

FERC STANDARDS OF CONDUCT COMPLIANCE PLAN

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1.0 PURPOSE

This Compliance Plan identifies the procedures by which American Transmission Company LLC (ATC) complies with the Federal Energy Regulatory Commission's (FERC or the Commission) Standards of Conduct. This Compliance Plan constitutes the written procedures used by ATC to implement the FERC Standards of Conduct, 18 C.F.R. Part 358, *et seq.*, and, in particular, the Compliance Plan applies to communications involving Transmission Function Employees (TFEs), including communication with employees with Transmission Function Information, and Marketing Function Employees (MFEs). All ATC TFEs, MFEs, and Other Employees,¹ including but not limited to senior management and supervisory personnel, must adhere to this Compliance Plan and the FERC Standards of Conduct.

2.0 BACKGROUND

The FERC Standards of Conduct assures that transmission providers, such as ATC, do not provide preferential treatment or access to information about transmission that would unfairly benefit their own or their Affiliates' sales to the detriment of competitive markets. The Standards of Conduct set forth four general principles. These principles include:

- A transmission provider must treat all transmission customers, Affiliated and non-Affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transportation of natural gas or transmission of electric energy in interstate commerce, or with respect to the wholesale sale of natural gas or of electric energy in interstate commerce.
- A transmission provider's TFEs must function independently from its marketing function employees, except as permitted in the FERC Standard of Conduct Regulations, 18 C.F.R. Part 358, or otherwise permitted by Commission Order.
- 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 (NPTFI) to the transmission provider's MFEs.
- A transmission provider must provide equal access to NPTFI disclosed to MFEs to all its transmission customers, affiliated and non-affiliated, except as expressly permitted in the FERC Standard of Conduct regulations or as otherwise permitted by Commission order.

Based on these four principles, the FERC Standards of Conduct institute four general rules:

- Non-Discrimination Requirements (See Section 7.0)
- Independent Functioning Rule (See Section 8.0)
- No-Conduit Rule (See Section 9.0)

¹ All capitalized terms used herein are defined in Section 4.0, Terms and Conditions. Those capitalized terms that are not included in Section 4.0 have the meaning ascribed to them by FERC's regulations at 18 C.F.R. Part 358.
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- Transparency Rule (See Section 10.0)

3.0 SCOPE AND APPLICABILITY

ATC is subject to the Standards of Conduct Rules of FERC, codified in 18 C.F.R. Part 358. The Standards of Conduct set forth legal requirements applicable to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce. The regulations designate such utilities as “transmission providers.” ATC owns and operates transmission facilities at the direction of the Midcontinent Independent System Operator, Inc. (MISO) and therefore, is a Transmission Provider subject to the FERC Standards of Conduct regulations.

ATC receives and communicates NPTFI relating to its transmission system to both Affiliated and non-Affiliated interconnected entities in order to properly, safely and reliably operate ATC’s electric transmission system in conjunction with the interconnected electric generating, transmission and distribution system. ATC and ATC’s Affiliates and non-Affiliates must make certain that NPTFI is disseminated in accordance with FERC’s Standards of Conduct regulations and that ATC treats its affiliates in a non-unduly discriminatory or preferential manner.

4.0 TERMS AND DEFINITIONS

Capitalized terms in this Compliance Plan are defined in the FERC Standards of Conduct Rule (18 C.F.R. Part 358). Appendix A contains the Standards of Conduct Rules. The following terms and definitions supplement those definitions set forth in 18 C.F.R. Part 358. To the extent there is any discrepancy in the definition of capitalized terms used in this Compliance Plan and in the FERC Standards of Conduct regulations, the definition set forth in the FERC Standards of Conduct controls.

Internet Website refers to Internet locations where ATC posts the information, by electronic means, required under 18 C.F.R. Part 358. As used in ATC’s Compliance Plan, Internet Website is a reference to either ATC’s corporate public Internet Website or ATC’s web pages on the Midcontinent ISO Open Access Same Time Information System (OASIS).

Other Employee means an employee, contractor, consultant, or agent of ATC or of an Affiliate of ATC who is not considered and classified as either a TFE or an MFE.

