358.5(b)(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.*

Compliance Guidance: Xcel Energy Transmission Function will ensure Wholesale Merchant Function employees do not:

- (a) Plan, direct, organize or carry out day-to-day transmission operations, including the granting and denying of transmission service requests and*

- performing System Impact Studies used to grant or deny transmission service requests; or
- (b) Have access to the Transmission system control centers or similar facilities of the Xcel Energy Transmission Providers used for transmission operations that differs in any way from access available to other non-affiliated Transmission Customers.

The NSP System, PSCo and SPS Transmission control centers are Transmission Restricted Areas and have restricted electronic card access entrances. The Xcel Energy Security Operations Center (SOC) issues a monthly report listing the employees allowed access to the Transmission control rooms. The manager of each Transmission control center should review the list monthly and provide updates to the list as required. The Security Operation Center updates the access to the restricted electronic card readers as appropriate.

358.5(b)(2) A transmission provider is prohibited from permitting its transmission function employees to conduct marketing functions.

Compliance Guidance: Xcel Energy Transmission Function employees shall not make a sale for resale or submit offers to sell in interstate commerce of electric energy or capacity, demand response, virtual transactions or financial or physical transmission rights all subject to the exclusion of bundled retail sales.

358.6 No Conduit Rule

358.6(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.

Compliance Guidance: The **No Conduit Rule** requires that any employee, contractor, consultant, or agent of Xcel Energy may not act as a "conduit" to provide non-public Transmission Function Information to a Wholesale Merchant Function. Therefore, if you do not know if the Transmission Function Information is public, Do Not Share the information with a Wholesale Merchant Function Employee until you know it is public. Personnel can find out if the Transmission Function Information is public by asking (1) the person who provided you the information, (2) your management and/or (3) the SOC CCO.

In addition, Xcel Energy has placed controls on network applications and folders that contain Transmission Function Information that do not allow access to Wholesale Merchant Function employees and others as appropriate. The owner of the network application or folders is responsible to inform Business Systems if the application or folder contains Transmission Function Information. Business Systems flags the network application or folders that contains Transmission Function Information and applies a block that restricts access to the Wholesale Merchant Function employees and others as appropriate.

Important Reminder: The Business Systems Liaison is responsible to ensure processes are in place to help ensure that network applications and folders that contain Transmission Function Information are flagged and blocked.

In addition, to comply with the No Conduit Rule, it is important that: 1) hiring leaders or supervisors submit Personnel Action Form (PAF) with the correct FERC Classification (FERC ID and FERC Code) as soon as known **but no later than** the effective date of the FERC classification update, and 2) Human Resources updates the PeopleSoft System within one business day, if possible, and no later than three business days of receipt of a PAF that update the workers FERC Classification.

For more compliance information on the No Conduit Rule, employees, contractors, consultants, or agents of Xcel Energy should refer to the No Conduit Rule briefing , Meetings with Transmission Function and/or Wholesale Merchant Function employees Guidelines, Internal Transmission Customer Guidelines and/or Exception and the Recordation Guideline available on XpressNET at: [Standards of Conduct Internal Documents](#).

358.6(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.

Compliance Guidance: The Xcel Energy Transmission Providers will not permit an employee, contractor, consultant or agent of Xcel Energy who is engaged in Wholesale Merchant Function activities, to disclose non-public Transmission Function Information to any Xcel Energy's Wholesale Merchant Function employees.

Therefore, if a Wholesale Merchant Function employee somehow becomes aware of non-public Transmission Function Information, the Wholesale Merchant Function employee should not disclose this information to other Wholesale Merchant Function employees until the non-public Transmission Function Information is made public by posting it on the Internet website or on the applicable OASIS.

358.7 Transparency Rule

358.7(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.*
- (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.*

Compliance Guidance: If an employee, contractor, consultant or agent of the Xcel Energy Transmission Providers or Service Company, including a Wholesale Merchant Function employee, discloses non-public Transmission Function Information in a manner contrary to the No Conduit requirements, s/he must **immediately** notify the SOC Chief Compliance Officer. The SOC Chief Compliance Officer will determine if an improper disclosure occurred. If an improper disclosure

occurred, the SOC Chief Compliance Officer will immediately post the improper disclosure on the Internet website.

