



Otter Tail Power Company's FERC Standards of Conduct Implementation Plan (FERC Order No. 717)

Introduction:

This document ("FERC Standards of Conduct Implementation Plan" or "Implementation Plan") summarizes Otter Tail's compliance with the Federal Energy Regulatory Commission's ("FERC") Standards of Conduct for Transmission Providers under FERC Order No. 717. This Implementation Plan functions as an employee reference guide and reflects Otter Tail's commitment to compliance with the FERC Standards of Conduct.

The plan outlined in this document is applicable to all Otter Tail employees and contractors subject to the FERC Standards of Conduct, including those employees classified as Transmission Function Employees and Marketing Function Employees. Additionally, employees and contractors that are not classified as a Marketing Function Employee or Transmission Function Employee are subject to the No Conduit Rule outlined in the FERC's Standards of Conduct, which prohibits all employees from transmitting non-public transmission information to a Marketing Function Employee. Finally, all employees and contractors are subject to the Non-Discrimination requirements of the Standards of Conduct.

Reading this Implementation Plan is not a substitute for training of designated employees who are required to complete the Standards of Conduct training.

Statement of Policy:

It is the policy of Otter Tail Power Company to fully comply with the Federal Energy Regulatory Commission's ("FERC") Standards of Conduct for Transmission Providers ("Standards of Conduct").¹

These written procedures document Otter Tail's implementation of the Standards of Conduct.

Chief Compliance Officer and Compliance Team:

Tom Brause, Vice President Administration is Otter Tail's Chief Compliance Officer for the Standards of Conduct. Bruce Gerhardson, Associate General Counsel and JoAnn Thompson, Manager Federal Regulatory Compliance & Policy assist the Chief Compliance Officer with implementing and enforcing the Standards of Conduct. Collectively, these individuals are referred to as the Standards of Conduct Compliance Team. Policies, procedures and training materials cannot cover all situations that may

¹ The Standards of Conduct are contained in 18 C.F.R. § 358.



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occur. Questions and concerns about interpretations or application of the Standards of Conduct policy and procedure should be directed to a member of the Compliance Team.

COMPLIANCE TEAM

Chief Compliance Officer:

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Violations & Reporting:

Any suspected violation of the Standards of Conduct will be fully investigated. If you violate the Standards of Conduct you may be subject to disciplinary action, up to and including termination, depending upon the circumstances of the violation. You are expected to report suspected or potential violations of the FERC Standards of Conduct. Prompt action by you will allow us to take any and all necessary corrective actions. If you are aware of a suspected or potential violation of the Standards of Conduct you can confidentially report it to any member of the Compliance Team. Alternatively, you can report it to your supervisor, a company officer, or Otter Tail's Human Resources Director. If you are uncomfortable contacting a Compliance Team member, your supervisor, a company officer, or Human Resources, you may call the Otter Tail Corporation Ethics Alertline at (877) 231-0884. You may call this toll free service 24 hours a day, 7 days a week, to report information about a possible violation of the Standards of Conduct. A trained specialist who is employed outside Otter Tail answers the Alertline and callers may remain anonymous if they wish. Information reported to the Alertline will be fully investigated and corrective action will be taken as necessary.



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<p>energy in interstate commerce and conducts transmission transactions with an affiliate that engages in marketing functions.</p> <p>(c) This part does not apply to a public utility transmission provider that is a Commission-approved Independent System Operator (ISO) or Regional Transmission Organization (RTO). If a public utility transmission owner participates in a Commission approved ISO or RTO and does not operate or control its transmission system and has no access to transmission function information, it may request a waiver from this part.</p> <p>(d) A transmission provider may file a request for a waiver from all or some of the requirements of this part for good cause.</p>	<p>used for the transmission of electric energy in interstate commerce and has an affiliate that engages in marketing functions.</p> <p>Otter Tail has transferred functional control of its transmission system to the Midwest ISO; however, Otter Tail operates and controls its transmission system and has access to Transmission Function Information.</p> <p>Prior to November 1, 2009, Otter Tail operated under a waiver of the Standards of Conduct. As of November 1, 2009, Otter Tail complies with the Standards of Conduct.</p>
<p>§ 358.2 General principles.</p> <p>(a) As more fully described and implemented in subsequent sections of this part, a transmission provider must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any 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.</p>	<p>It is the responsibility of all Otter Tail employees and Otter Tail's contractors, consultants and agents to comply with the Standards of Conduct. Otter Tail shall treat all affiliated and non-affiliated transmission customers on a not-unduly discriminatory basis, and shall not make or grant any undue preference or advantage to any person or subject any person to undue prejudice or disadvantage with respect to the transmission of electric energy or the wholesale sale of electric energy.</p>