Standards of Conduct Agreement (SOCA) refers to an agreement entered into by ATC and its affiliated or interconnected entities that defines responsibilities and the terms and conditions under which information is exchanged between the entities to assure such exchanges are performed in accordance with the requirements of the FERC Standards of Conduct regulations. The exchange of information between ATC and its Affiliated and non-Affiliated interconnected entities shall be performed in accordance with the provisions of a SOCA. The SOCA also sets forth training, information exchange, and recordkeeping requirements necessary to support compliance with the FERC Standards of Conduct. The SOCA provides assurance that the information required to be exchanged between ATC and its Affiliated and non-Affiliated interconnected entities to assure the safe and reliable operation of the transmission system is performed in conformance with the FERC Standards of Conduct. The use of the SOCA provides



the basis (1) for ATC to control and monitor the exchange of information, (2) to secure the required training, and (3) to demonstrate responsibilities are defined to assure conformance with the Standards of Conduct Rule and ATC's Compliance Plan. For additional information see ATC's SOCA Procedure [FERC Standards of Conduct SOCA Procedure PR-1605.pdf](#).

5.0 RESPONSIBILITIES

5.1 ATC Employees

All ATC employees are individually responsible for compliance with the Standards of Conduct and this Compliance Plan.

5.2 Chief Compliance Officer (CCO)

- Implements, maintains and monitors compliance with FERC Standards of Conduct and ATC Compliance Plan, including answering questions raised by employees and providing advice regarding compliance.
- Responsible for the content of these procedures and is responsible for ensuring that these procedures comply with the FERC Standards of Conduct and any future regulations adopted by the Commission.
- Provides guidance regarding compliance with the FERC Standards of Conduct to all affected employees.
- Ensures proper documentation of Standards of Conduct issues and matters. Ensures that documentation is retained for requisite statutory period.

6.0 MONITORING AND ENFORCEMENT

Employees who fail to comply with the Standards of Conduct are subject to disciplinary action, up to and including termination.

Any employee who knows of or suspects that a violation or non-compliance of the Standards of Conduct or ATC's Compliance Plan has an obligation to report such non-compliance or violation immediately. Known or suspected violations shall be reported to ATC's Chief Compliance Officer (CCO) or a supervisor or company officer who should then notify the CCO immediately. The CCO shall determine the need to, and take appropriate action to post, report and investigate the known or suspected violation.

7.0 NON-DISCRIMINATION REQUIREMENTS (18 C.F.R. § 358.4)

7.1 General Rule (18 C.F.R. § 358.4(a-d))

Relevant FERC Standards of Conduct regulations require transmission providers to (1) 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, (2) 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, (3) 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), and (4) to process all similar requests for transmission in the same manner and within the same period of time.

ATC transferred operational control of its transmission facilities to the Midcontinent Transmission System Operator, Inc., in 2002. MISO now provides transmission service over ATC-owned transmission facilities subject to the terms and conditions of the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff (Tariff). ATC operates transmission facilities that it owns at MISO's direction. Therefore, ATC has no control over or responsibility regarding enforcement of MISO Tariff provisions, sale or provision of transmission service under the MISO Tariff, and/or processing requests for transmission service under the MISO Tariff.

8.0 INDEPENDENT FUNCTIONING RULE (18 C.F.R. § 358.5)

8.1 General Rule (18 C.F.R. § 358.5(a))

ATC is a stand-alone transmission company and does not own or operate any generation or distribution assets. ATC engages only in transmission operations and performs Transmission Functions as defined in § 358.3(h). To perform such Transmission Functions, ATC employs TFEs. ATC performs no Marketing Functions as defined by § 358.3(c) and as such ATC employs no MFEs.

ATC's Affiliated interconnected entities perform Marketing Functions and/or employ MFEs. ATC is a separate company with separate offices from its Affiliated or non-Affiliated interconnected companies. The separation of the companies and the associated separation of TFEs from MFEs is to ensure independent functioning as required by § 358.5(a).

ATC and ATC's Affiliated and non-Affiliated interconnected entities employ Other Employees that are neither MFEs nor TFEs.

8.2 Separation of Functions (18 C.F.R. § 358.5(b))

The CCO will maintain a list of Affiliated employees identified as MFEs and assume responsibility for assuring the continued separation of Transmission and Marketing Functions and to enforce the prohibitions required by §§ 358.5(b)(1) and 358.5(b)(2).

