



Standard of Conduct ID: SOC 2016-1

February 23, 2016

Mo Awad
Director, Regulatory Compliance
(785)575-1674
818 S. Kansas Ave
PO Box 889
Topeka, KS 66601
Mo.Awad@westarenergy.com

Background

On Thursday, January 21, 2016, a Business Manager in the Customer Relations group inadvertently forwarded an email containing non-public transmission information to Wholesale Market Function (WMF) employees. On January 22, 2016, a WMF employee reported the email to the Director, Generation & Transmission Operations who reported the incident to the Director, Regulatory Compliance. The Chief Compliance Officer was immediately notified. As discussed below, due to the nature of the particular generating unit at issue, no inappropriate competitive advantage was gained as a result of this incident.

Investigation

The forwarded email contained detailed information about requested outages for planned transmission work in the El Dorado, KS, area. The email contained information about customer-owned generator availability that will be required to run before allowing the planned transmission work on Benton-Midian 138 kV line to proceed. The ongoing email chain summarized the availability of the generator, which was causing the delay of planned transmission line work, as per the normal course of customer interaction. On Thursday, January 21, 2016, the Business Manager notified the WMF employees that the customer-owned generator will be online, which is a permitted communication. However, the Business Manager did so not through a newly created email, but by forwarding the previous customer email string to the Market Resource Trading group which contained the generator's runtime and the historic email chain describing the non-public transmission line outages. This is considered non-public Transmission information and the sharing of this information is a violation of the Standards of Conduct "No Conduit" rule.

WMF employees acted properly by reporting the incident. In addition, the unit in question (Frontier) is owned by the customer and WMF employees do have the right to call on it for Reliability reasons. Due to that reason, marketing employees only offer the unit in the market as “reliability.” When Marketing does know that the unit will be online, they change the submission to “self” and the limits to what they know the unit will be running, accordingly. They do this to give Southwest Power Pool Reliability Unit Commitment (SPP RUC) operators the best information available at the time. The transmission information shared by the Business Manager did not change the behavior or strategy of the WMF employees, or result in any gain. The unit was still offered in “reliability” commitment status until it came online, then “self” committed once the unit was online. Knowing the unit will be “online” is allowed to be shared with WMF employees. As such, no inappropriate competitive advantage was gained as a result of this incident.

Violation

Access of WMF employees to non-Public Transmission information and the “No Conduit Rule” in § 358.6 (b).

Resolution

- The employee was notified immediately to cease forwarding emails from Transmission Operations to the Marketing Function and to start new emails to communicate any generation-related issues to the WMF employees. (completed on 1/22/2016)
- Business Manager was already trained and will be required to re-train on the Standards of Conduct again to stress the importance of the “No Conduit Rule”. (completed on 2/2/2016)
- A discussion with VP, Customer Relations occurred (completed on 1/27/2016). He will stress with his managers the importance of the “No conduit Rule” at his Staff Meeting. The initial discussion at staff meeting occurred in February, 2016 and detailed discussion is planned for March 3, 2016.
- Regulatory Compliance is working with Information Technology (IT) department to identify and implement enhancements to the current electronic mail system. (In progress)

Timeline

- January 22, 2016: incident reported
- January 22, 2016: phone discussion with the Business Manager to stop forwarding emails between functions going forward. CCO notified.
- February 18, 2016: the report was approved by the Regulatory Steering Committee to post on OASIS and report to FERC Enforcement. The Regulatory Steering Committee is made up of senior management and the CCO.
- February 23, 2016: Finalized report, posted on OASIS and self-reported to FERC Enforcement.

If you have any questions regarding this report, please do not hesitate in contacting me.

Respectfully Submitted,

Mo Awad

Attachment – Email

Mo Awad

From: Bryan Taggart
Sent: Friday, January 22, 2016 11:08 AM
To: Mo Awad
Cc: Reed Holbrook; Jimmy Washington II; Terry Wilson; Kevin Frick
Subject: FW: Frontier CT UPDATE - 1/22/16

Mo;

Please review the following email chain. There is some transmission information that was shared with merchant function employees.

From: Wilbur V Wise
Sent: Friday, January 22, 2016 10:59 AM
To: Kevin Frick <Kevin.Frick@westarenergy.com>
Cc: Bryan Taggart <Bryan.Taggart@westarenergy.com>; FERC SOC Gen to Trans <fercsoc@westarenergy.com>
Subject: FW: Frontier CT UPDATE - 1/22/16

Kevin,

Reed Holbrook forwarded this email to MRT's (market function employees) MRT's gave this to us to notify MRP about the run on the units as well.

