



**Wolverine Power Supply Cooperative, Inc.**

**Standards of Conduct for Transmission Providers  
Implementation Procedures  
18 C.F.R. Part 358**

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## REVISION HISTORY

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## I. INTRODUCTION

This document describes the procedures (“Compliance Procedures”) of Wolverine Power Supply Cooperative, Inc. (“Wolverine”) to implement the Federal Energy Regulatory Commission’s (“FERC”) Standards of Conduct (“Standards of Conduct”) as set forth in *Standards of Conduct for Transmission Providers*, 18 C.F.R. Part 358. A link to the [Standards of Conduct](#) is included for your reference.

The Standards of Conduct apply to public utilities that own, operate or control transmission facilities and conduct transmission transactions with an affiliate that engages in marketing functions (“Transmission Providers”). For the purposes of the Standards of Conduct, Wolverine is a Transmission Provider.

The fundamental premise of the Standards of Conduct is that a Transmission Provider is precluded from taking any action that might provide any of its marketing affiliates, including any division or department of a Transmission Provider with an unfair advantage in the energy marketplace. The basic tenets of the Standards of Conduct are:

### *Non-Discrimination*

- Wolverine must treat all Transmission Customers—affiliated and non-affiliated—on a not unduly discriminatory basis, and may not give an undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, with respect to the transmission or wholesale sales of electric energy in interstate commerce. 18 C.F.R. § 358.2(a).

### *Independent Functioning Rule*

- Wolverine’s Transmission Function Employees must operate independently from its Marketing Function Employees, except as permitted in the Standards of Conduct or otherwise permitted by Commission order. 18 C.F.R. § 358.2(b).

### *No Conduit Rule*

- Wolverine and its employees, contractors, consultants and agents must not disclose, or use a conduit to disclose, non-public Transmission Function Information to Wolverine’s Marketing Function Employees. 18 C.F.R. § 358.2(c).

## *Transparency*

- Wolverine must provide equal access to non-public Transmission Function Information disclosed to marketing function employees to all its transmission customers, affiliated and non-affiliated, except as provided in the Standards of Conduct for confidential customer information and Critical Energy Infrastructure Information. 18 C.F.R. § 358.2(d).

Wolverine is a Michigan-based not-for-profit generation and transmission electric cooperative that provides wholesale service to meet all the power requirements of its seven members, which include five traditional distribution cooperative members and two Michigan-licensed alternative electric suppliers, all of whom serve customers exclusively at retail.

Wolverine is a transmission-owning member of the Midcontinent Independent System Operator, Inc. ("MISO"). Although access to all of Wolverine's transmission facilities is governed by the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff ("MISO Tariff") and MISO directs the operation of and controls Wolverine's 100 kV and above transmission facilities, Wolverine operates and controls certain lower voltage transmission facilities, and has access to non-public transmission information.

As a Transmission Provider, absent a waiver from FERC, Wolverine must comply with the Standards of Conduct. Wolverine has prepared these Compliance Procedures to comply with the Standards of Conduct.

## **II. DEFINITIONS**

***Marketing Function:*** 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). 18 C.F.R. § 358.3(c).

***Marketing Function Employee:*** 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. 18 C.F.R. § 358.3(d).

***Transmission:*** Network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with FERC jurisdictional transmission facilities. 18 C.F.R. § 358.3(f).

***Transmission Customer:*** Any eligible customer 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. 18 C.F.R. § 358.3(g).

***Transmission Function:*** The planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests. 18 C.F.R. § 358.3(h).

***Transmission Function Employee:*** An employee, contractor, consultant or agent of a Transmission Provider who actively and personally engages on a day-to-day basis in transmission functions. 18 C.F.R. § 358.3(i).

***Transmission Function Information:*** Information relating to transmission function activities including, but not limited to, available transmission capacity, price, and curtailments. 18 C.F.R. § 358.3(j).

### **III. STANDARDS OF CONDUCT PROCEDURES**

#### **A. Written Procedures**

##### **1. Scope**

These Compliance Procedures are designed to ensure compliance with the Standards of Conduct as amended from time-to-time and any subsequent orders or regulations FERC may issue with respect to the Standards of Conduct. Wolverine's Standards of Conduct Chief Compliance Officer shall ensure that these Compliance Procedures are updated as necessary, and that the posting of the Compliance Procedures on Wolverine's Standards of Conduct website is also updated accordingly. Reading the procedures is not a substitute for training for designated employees who are required to complete Standards of Conduct training as described herein. These Compliance Procedures cannot anticipate every situation. Employees should seek guidance from their supervisors or Wolverine's Standards of Conduct Chief Compliance Officer when questions arise.

##### **2. Distribution of Compliance Procedures (18 C.F.R. § 358.8(b)(2))**

These Compliance Procedures will be distributed to those employees of Wolverine, or of any affiliate of Wolverine, that are Transmission Function Employees, Marketing Function Employees, officers, directors, supervisors, or are otherwise likely to become privy to Transmission Function Information ("Applicable Employee"). The Standards of Conduct Chief Compliance Officer will ensure that the Compliance Procedures are distributed: (i) annually to each employee required to complete annual Standards of Conduct training; and (ii) to all applicable new employees.