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<p>(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.</p> <p>(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.</p> <p>(d) As more fully described and implemented in subsequent sections of this part, a transmission provider must provide equal access to non-public transmission function information disclosed to marketing function employees to all its transmission function customers, affiliated and nonaffiliated, except as permitted by this part or otherwise permitted by Commission order.</p>	<p>Otter Tail's Transmission Function Employees function independently from Otter Tail's Marketing Function Employees, except as permitted in this Implementation Plan.</p> <p>Otter Tail's employees, contractors, consultants, and agents are prohibited from disclosing, or using a conduit to disclose, non-public Transmission Function Information to Otter Tail Marketing Function Employees.</p> <p>Otter Tail employees shall provide equal access to non-public Transmission Function Information that is disclosed to marketing function employees to all customers.</p>
§ 358.3 Definitions.	
<p>(a) Affiliate of a specified entity means:</p> <ul style="list-style-type: none">(1) Another person that controls, is controlled by, or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operates as a functional unit.(2) For any exempt wholesale generator (as defined under § 366.1 of this chapter), affiliate shall have the	



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<p>meaning set forth in § 366.1 of this chapter, or any successor provision.</p> <p>(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</p> <p>(b) Internet website refers to the Internet location where an interstate natural gas pipeline or a public utility posts the information, by electronic means, required under this part 358.</p> <p>(c) Marketing functions means:</p> <p>(1) in the case of public utilities and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity; and</p> <p>(2) in the case of interstate pipelines and their affiliates, the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, natural gas, subject to the following exclusions:</p> <p>(i) Bundled retail sales,</p> <p>(ii) Incidental purchases or sales of natural gas to operate interstate natural gas pipeline</p>	<p>Information required to be posted by the Standards of Conduct rule will be available on the Otter Tail public website www.otpco.com/NewsInformation/FERCsocCompliance.asp. A link to Otter Tail's website postings is maintained on Otter Tail's page of the Midwest ISO OASIS at http://oasis.midwestiso.org/OASIS/OTP.</p> <p>Otter Tail's electric Marketing Function is comprised of certain employees within the Power Services Department.</p> <p>Otter Tail does not own, operate, or control an interstate gas pipeline.</p>



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<p>transmission facilities,</p> <p>(iii) Sales of natural gas solely from a seller's own production,</p> <p>(iv) Sales of natural gas solely from a seller's own gathering or processing facilities, and</p> <p>(v) On-system sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, or by a local distribution company operating under section 7(f) of the Natural Gas Act.</p> <p>(d) Marketing function employee means an employee, contractor, consultant or agent of a transmission provider or of an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.</p> <p>(e) Open Access Same Time Information System or OASIS refers to the Internet location where a public utility posts the information required by part 37 of this chapter, and where it may also post the information required to be</p>	<p>For purposes of compliance with the Standards of Conduct, Otter Tail employees who are actively and personally engaged on a day-to-day basis in the Marketing Function are considered Marketing Function Employees. Such employees are among the employees who work in the Power Services Division. To enhance compliance, the Human Resources Department shall notify the Compliance Team of any change in the Marketing Function Employees within three business days of any such change. The Manager, Federal Regulatory Compliance & Policy shall update the list and provide it to the Transmission Function within two business days of receiving the notification. The Director of Human Resources, the Manager of Power Services and the Compliance Team shall review the list not less than annually and shall consult with each other concerning any required changes to the list.</p> <p>Otter Tail will utilize www.otpc.com/NewsInformation/FERCsocCompliance.asp as the site for its Standards of Conduct postings. Otter Tail will also note on its Midwest ISO OASIS page</p>