I think there is an issue here with the information Reed passed to the MRT's.

Will Wise

Westar Energy
Market Resource Planner
wilbur.wise@WestarEnergy.com
O (785) 575-6515 C (785) 230-1638
<http://www.westarpowermarketing.com>

If you've received this private message in error, I apologize for the inconvenience. Please don't distribute it. Instead, please just delete it and respond to let me know of my error. Then, have a wonderful day.

From: Mark Velarde
Sent: Friday, January 22, 2016 10:12 AM
To: MRP <MRP@westarenergy.com>
Subject: FW: Frontier CT UPDATE - 1/22/16

Mark Velarde

Westar Energy
Market Resource Trader
mark.velarde@westarenergy.com
O (785) 575-1685 C (904) 424-4711
<http://www.westarpowermarketing.com>

From: Reed Holbrook
Sent: Friday, January 22, 2016 9:53 AM

To: Kevin Frick <Kevin.Frick@westarenergy.com>; Bryan Taggart <Bryan.Taggart@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>; TSO.Operators <TSO.Operators@westarenergy.com>; GSO.Operators <GSO.Operators@westarenergy.com>; MRT <MRT@westarenergy.com>
Cc: Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>
Subject: FW: Frontier CT UPDATE - 1/22/16

Good morning all – Frontier notified me this morning that around 10:30am (1/22/16) the CT will be started and ramped up to 12-14 MW for a few hours. After prelim checks are complete the generator will be staged at base load (34MW) for additional checks and then run til ~Feb 8 at 22MW.

I will provide updates when new information is available.

Thank you,
reh

From: Reed Holbrook

Sent: Thursday, January 21, 2016 8:20 AM

To: Kevin Frick <Kevin.Frick@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>; TSO.Operators <TSO.Operators@westarenergy.com>; GSO.Operators <GSO.Operators@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; MRT <MRT@westarenergy.com>

Cc: Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>

Subject: Frontier CT UPDATE - 1/21/16

Good morning all – Below is the estimate on Frontier's CT runtime.

Once the CT is synched to the grid the plan is keep the CT running. (22WM) There is schedule unit maintenance starting 2/1/16 for 8 days. After that then a plan will be put together for Boiler-109 repairs which could be another week. So it's possible Frontier could be running through the middle of February Please let me know if we decide to going forward on the pending trans. work.

Thank you,
reh

From: Reed Holbrook

Sent: Monday, January 18, 2016 2:32 PM

To: Kevin Frick <Kevin.Frick@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>; TSO.Operators <TSO.Operators@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>; GSO.Operators <GSO.Operators@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>

Cc: Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>

Subject: RE: Frontier CT Availability UPDATE - 1/18/16

Here is the startup time line for the CT at Frontier.

1/18/16 - The general maintenance was complete.

1/19/16 - Frontier had an internal meeting to discuss startup times and potential issues.

1/20/16 - Performing emergency trip testing and other preliminary testing.

1/21/16 – 8:00am load to 12MW, Leak check, - ramp up to 22MW til noon 1/22/16

1/22/16 – Continue to run the CT → due to boiler shutdown.

1/22/16 – Adjust MW in accordance with plant steam demand.

1/22/16 – Possible scheduling of pending Westar work. Frontier has indicated they will run to assist Westar. Please let me know if this helps and we do them to continue running.

Thanks,
reh

From: Reed Holbrook

Sent: Tuesday, January 05, 2016 3:23 PM

To: Kevin Frick <Kevin.Frick@westarenergy.com>

Cc: Outage Coordination <Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>; Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>; TSO.Operators <TSO.Operators@westarenergy.com>; GSO.Operators <GSO.Operators@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>

Subject: RE: Frontier CT Availability UPDATE - 1/5/16

Frontier has passed along that they expect testing for the CT around January 18th. I'll keep all informed as new information becomes available.

Thanks,
reh

From: Reed Holbrook

Sent: Wednesday, December 02, 2015 10:20 AM

To: Kevin Frick <Kevin.Frick@westarenergy.com>

Cc: Outage Coordination <Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>; Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>; TSO.Operators <TSO.Operators@westarenergy.com>; GSO.Operators <GSO.Operators@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>

Subject: Frontier CT Availability UPDATE - 12/2/15

Wanted to keep all informed as to the availability of the Frontier turbine. There were more issues with getting the Turbine Rotor back from the shop and it is now schedule to be delivered on December 12th. Frontier is thinking it will be around Jan1. before they are complete.

I will keep you updated as to the progress and availability of this work.