### **3. Posting of Compliance Procedures (18 C.F.R. § 358.7(d))**

These Compliance Procedures will be posted in the Standards of Conduct area of Wolverine's website: <http://www.wolverinepowercooperative.com/ferc-standards-of-conduct/> ("SOC Website").

#### **B. Responsibility for Compliance**

##### **1. Standards of Conduct Chief Compliance Officer (18 C.F.R. § 358.8(c)(2))**

Joseph Baumann, Vice President and General Counsel, is Wolverine's Standards of Conduct Chief Compliance Officer ("CCO"). Mr. Baumann, can be reached at 231.775.5700. The CCO's contact information also will be posted on Wolverine's SOC Website. In the event Mr. Baumann is unavailable, Tom King, Director of Regulation and Policy, is Wolverine's second point of contact. Mr. King can be reached at 231.775.5700.

The CCO is responsible for Wolverine's Standards of Conduct compliance, including overseeing implementation and enforcement of these Compliance Procedures, and monitoring and responding to internal employee inquiries. The CCO may delegate such roles to others as may be appropriate. The CCO will keep a log of all questions received regarding compliance with the Standards of Conduct and will document the response or action taken in response.

##### **2. Strict Compliance Policy**

It is Wolverine's policy to comply with the Standards of Conduct, as well as other applicable federal and state codes and standards. Wolverine employee must review these Compliance Procedures and the Standards of Conduct, and understand their responsibilities under the Standards of Conduct. Employees should be careful not to under-interpret or over-interpret the Standards of Conduct. If you have a question or need help interpreting the Standards of Conduct, please contact your supervisor or the CCO. Every Wolverine Applicable Employee, regardless of employment status, is expected, and has a continuing responsibility, to comply with these Compliance Procedures and the Standards of Conduct in every decision made and in every action taken in the conduct of Wolverine business.

##### **3. Consequences for Violating Standards of Conduct or Compliance Procedures**

Violations of the Standards of Conduct can have serious consequences for Wolverine. Employees who violate these Compliance Procedures or the Standards of Conduct may be subject to disciplinary action up to and including discharge.

#### **4. Obligation to Report**

Any employee who knows of or suspects a violation or possible violation of these Compliance Procedures or the Standards of Conduct is required to report such matters immediately to the employee's supervisor or the CCO.

#### **5. Prohibition Against Retaliation**

Wolverine forbids retaliation against any employee who has raised concerns about compliance with the Standards of Conduct, or who has participated in the investigation or resolution of any Standards of Conduct compliance-related matter. However, self-reporting of an employee's own Standards of Conduct violation or potential violation will not relieve responsibility for or the potential consequences of improper conduct, but such self-reporting may be taken into account as a mitigating factor.

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

Wolverine will provide annual training on the Standards of Conduct to Applicable Employees, i.e., to those employees of Wolverine, or of any affiliate of Wolverine, including any consultants, contractors or agents, that are Transmission Function Employees, Marketing Function Employees, officers, directors, supervisors, or are otherwise likely to become privy to Transmission Function Information.

Wolverine will provide training on the Standards of Conduct to any new Applicable Employee within the first thirty (30) days of their employment as an Applicable Employee.

Each employee receiving the training will be monitored for completion of training and subsequently have such record retained by Wolverine.

The CCO will coordinate the annual training programs and procedures and will review and revise existing Standards of Conduct training material as necessary to conform with any changes to the Standards of Conduct reflected in additional FERC orders and revisions to the Standards of Conduct. The CCO will maintain training records and completed Employee Certifications Regarding the Standards of Conduct Training.

#### **D. Non-Discrimination (18 C.F.R. § 358.4)**

Wolverine operates under the MISO Tariff and does not administer that tariff. To the extent Wolverine takes any role in implementing the MISO Tariff, Wolverine will apply all tariff provisions in a non-discriminatory manner, and will process all similar requests for transmission and interconnection in the same manner and within the same



period of time. No undue preference or advantage will be given to any person in matters relating to the sale or purchase of transmission service.

**E. Independent Functioning (18 C.F.R. § 358.5)**

**1. Transmission Function Employees Must Function Independently From Marketing Function Employees.**

Except as provided in Section G, below or otherwise permitted by FERC order, Wolverine's Transmission Function Employees will function independently of Wolverine's Marketing Function Employees.

Wolverine's Marketing Function Employees will not conduct Transmission Function activities or have access to the Transmission Function area of Wolverine's Energy Control Center or similar facilities used for transmission operations that differs in any way from the access available to other Transmission Customers.

Wolverine's Transmission Function Employees will not conduct Marketing Function activities.

**2. Identification of Transmission Function Employees and Marketing Function Employees.**

The CCO will determine whether an employee is considered a Transmission Function Employee or a Marketing Function Employee based on that employee's day-to-day responsibilities.