Employees of ATC's Affiliates identified as MFEs are prohibited from conducting Transmission Functions. Similarly, ATC employees identified as TFEs are prohibited from conducting Marketing Functions.

Access to each of ATC's system operations centers is strictly limited to TFEs or other authorized employees providing support of system operations. ATC prohibits MFEs from gaining access to ATC's system operating centers. Access to the ATC system control centers is positively controlled by security features and access procedures. ATC employees are prohibited from allowing MFEs to have access to ATC's system control centers, which are used for transmission operations.



In addition to physical separation of the TFEs from MFEs, ATC administers computer and cyber security programs that control access to ATC's computer systems. ATC's computer security processes assure that unauthorized employees, including Affiliates' MFEs, cannot access ATC computer systems.

9.0 NO CONDUIT RULE (18 C.F.R. § 358.6)

9.1 Prohibited Communications

ATC employees shall not disclose to Affiliates' MFEs any NPTFI, except such information permitted under 18C.F.R. § 358.7(h)(2)(i) or (ii) as summarized in § 9.2 below. ATC employees should determine whether the recipient is authorized to receive NPTFI per the FERC Standards of Conduct regulations and the applicable Standards of Conduct Agreement prior to sharing NPTFI with any Affiliate interconnected entity employees. An ATC employee should consult the ATC Marketing Function Employee List [Marketing Function Employees.xlsx](#); ask a supervisor; and/or contact Legal Department to determine if a recipient is an Affiliate MFE.

ATC employees are prohibited from using any employee as a conduit of NPTFI to MFEs. ATC employees may allow MFEs to participate in meetings as long as NPTFI is not shared with MFEs. For purposes of this Compliance Plan, a "meeting" includes, but is not limited to, face-to-face meetings, telephone and conference calls.

ATC TFEs and Other Employees may not disclose NPTFI to any person that might act as a conduit of such non-public information to MFEs of Affiliated entities.

ATC TFEs and Other Employees may not disclose NPTFI to a non-Affiliated entity with the intent to provide to that non-Affiliate an unduly preferential competitive advantage in the wholesale electric marketplace.

9.2 Permitted Communications/Exceptions (18 C.F.R. § 358.7(h))

In the day-to-day operation of ATC's Affiliated and non-Affiliated entities' facilities and systems, the Affiliates' and non-Affiliates' Other Employees (*i.e.*, non-MFEs) may receive NPTFI and other information from ATC to assure the safe and reliable operation of the Affiliates' and non-Affiliates' facilities and transmission system and to assure compliance with the North American Electric Reliability Corporation (NERC) Reliability Standards. To the extent that ATC provides NPTFI to Other Employees (non-MFEs), these Other Employees who receive such NPTFI may not disclose or act a conduit of such NPTFI received from ATC to the Affiliates' or non-Affiliates' Marketing Function Employees.

ATC Employees should clearly mark all e-mails, documents or other communications that contain NPTFI using the guidance provided in the CEII and NPTFI Labeling document: [FERC Standards of Conduct and CEII Document Labeling.docx](#).

ATC may, in its discretion, provide NPTFI to Affiliates' MFEs in accordance with 18 C.F.R. §358.7(h)(2)(i) and (ii), provided that, in ATC's sole judgment, circumstances warrant providing the NPTFI to such MFEs of Affiliated entities rather than providing such NPTFI to Other Employees of the Affiliated or non-Affiliated interconnected entities. If ATC discloses such



NPTFI to an Affiliates' MFEs, ATC will record those conversations and such records will be retained by ATC for a period of five years following the date of such disclosure.

10.0 TRANSPARENCY RULE (18 C.F.R. § 358.7)

In accordance with the provisions of § 358.7, ATC will administer and maintain an Internet Website and/or OASIS Website used to: (1) make contemporaneous disclosures of information, (2) post written procedures, (3) identify required Affiliate information, and (4) identify required employee information. The ATC Internet Website and/or OASIS Websites will be organized such that the postings required by 18 C.F.R. § 358.7 will be sufficiently prominent as to be readily accessible.