Thanks,
reh

From: Reed Holbrook

Sent: Monday, November 16, 2015 9:19 AM

To: Kevin Frick <Kevin.Frick@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>

Cc: Outage Coordination <Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>; Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry

Wilson <Terrance.Wilson@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>; TSO.Operators <TSO.Operators@westarenergy.com>; GSO.Operators <GSO.Operators@westarenergy.com>

Subject: RE: Benton-Midian outage request/Frontier generation request

Good morning All – Frontier has indicated the generator is still not available. Extensive work continues on the unit to improve reliability. The timeframe for the CT to be operational has been pushed out til after the first of the new year. Please advise on the planned maintenance on Weaver 138-4 and also Benton-Midian. I'm assuming this work will wait til after the first of the new year also?

I will provide updates as new information becomes available.

Thanks,
reh

From: Kevin Frick

Sent: Monday, October 05, 2015 11:36 AM

To: Reed Holbrook <Reed.Holbrook@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>

Cc: Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>;

Andrew A Rietcheck <Andrew.Rietcheck@westarenergy.com>; Outage Coordination

<Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>;

Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>;

Andrew Calvert <Andrew.Calvert@westarenergy.com>

Subject: RE: Benton-Midian outage request/Frontier generation request

Jeremy,

I suggest we do the two projects back-to-back, since they can't happen at the same time, and they both need to be done by end of the year.

Thank you,

Kevin Frick

Westar Energy

Manager, Transmission System Operations

kevin.frick@WestarEnergy.com

☎ (785) 575-8093 ☎ (785) 260-1113

From: Reed Holbrook

Sent: Monday, October 05, 2015 10:35 AM

To: Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; Kevin Frick <Kevin.Frick@westarenergy.com>

Cc: Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>;

Andrew A Rietcheck <Andrew.Rietcheck@westarenergy.com>; Outage Coordination

<Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>;

Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>;

Andrew Calvert <Andrew.Calvert@westarenergy.com>

Subject: RE: Benton-Midian outage request/Frontier generation request

Frontier CT Availability - Nov. 15, 2015 is the target date for the CT to be back on site, however Frontier has indicated that until all major component equipment returns it will be hard to give an exact date of availability. They've also expressed there are too many unknowns to give a definitive answer right now and they'll want to test run the unit upon completion. If all goes as planned the Nov. 16-20, 2015 outage schedule may work. By the end of October they will update me on the CT availability.

reh

From: Jeremy Goeckel
Sent: Monday, October 05, 2015 10:15 AM
To: Kevin Frick <Kevin.Frick@westarenergy.com>; Reed Holbrook <Reed.Holbrook@westarenergy.com>
Cc: Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>; Andrew A Rietcheck <Andrew.Rietcheck@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>; Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>
Subject: RE: Benton-Midian outage request/Frontier generation request

Reed/Kevin,

We also have maintenance to do on Weaver 138-4 before the end of the year which will probably require Frontier's cogen to run. Please let me know if we should schedule the maintenance around the Benton-Midian work or if there is a better time.

Thank you,

Jeremy Goeckel, PE

Westar Energy
Supervisor, Substation Electrical
jeremy.goeckel@WestarEnergy.com
O (316) 291-8844 C (785) 313-6223

If you've received this private message in error, I apologize for the inconvenience. Please don't distribute it. Instead, please just delete it and respond to let me know of my error. Then, have a wonderful day.

From: Kevin Frick
Sent: Monday, October 05, 2015 8:22 AM
To: Reed Holbrook <Reed.Holbrook@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>
Cc: Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>; Andrew A Rietcheck <Andrew.Rietcheck@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>; Jimmy Washington II <Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>
Subject: RE: Benton-Midian outage request/Frontier generation request

Reed,

We have moved the Benton-Midian 138 kV outage to 11/16/15-11/20/16. Please work with Frontier to have their generator online for this work.

Thank you,

Kevin Frick

Westar Energy
Manager, Transmission System Operations
kevin.frick@WestarEnergy.com
O (785) 575-8093 C (785) 260-1113

From: Reed Holbrook
Sent: Monday, October 05, 2015 7:51 AM
To: Kevin Frick <Kevin.Frick@westarenergy.com>; Andrew Calvert <Andrew.Calvert@westarenergy.com>
Cc: Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>; Andrew A Rietcheck

<Andrew.Rietcheck@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>;
Transmission Planning <TransmissionPlanning@westarenergy.com>; Jimmy Washington II
<Jimmy.Washington@westarenergy.com>; Terry Wilson <Terrance.Wilson@westarenergy.com>
Subject: RE: Benton-Midian outage request/Frontier generation request

As I mentioned a couple of weeks ago, the CT is unavailable. (See 9/11/15 e-mail) It has been disassembled and shipped off-site for maintenance. It will not be available until Nov. 15, 2015.