To contact the SOC Chief Compliance Officer please email the SOC-CCO SOCChiefComplianceOfficer@xcelenergy.com or call Marj Green (303) at 571-7362

However, if the disclosure of the non-public Transmission Function Information to the Wholesale Merchant Function employee contains CEII or confidential information regarding a non-affiliated Transmission Customer, SOC Chief Compliance Officer will immediately post a notice of the disclosure; s/he will not post the CEII or confidential Transmission Customer information.

358.7(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.

Compliance Guidance: Transmission Function employees may discuss information about specific Wholesale Merchant Function requests for Transmission Service after such requests are submitted by the Wholesale Merchant Function employee on OASIS. The discussion should be limited to the specific Wholesale Merchant Function request (but should not include non-public matters beyond the specific request, such as transmission outages or other transmission system information).

358.7(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.

Compliance Guidance: A non-affiliated Transmission Customer may voluntarily consent in writing to allow an Xcel Energy Transmission Provider to share the non-affiliated Transmission Customer information with Wholesale Merchant Function employees. For example, a non-affiliated generator may authorize the Transmission Provider personnel to discuss information regarding its interconnection request.

Whoever receives the written consent from the Transmission Customer should e-mail a copy to the SOC Chief Compliance Officer within two business days of receipt. The SOC Chief Compliance Officer will post notice on the Internet website of the consent along with a statement that the applicable Xcel Energy Transmission Provider did not provide any preferences, either operational or rate-related, in exchange for this voluntary consent within seven business days of receiving the written consent from the Transmission Customer.

However, if the Transmission Customer has not provided a voluntary written consent, the Xcel Energy personnel should not share any Transmission Customer information acquired from a non-affiliated Transmission Customer or potential nonaffiliated Transmission Customer, or developed in the course of responding to request for transmission service, with employees of the Wholesale

Merchant Function, except to the limited extent information is required to be posted on OASIS in response to a request for transmission or interconnection service.

358.7(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.

Compliance Guidance: These Implementation Guidelines are the current written procedures required by the Standards. The SOC Chief Compliance Officer shall post the current version of these Guidelines on the Internet website, including the revision number and the posted date. The Implementing Guidelines is posted on or the Xcel Energy website at: [http://www.xcelenergy.com/About Us/Transmission/About Transmission](http://www.xcelenergy.com/About_Us/Transmission/About_Transmission) and also is available on XpressNET at: [Standards of Conduct Internal Documents](#)

358.7(e)(1) A transmission provider must post on its Internet website the names and addresses of all its affiliates that employee or retain marketing function employees.

Compliance Guidance: All Xcel Energy Wholesale Merchant Function employees are employees of the Service Company. The Xcel Energy Transmission Providers will post the addresses of offices where Wholesale Merchant Function employees perform their jobs on the Internet website.

The XES program developed by Business Systems to comply with these Standards will create an updated list of addresses of offices where Wholesale Merchant Function employees perform their jobs and provide a daily updated list to the SOC Chief Compliance Officer. The SOC Chief Compliance Officer will update the list posted on the Internet website within seven business days.

Important reminder: To comply with this posting requirement it is important that: 1) hiring leaders or supervisors submit Personnel Action Form (PAF) with the correct FERC Classification (FERC ID and FERC Code) as soon as known **but no later than** the effective date of the FERC classification update, and 2) Human Resources updates the PeopleSoft System within one business day, if possible, but no later than three business days of receipt of a PAF that update the workers FERC Classification.

358.7(e)(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.

Compliance Guidance: The Xcel Energy Transmission Providers will post on the Internet website a complete list of employee-staffed facilities shared by Transmission Function and Wholesale Merchant Function employees, including the types of facilities shared and their addresses.

The XES program developed by Business Systems to comply with these Standards will create an updated list of addresses and buildings shared by Transmission Function and Wholesale Merchant Function employees and provide a daily updated list to the SOC Chief Compliance Officer. The SOC Chief Compliance Officer will update the list posted on the Internet website within seven business days of a change.