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posted on its Internet website by this part 358.	http://oasis.midwestiso.org/OASIS/OTP) that the Standards of Conduct information is located on the Otter Tail web site and provide a link back to its web site.
(f) Transmission means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with jurisdictional transmission facilities, under part 35 of this chapter; and natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of part 284 of this chapter	Otter Tail has transferred functional control of its transmission system to the Midwest ISO. The Midwest ISO, as Otter Tail's Transmission Provider, administers all transmission services under the Midwest ISO Open Access Transmission, Energy, and Operating Reserves Markets Tariff (Tariff), including the interconnection of facilities and granting and denying transmission service on Otter Tail's transmission system. Otter Tail does not own, operate, or control an interstate gas pipeline.
(g) Transmission customer means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.	
(h) Transmission functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.	Otter Tail has transferred functional control of its transmission system to the Midwest ISO. The Midwest ISO, as Otter Tail's Transmission Provider administers all transmission services under its Tariff, including the interconnection of facilities and granting and denying transmission service on Otter Tail's transmission system. Otter Tail's day-to-day transmission functions are carried out by employees of Otter Tail's System Operations Department.
(i) Transmission function employee means an employee,	For purposes of compliance with the Standards of Conduct,



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<p>contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in transmission functions.</p>	<p>Otter Tail employees who are actively and personally engaged on a day-to-day basis in the Transmission Function are considered Transmission Function Employees. Transmission Function Employees are employees in Otter Tail's System Operations Department who perform the following functions: Manager, System Operations; Supervisor, Power System Operations; Power System Operator; Operations Coordinator; Training Supervisor, System Operations; Principal Engineer Operations; and Operations Engineer. To enhance compliance, the Human Resources Department shall notify the Manager, Federal Regulatory Compliance & Policy of any change in the Transmission Function Employees within three business days of any such change. The Manager, Federal Regulatory Compliance & Policy shall update the list and provide it to the Transmission Function within two business days of receiving the notification. The Director of Human Resources, the Manager of System Operations and the Compliance Team shall review the list not less than annually and shall consult with each other concerning any required changes to the list.</p>
<p>(j) Transmission function information means information relating to transmission functions.</p>	
<p>(k) Transmission provider means:</p> <p>(1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce; or</p>	<p>Otter Tail is a public utility under the terms of the Federal Power Act (16 U.S.C. 824, <i>et seq.</i>) and is subject to the jurisdiction of the FERC. Consequently, Otter Tail is a transmission provider as that term is defined by the Standards of Conduct.</p>
<p>(2) Any interstate natural gas pipeline that transports gas</p>	<p>Otter Tail does not own, operate, or control an interstate gas</p>



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<p>for others pursuant to subparts B or G of part 284 of this chapter.</p> <p>(3) A transmission provider does not include a natural gas storage provider authorized to charge market-based rates.</p> <p>(l) Transmission service means the provision of any transmission as defined in §358.3(f).</p> <p>(m) Waiver means the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.</p> <p>§ 358.4 Non-discrimination requirements.</p> <p>(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.</p> <p>(b) A transmission provider must apply all tariff provisions relating to the sale or purchase of open access</p>	<p>pipeline.</p> <p>Otter Tail is a transmission-owning member of the Midwest ISO and transferred functional control of its transmission system to the Midwest ISO. The Midwest ISO, as Otter Tail's Transmission Provider, offers transmission service, including interconnection of facilities and granting and denying of transmission service, over Otter Tail's transmission system under the terms of the Midwest ISO Tariff. Otter Tail provides day-to-day operation and system control of its transmission system, including the necessary maintenance, repair, and replacement of elements of its transmission system.</p> <p>Otter Tail is a transmission-owning member of the Midwest ISO and transferred functional control of its transmission system to the Midwest ISO. The Midwest ISO, as Otter Tail's Transmission Provider, offers transmission service, including interconnection of facilities and granting and denying of transmission service over Otter Tail's transmission system under the terms of the Midwest ISO Tariff. Otter Tail does not</p>