Wolverine management will notify the CCO prior to any reorganization of a department that could impact classifications of employees.

**F. No Conduit Rule (18 C.F.R. § 358.6)**

Wolverine is prohibited from using anyone as a conduit for the disclosure of non-public Transmission Function Information to its Marketing Function Employees.

Wolverine's employees, contractors, consultants or agents or those of Wolverine's affiliates are prohibited from disclosing non-public Transmission Function Information to any of Wolverine's Marketing Function Employees.

**G. Exclusion for Permitted Information Exchange (18 C.F.R. § 358.7(h))**

Notwithstanding the requirements of the Independent Functioning Rule and the No Conduit Rule, Wolverine's Transmission Function Employees and Marketing

Function Employees may exchange the following categories of non-public Transmission Function Information without violating the Standards of Conduct:

- (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 the generating units.

#### **1. Recording of Permitted Information Exchanges**

In situations requiring the exchange of information as set forth in this Section G, Wolverine will make and retain a contemporaneous record of all such exchanges; provided, however, that in emergency circumstances Wolverine will make a record of the exchange as soon as practicable after the fact.

Such records will reflect the date of the exchange, the persons involved, what generally was discussed and any other information the individual making the record deems reasonably necessary. Such records may consist of handwritten or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like.

Wolverine will retain these records for five (5) years, and make such records available to FERC upon request.

### **H. Transparency Rule (18 C.F.R. § 358.7)**

#### **1. Contemporaneous Disclosure**

If Wolverine (including its employees, contractors, consultants or agents) discloses non-public Transmission Function Information to a Marketing Function Employee, it will immediately post the information that was disclosed on its SOC Website and keep that information posted for a minimum of 90 days. 18 C.F.R. § 358.7(a)(1).

If Wolverine (including its employees, contractors, consultants or agents) discloses non-public Transmission Customer information, critical energy infrastructure information or any other information that FERC, by law, has determined is to be subject to limited dissemination, Wolverine will immediately post notice on its SOC Website that the information was disclosed and keep the notice posted for a minimum of 90 days. 18 C.F.R. § 358.7(a)(2).

## **2. Customer Information Exclusions**

### **a. Specific Transaction Information**

A Transmission Function Employee may discuss a specific request for transmission service submitted by a Marketing Function Employee with that Marketing Function Employee without publicly posting the information discussed if the information relates solely to a Marketing Function Employee's specific request for transmission service. 18 C.F.R. § 358.7(b).

### **b. Voluntary Consent (18 C.F.R. § 358.7(c))**

If a Transmission Customer provides voluntary, written consent, Wolverine may disclose that customer's non-public information to Marketing Function Employees without publicly posting the information disclosed. If a Transmission Customer authorizes Wolverine to disclose its information to Marketing Function Employees, Wolverine will post on its SOC Website:

- (i) Notice of such consent; and
- (ii) A statement that Wolverine did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

## **3. Internet Posting Requirements**

Wolverine will comply with all internet posting requirements in the Standards of Conduct.

All postings will be prominently displayed and readily accessible on Wolverine's SOC Website. 18 C.F.R. § 358.7(g)(3).

### **a. Timing Requirements**

Wolverine will update the information on its SOC Website within seven (7) business days of any change, and will post the date of such change in its posting. 18 C.F.R. § 358.7(g)(1).

In the event of an emergency that severely disrupts Wolverine's normal business operations (including earthquake, flood, fire or hurricane), Wolverine may suspend postings on its SOC Website for no more than one (1) month, unless Wolverine has notified FERC and sought a further exemption. 18 C.F.R. § 358.7(g)(2).

### **b. Marketing Affiliates**

Wolverine will post on its SOC Website, the names and addresses of Wolverine's affiliates that employ or retain Marketing Function Employees. 18 C.F.R. § 358.7(e)(1).

**c. Shared Facilities**

Wolverine will post on its SOC Website a list of employee-staffed facilities shared by any of Wolverine's Transmission Function Employees and Marketing Function Employees, including the types of shared facilities and the addresses of such facilities. 18 C.F.R. § 358.7(e)(2).

**d. Merger Partners**

Wolverine will post on its SOC Website any potential merger partners as affiliates that may employ or retain Marketing Function Employees, within 7 days after the potential merger is announced. 18 C.F.R. § 358.7(e)(3).

**e. Transmission Function Employees**

Wolverine will post on its SOC Website a list of the job titles and job descriptions of Wolverine's Transmission Function Employees. 18 C.F.R. § 358.7(f)(1).

**f. Employee Transfers (18 C.F.R. § 358.7(f)(2))**

Wolverine will not allow the transfer of any Transmission Function Employee to a position as a Marketing Function Employee, or vice versa, as a means to circumvent the Standards of Conduct.

Wolverine will post on its SOC Website a notice of any transfer of a Transmission Function Employee to a position as a Marketing Function Employee, or vice versa. The posting will include the following information:

- (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.

Such posting will remain on Wolverine's SOC Website for at least 90 days