Important reminder: To comply with this posting requirement, it is important that: 1) hiring leaders or supervisors submit Personnel Action Form (PAF) with the correct FERC Classification (FERC ID and FERC Code) as soon as known but no later than the effective date of the FERC classification update, and 2) Human Resources updates the PeopleSoft System within one business day, if possible, but no later than three business days of receipt of a PAF that update the workers FERC Classification.

358.7(e)(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.

Compliance Guidance: The Xcel Energy Transmission Providers will post on its Internet website information concerning potential merger partners that may employ or retain Wholesale Merchant Function employees. These potential merger partners will then be treated as affiliates of the Xcel Energy Transmission Providers for purposes of compliance with the Standards during the pendency of the merger if the merger partner employs or will employ Wholesale Merchant Function employees.

Important reminder: Senior Vice President, Group President or designee should notify the SOC Chief Compliance Officer of any potential merger partner within two (2) days after a potential merger is announced. The SOC Chief Compliance Officer will post information concerning potential merger partners on the Internet website within 7 days after the merger is announced.

358.7(f)(1) A transmission provider must post on its Internet website the job titles and job description of its transmission function employees.

Compliance Guidance: The Xcel Energy Transmission Providers will post on the Internet website the following information:

- The job titles for all Transmission Function employees, contractors or consultants or agents of Xcel Energy; and
- A brief job description for each Transmission Function employee.

The job title and job description information is posted and updated by the SOC Chief Compliance Officer manually within seven business days of a change.

Important reminder: To comply with this posting requirement it is important that: 1) hiring leaders or supervisors submit Personnel Action Form (PAF) with the correct FERC Classification (FERC ID and FERC Code) as soon as known but **no later than** the effective date of the FERC classification update, and 2) Human Resources updates the PeopleSoft System within one business day, if possible, but no later than three business days of receipt of a PAF that update the workers FERC Classification.

358.7(f)(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.*

Compliance Guidance: Transmission Function employees may transfer to the Wholesale Merchant Function, but shall not use such transfer as a means to circumvent the Standards or these Guidelines. The Xcel Energy Transmission Providers must post a notice on its Internet website of any transfer of a Transmission Function employee to a position as a Wholesale Merchant Function employee or any transfer of a Wholesale Merchant Function employee to a position as a Transmission Function employee.

The XES program developed by Business Systems to comply with these Standards provides an updated list of any transfer of a Transmission Function employee to a position as a Wholesale Merchant Function employee or any transfer of a Wholesale Merchant Function employee to a position as a Transmission Function employee and provides this information daily to the SOC Chief Compliance Officer. The SOC Chief Compliance Officer will post the name of the transferring employee, the respective titles while performing each function, and the effective date of the transfer, on the Internet website within seven business days of the effective date of the transfer and it will remain posted for 90 days.

Important reminder: To comply with this posting requirement, it is important that: 1) hiring leaders or supervisors submit Personnel Action Form (PAF) with the correct FERC Classification (FERC ID and FERC Code) as soon as known but **no later than** the effective date of the FERC classification update, and 2) Human Resources updates the PeopleSoft System within one business day, if possible, but no later than three business days of receipt of a PAF that update the workers FERC Classification.

358.7(g)(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.

Compliance Guidance: The Xcel Energy Transmission Providers will comply with the various posting requirements (employee transfers, Transmission Function titles and job descriptions, merger partners, etc.). The SOC Chief Compliance Officer or designee should update the Internet website postings within seven business days of any change, and post the date on which the information was updated.

358.7(g)(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.

Compliance Guidance: The Xcel Energy Transmission Providers may delay posting of information required by the Standards in the event an emergency, such as an earthquake, flood, fire or hurricane

or other event severely disrupts the Xcel Energy Transmission Provider's normal business operations. If the disruption lasts longer than one month, the SOC Chief Compliance Officer will notify FERC and may seek a further exemption from the posting requirements.

358.7(g)(3) All Internet website postings required by this part must be sufficiently prominent as to be readily accessible.