The CCO will maintain ATC's public Internet Website and/or OASIS Website and assure the Internet Website and/or OASIS Website conforms to the requirements of 18 C.F.R. § 358.7 as described in Section 10 including (1) monitoring and updating informational postings to ensure that data is current and correct, consistent with the procedures described in Section 8, (2) authorizing and documenting the suspension of posting, and (3) notifying the Commission and seek approval from the Commission for the authority to continue to be exempt from the posting requirements beyond a 30-day period, if necessary.

10.1 Contemporaneous Disclosures (18 C.F.R. § 358.7(a))

If NPTFI is disclosed in a manner contrary to the requirements of § 358.6, ATC will immediately post the disclosed information on ATC's public Internet Website and/or OASIS Website.

If NPTFI is disclosed in a manner contrary to the requirements of § 358.6, which involves customer information or CEII as defined in § 388.113(c)(1), or any other information the Commission by law has determined to be subject to limited dissemination, ATC will immediately post notice on its Internet Website or OASIS Website that such information was disclosed. For such instances of disclosure, the specific disclosed information will not be posted to ATC's Internet Website/OASIS Website, but notice that information was disclosed will be posted.

As an exclusion to the contemporaneous disclosure requirement, ATC is not required to make contemporaneous disclosures for specific transaction information. In accordance with § 358.7(b), ATC's TFEs may discuss with its Affiliates' MFEs a specific request for transmission service submitted by the MFE. For such specific requests, ATC is not required to contemporaneously disclose the information otherwise covered by § 358.6 if the information relates solely to a MFE's specific request for transmission service.

10.2 Posting Written Procedures on ATC's Public Internet Website (18 C.F.R. § 358.7(d))

ATC will post on its public Internet Website and/or OASIS Website this Compliance Plan, which contains the procedures for implementing the FERC Standards of Conduct.



10.3 Identification of Affiliate Information on ATC's Public Internet Website (18 C.F.R. § 358.7(e))

ATC will post and maintain on its public Internet Website/OASIS Website the names and addresses of its Affiliates that employ and retain MFEs.

ATC's Internet Website/OASIS Website will also include a list of the employee-staffed facilities shared by TFEs and MFEs. If any such facilities are identified, the Internet Website/OASIS Website posted list will include a summary of the types of facilities shared and the address of the facilities. ATC does not share, and does not anticipate sharing in the future, any facilities regularly used or occupied with any other entity, including any Affiliated entities that employ MFEs.

ATC will post on its Internet Website/OASIS Website information concerning potential merger partners as Affiliates that may employ or retain MFEs. Such public posting will be made by ATC within seven days after the potential merger is announced.

10.4 Identification of Employee Information of ATC's Public Internet Website (18 C.F.R. § 358.7(f))

ATC will post on its Internet Website/OASIS Website the job titles and job descriptions of all employees that have been identified as TFEs.

ATC will post a notice on its Internet Website/OASIS Website of any employee transfers that involve the transfer of a TFE to a position as an MFE, or any transfer of an MFE to a position as a TFE. The information to be posted will include: (1) the name of the transferring employee, (2) the respective titles held while performing each function (*i.e.*, as a TFE and as an MFE and (3) the effective date of the transfer. All such information posted regarding job transfers shall remain on ATC's Internet Website/OASIS Website for a minimum of 90 days.

10.5 Timing and General Requirements of Postings on ATC's Public Internet Website (18 C.F.R. § 358.7(g))

If any changes occur regarding the information which is required to be posted in accordance with Part 358, ATC will update its Internet Website/OASIS Website within seven days of occurrence of the change. Each time information is updated on ATC's Internet Website/OASIS Website, the date on which the update was made shall be noted on the posting.

10.6 Suspension of Posting Requirements Due to Emergency Conditions (18 C.F.R. § 358.7(g)(2))

If ATC's business operations are severely disrupted by an emergency condition such as an ice storm, earthquake, flood, fire or hurricane, ATC may suspend the posting requirements of Part 358. The suspension of posting requirements will be authorized and documented by ATC's CCO. The authorization to suspend the posting requirements may not last for a period of more than 30 days.

If ATC's CCO determines that the emergency condition will continue to severely disrupt ATC's business operations beyond 30 days, ATC will notify the Commission and seek approval from the Commission for the authority to continue to be exempt from the posting requirements beyond a 30-day period.