Thanks,
reh

From: Kevin Frick
Sent: Friday, October 02, 2015 1:51 PM
To: Andrew Calvert <Andrew.Calvert@westarenergy.com>
Cc: Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>; Reed Holbrook <Reed.Holbrook@westarenergy.com>; Andrew A Rietcheck <Andrew.Rietcheck@westarenergy.com>; Outage Coordination <Outage.Coordination@westarenergy.com>; Transmission Planning <TransmissionPlanning@westarenergy.com>
Subject: Benton-Midian outage request/Frontier generation request

Andrew C.,

Having the Benton-Midian 138 kV line out of service causes reliability concerns for the El Dorado division. If we were to lose the Weaver-Butler 138 kV line, then El Dorado would be served from the Altoona-Butler 138 kV line and the Weaver-Mobil-Midian 69 kV line. In this condition, voltage could be very low in El Dorado. I ran a study with current load (2847 MW WR/91 MW El Dorado) at 13:30 (10/2/15), and I can get the voltage back up to 91% at Tallgrass by using capacitors. Therefore, we need to evaluate how to minimize the recall/restoration time on this project (as Andy R. stated) and/or have Frontier run their generation to support voltage.

No time is a good time for this outage, however, now is about as good as it gets.

Reed, what is the prospect of Frontier running their generation to support voltage for up to 5 days? Do they have plans to run the generator, or reduce load for maintenance any time soon? How many days' notice do they need to run their generator?

Thank you,
Kevin Frick
Westar Energy
Manager, Transmission System Operations
kevin.frick@WestarEnergy.com
O (785) 575-8093 C (785) 260-1113

From: Andrew Calvert
Sent: Friday, October 02, 2015 1:24 PM
To: Kevin Frick <Kevin.Frick@westarenergy.com>
Cc: Bryan Taggart <Bryan.Taggart@westarenergy.com>; Don Taylor <Don.Taylor@westarenergy.com>; Theresia Moyo <Theresia.Moyo@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>
Subject: RE: BENT 138-51 outage denied

What about BENT 138-121?

I was talking with Andy, and once I start, we need to leave out of service. He said you had concerns about El Dorado reliability.

From: Kevin Frick
Sent: Friday, October 2, 2015 1:22:17 PM
To: Andrew Calvert
Cc: Bryan Taggart; Don Taylor; Theresia Moyo; Jeremy Goeckel; Rachel White-McQuillan; Mike Schwartz
Subject: RE: BENT 138-51 outage denied

We need to wait until Andover is done.

Thank you,
Kevin Frick
Westar Energy
Manager, Transmission System Operations
kevin.frick@WestarEnergy.com
O (785) 575-8093 C (785) 260-1113

From: Andrew Calvert
Sent: Friday, October 02, 2015 12:08 PM
To: Kevin Frick <Kevin.Frick@westarenergy.com>
Cc: Bryan Taggart <Bryan.Taggart@westarenergy.com>; Don Taylor <Don.Taylor@westarenergy.com>; Theresia Moyo <Theresia.Moyo@westarenergy.com>; Jeremy Goeckel <Jeremy.Goeckel@westarenergy.com>; Rachel White-McQuillan <Rachel.White@westarenergy.com>; Mike Schwartz <Mike.Schwartz@westarenergy.com>
Subject: RE: BENT 138-51 outage denied

No worries. When I get a chance, I will see about rescheduling.

If weather gets cool, would that free up load to allow this? Or should I wait till Andover is done in late November?

From: Kevin Frick
Sent: Friday, October 2, 2015 12:03:26 PM
To: Andrew Calvert
Cc: Bryan Taggart; Don Taylor; Theresia Moyo; Jeremy Goeckel; Rachel White-McQuillan
Subject: BENT 138-51 outage denied

Andrew,

Sorry for the late denial, but granting this outage puts the Northeast (and area subs) on 2 lines. Loss of the Benton-29th Street 138 kV line leaves too much load being served through the 64th Street-Northeast 69 kV line.

Please let me know if you have any questions.

Thank you,
Kevin Frick
Westar Energy
Manager, Transmission System Operations
kevin.frick@WestarEnergy.com
O (785) 575-8093 C (785) 260-1113

If you've received this message in error, I apologize for the inconvenience. Please don't distribute it. Instead, please just delete it and respond to let me know of my error. Then, have a wonderful day.