Compliance Guidance: The SOC Chief Compliance Officer will ensure that all Internet website postings required by the Standards are sufficiently prominent as to be readily accessible. Employees, Transmission Customers or other interested parties who believe the Internet website postings are confusing or difficult to access should notify the SOC Chief Compliance Officer so corrective action can be considered. These posting are available on the on or the Xcel Energy website at: http://www.xcelenergy.com/About_Us/Transmission/About_Transmission.

358.7(b)(1) Exclusion for and recordation of certain information exchanges. 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(b)(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.

358.7(b)(2) The non-public information subject to the exclusion in § 358.7(b)(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.*

Compliance Guidance: FERC recognizes that Transmission Function and Wholesale Merchant Function employees may need to communicate non-public Transmission Function Information when it is necessary to maintain or restore operations of the transmission system or generating units or to comply with mandatory reliability standards approved by the FERC without posting a record of the information exchange on the Internet website.

However, an employee participating in this information exchange must be designated to create and retain a contemporaneous record of each such exchange. However, if an emergency circumstance occurs, the record of the exchange should be made of the exchange as soon as practicable after the fact.

The record may consist of hand-written or typed notes (such as meeting minutes), electronic records such as e-mails and text messages, recorded telephone exchanges and the like. In most cases, the telephone recording devices in a transmission control center will automatically record the exchange. The records at a minimum will include the names of attendees, date, time, duration and subject matter and details that are clear enough to allow the Commission to determine what non-public Transmission Function Information was exchanged and why this exchange of information was necessary.

The designated participant in the exchange should submit the record of the exchange to the SOC Chief Compliance Officer E-mail box for retention, where possible. The record of the exchange shall be retained for a period of five years whether or not the record is submitted to the SOC Chief Compliance Officer e-mail box. The Xcel Energy Transmission Provider will make the records of such exchanges available to the Commission upon request.

For more compliance information on the exclusion for and recordation of certain information exchanges, please refer to the Exception and Recordation Guidelines available at the XpressNET at: [Standards of Conduct Internal Documents](#).

358.7(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.

Compliance Guidance: The Transmission Function Compliance Liaison for each Xcel Energy Transmission Provider is responsible for posting on the Internet website a notice of each waiver of an OATT provision and/or rate schedule/transmission agreement that is granted in favor of the Wholesale Merchant Function or an internal Transmission Customer, 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 Function Compliance Liaison must also maintain a log of all acts of waiver, whether for an affiliate or non-affiliate, and make it available to the Commission upon request. The tariff waiver records will be kept for a period of five years from the date of each act of waiver.

Example: A municipal utility proposes to interconnect a new 100 MW gas-fired generator to the PSCo transmission system. The municipal utility takes transmission service from PSCo under the Xcel Energy OATT. The OATT requires the customer to execute and return an agreement related to a transmission study required for the interconnection within 15 days. The mayor of the municipality is on vacation, and the municipal utility cannot execute and return the agreement until the 17th day. The PSCo Transmission Function grants a waiver to allow the municipal utility to deliver the agreement two days late.

Note: Such OATT waivers are uncommon. In this example, since the waiver is granted to a non-affiliated customer, PSCo is not required to post a notice of the waiver on the Internet website. However, the PSCo Transmission Function Compliance Liaison must log the act of waiver. In addition, the PSCo Transmission Function Compliance Liaison must grant similar waivers to other internal and external Transmission Customers in similar circumstances.

Implementation Requirements

358.8(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.

Compliance Guidance: The Xcel Energy Electric Transmission Providers were in compliance with the Order 717 Standards effective January 30, 2009.

358.8(b)(1) Compliance measures. 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.

Compliance Guidance: The currently effective Guidelines reflecting Orders 717 are included in the Standard of Conduct Training. If there are significant changes, the SOC Chief Compliance Officer will revise the Guidelines and may provide a copy of these to Affected Employees. In addition, the Xcel Energy requires Affected Employees to take and certify they have completed the Standard of Conduct training.