11.0 IMPLEMENTATION REQUIREMENTS (18 C.F.R. § 358.8)

In accordance with § 358(b)(1), ATC has implemented measures to ensure the requirements of the “independent functioning” and the “no-conduit” provisions are observed by ATC’s employees and employees of ATC’s Affiliated and non-Affiliated interconnected entities. These measures will include: (1) the administration of a Standards of Conduct Agreement (SOCA) with appropriate Affiliated and non-Affiliated interconnected entities, (2) the distribution of the ATC Compliance Plan to appropriate ATC and Affiliated company employees and posting of the Compliance Plan on ATC’s Internet Website and/or OASIS Website, (3) a training program for ATC and/or Affiliated and non-Affiliated company TFEs, MFEs, officers, directors and any Other Employees likely to become privy to Transmission Function Information, and (4) the designation of a CCO who has responsibility for and monitors Standards of Conduct compliance.

11.1 Distribution of Compliance Plan (18 C.F.R. § 358.8(b)(2))

Section 358.8(b)(2) of the Rule requires ATC to distribute the Compliance Plan to all of its TFEs and MFEs, officers, directors, supervisory employees and any Other Employees likely to become privy to NPTFI.

A copy of ATC’s Compliance Plan will be distributed annually to each employee required to take the annual Standards of Conduct training. The distribution of the Compliance Plan will typically occur at the time that annual Standards of Conduct training is provided. The Compliance Plan will also be available to all employees on the ATC’s Internet Website.

For those entities that have executed a SOCA with ATC, the Compliance Plan will be distributed to employees within those Affiliated and non-Affiliated entities according to the provisions of the SOCA.

11.2 Training (18 C.F.R. § 358.8(c)(1))

Per 18 C.F.R. § 358(c)(1), ATC will provide annual training on the Standards of Conduct to all ATC internal employees. This training will ensure that ATC trains all of its TFEs, officers, directors, supervisory employees, and any Other Employee likely to become privy to NPTFI. ATC will also provide annual training on the Standards of Conduct to all applicable Contingent Workers (*i.e.* vendors, contractors and consultants likely to become privy to NPTFI). Training records for both ATC internal employees and Contingent Workers are stored within the ATC Learning Management System (LMS). These training records are reviewed and updated on an as needed basis and on an annual basis.

The ATC Standards of Conduct training module will primarily be administered as computer-based training. Each ATC employee taking the computer-based training shall certify electronically that the training has been completed. As an alternative to the computer-based training, the training may be completed in a typical classroom setting or by the employee’s review of a paper copy of the training module. In such cases, the employee will certify in writing that the training has been completed.

ATC will provide training to all new ATC internal employees and provide training to applicable Contingent Workers that have been determined by the Contingent Worker ATC manager (*i.e.*



ATC Sponsor) as requiring the training. Such training for new ATC internal employees and applicable Contingent Workers will be conducted within the first 30 days of employment.

The CCO will ensure that all affected employees and Contingent Workers receive the new hire training and the necessary training on an annual basis. The CCO will also develop and maintain ATC's Standards of Conduct training module.

For the Affiliated and non-Affiliated interconnected entities that have executed a SOCA with ATC, those entities must train their employees and maintain training records in accordance with the training provisions defined in the SOCA. ATC will provide its Standards of Conduct training materials to its Affiliated and non-Affiliated interconnected entities so that the entities may use it to provide training to their employees. ATC's Affiliated and non-Affiliated interconnected entities may use training materials that their entities have developed for conducting the Standards of Conduct training which ATC has reviewed and determined that such training materials are sufficient.

11.3 Designation of Chief Compliance Officer (18 C.F.R. § 358.8(c)(2))

The CCO designated by ATC is Ellen Nowak, VP State & Federal Affairs.

If Ms. Nowak is no longer acts as ATC's CCO, ATC will designate another CCO within 10 business days. Ms. Nowak and her successor's contact information will be posted on ATC's Internet Website.

11.4 Books and Records (18 C.F.R. § 358.8(d))

As a stand-alone transmission company, and a separate business entity, ATC keeps its books and records separate from all of its Affiliates and non-Affiliates. ATC's books of accounts and records will be available for Commission inspection.

12.0 APPENDIX A: FERC STANDARDS OF CONDUCT RULE

The updated FERC Standards of Conduct rules can be found at the government's e-CFR site at: [FERC Standards of Conduct 18 C.F.R. § 358](#).