Important Reminder: Compliance is **mandatory** with the FERC Standards of Conduct rules and these Guidelines by Xcel Energy employees, contractors, consultants and agents. Failure of an Xcel Energy employee, contractor, consultant or agent to fully comply with the Standards and these Guidelines may result in disciplinary action up to and including termination of employment, or other remedies, pursuant to the Xcel Energy Employee Code of Conduct. Senior Officers, business unit executives, department team leaders and supervisors are responsible for ensuring that all employees within their areas of responsibility review understand and comply with the Standards and these Guidelines.

358.8(b)(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.

Compliance Guidance: The currently effective Guidelines reflecting Orders 717 are included in the Standards of Conduct Training. If there are significant changes, the SOC Chief Compliance Officer will revise the Guidelines and may provide a copy of these to Affected Employees. The current Guidelines are always available on the Xcel Energy website at http://www.xcelenergy.com/About_Us/Transmission/About_Transmission and also available at XpressNET at [Standards of Conduct Internal Documents](#).

The SOC Chief Compliance Officer will provide the assistant corporate secretary a written FERC Standards of Conduct compliance training briefing that contains a link to the Implementing Guidelines. The assistant corporate secretary will provide this training to a new board member of Xcel Energy within 30 days of employment and annually thereafter. The board of directors will be instructed to take the training and certify s/he has completed the FERC Standards of Conduct training and return the certification form to the assistant corporate secretary.

358.8(c)(1) Training and compliance personnel. 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.

Compliance Guidance: XES provides on line computer-based training (CBT) for Affected Employees. Most Affected Employees will take and electronically certify they have completed the training through the Learning Management System (LMS) available on XpressNET. Affected

Employees who do not have LMS access will receive a copy of the training by other means (PDF, etc.).

Each new Affected Employee (by new hire, promotion, job transfer, or has access to Transmission Function Information to perform his or her job) must complete within 30 days of the becoming a new Affected Employee the required Standards of Conduct training and certify that s/he has completed the training.

An Affected Employee may be given an extension per the corporate policy for a legitimate reason such as short term disability, long term disability, medical leave, jury duty, etc.

358.8(c)(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.

The Xcel Energy Transmission Providers Standards of Conduct Chief Compliance Officer is:

Dan Ahrens

Email: SOCChiefComplianceOfficer@xcelenergy.com

The SOC Chief Compliance Officer contact information is posted on the Internet website. In addition, Xcel Energy has identified an SOC Compliance Liaison for each business unit. The SOC Compliance Liaisons are posted on XpressNET at: [Standards of Conduct Internal Documents](#). Employee requests for interpretation of the Standards or these Guidelines should be submitted to their department manager, business unit SOC Compliance Liaison or the SOC Chief Compliance Officer.

Each internal or external inquiry regarding the Standards or these Guidelines addressed to the SOC Chief Compliance Officer E-mail box will be retained in an electronic file. The SOC Chief Compliance Officer will respond to these inquiries as soon as possible. The inquiry information (other than the employee's name) will be made available to the Compliance Liaisons, the Xcel Energy FERC Compliance Officer, Legal Services and/or the Xcel Energy Chief Compliance Officer.

Any Affected Employee who discovers an apparent violation (or possible violation) of the Standards should immediately report such violation to the SOC Chief Compliance Officer. All reasonable steps will be taken to keep confidential the identity of anyone reporting a violation. Recriminatory action will not be permitted against any employee who in good faith reports actual or possible violations. If during the course of the investigation it is determined that there was an improper disclosure of non-public Transmission Function Information, such information will immediately be posted on the Transmission Provider's Internet website as required by the Standards.

Employees also may confidentially report suspected violations of the Standards or these Guidelines by telephone to the Xcel Energy compliance hotline (1-800-555-8516).

358.8(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.

Compliance Guidance: Xcel Energy's Wholesale Merchant Function is a "functional unit" of the Xcel Energy Transmission Providers, which does not maintain its books of account and records (as prescribed under 18 C.F.R. Parts 101, 125, 201, and 225) separately. However, Wholesale Merchant Function employees are restricted from accessing non-public Transmission Function Information through any joint set of books and records. Xcel Energy Transmission Providers books and records will be available for Commission inspection.