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<p>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.</p> <p>(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).</p> <p>(d) A transmission provider must process all similar requests for transmission in the same manner and within the same period of time.</p> <p>§ 358.5 Independent functioning rule.</p> <p>(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.</p> <p>(b) Separation of functions.</p> <p>(1) A transmission provider is prohibited from permitting its marketing function employees to:</p> <p style="margin-left: 20px;">(i) Conduct transmission functions; or</p> <p style="margin-left: 20px;">(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</p>	<p>have the authority to implement any tariff provisions relating to the sale or purchase of open access transmission service.</p> <p>No Otter Tail employee may provide any undue preference to any person in matters relating to the sale or purchase of transmission service. This requirement applies to all matters relating to transmission service, including but not limited to the provision of non-public transmission information to any person, regardless of whether that person is a Marketing Function Employee to whom the No Conduit Rule applies.</p> <p>Otter Tail's Transmission Function Employees and Marketing Function Employees shall function independently of each other. Transmission Function Employees may not engage in Marketing Function duties and Marketing Function Employees may not engage in Transmission Function duties or have access to the System Operations Control Center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers. Notwithstanding this requirement, in emergency circumstances affecting system reliability, Transmission Function Employees and Marketing Function Employees may take whatever steps or actions that are necessary to keep the</p>



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<p>other transmission customers.</p> <p>(2) A transmission provider is prohibited from permitting its transmission function employees to conduct marketing functions.</p>	<p>transmission system operational. In the event of any deviation from the Independent Functioning Rule, the supervisor who authorized the deviation shall notify a member of the Compliance Team as soon as possible of the circumstances of the deviation.</p> <p>No Marketing Function employees may have access to System Operations or the Control Center. Access to the System Operations Control Center is secured by an electronic lock and authentication device. Authorization requests for access must be approved by the Manager, System Operations or designated alternate(s). Employees granted unescorted access must also meet the personnel risk assessment, training, and security awareness requirements of NERC CIP-004. Such access shall be end-dated as appropriate and access credentials shall be assigned and issued as needed. On occasion, personnel or third-parties that are not authorized for unescorted access may need temporary access. These personnel or third-parties are to be accompanied by a person with authorization. Computerized logging of physical access records information that identifies all individuals entering the Control Center twenty-four hours a day, seven days a week. A log-in-book or sign-in sheet may be used as an alternate to the computerized log.</p>
<p>§ 358.6 No conduit rule.</p> <p>(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.</p>	<p>Except as provided in Section 358.7(b), (c) and (h), Otter Tail employees, contractors, consultants and agents may not disclose non-public Transmission Function Information to any of Otter Tail's Marketing Function Employees and may not use</p>



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<p>(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.</p>	<p>any person as a conduit for disclosing such information to Otter Tail's Marketing Function Employees.</p> <p>Employees of Otter Tail's Marketing Function shall rely on the Midwest ISO, public internet, OASIS or other means available to the general public to obtain information regarding non-public Transmission Function Information unless otherwise authorized by the Standards of Conduct rules. Otter Tail's Marketing Function Employees shall be restricted from obtaining non-public Transmission Function Information through the use of "firewalls" and other lockout methods.</p>
<p>§ 358.7 Transparency rule.</p>	
<p>(a) Contemporaneous disclosure.</p> <p>(1) If a transmission provider discloses nonpublic 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.</p> <p>(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</p>	<p>If any information must be posted under Section 358.7, the Manager, Federal Regulatory Compliance & Policy shall ensure that the information is posted on Otter Tail's internet website at www.otpc.com/NewsInformation/FERCsocCompliance.asp and shall notify the Compliance Team of the posting as soon as practicable. If an Otter Tail employee, contractor, consultant or agent discloses or obtains knowledge of a disclosure or alleged disclosure of non-public Transmission Function Information contrary to the Standards of Conduct rules and Otter Tail's policy and procedures they shall immediately notify a member of the Compliance Team. The Chief Compliance Officer shall conduct, or cause the conduct of, an investigation regarding the alleged disclosure and take the appropriate actions in response to his or her findings,</p>



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<p>information was disclosed.</p> <p>(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.</p> <p>(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.</p>	<p>including posting disclosed information on Otter Tail's Internet website if appropriate.</p> <p>Otter Tail's Transmission Function Employees may discuss with its Marketing Function Employees a specific request for transmission service submitted by the marketing function employee. Any non-public Transmission Information that is disclosed to the Marketing Function Employee pursuant to this exception need not be posted on Otter Tail's Internet website.</p> <p>Otter Tail is a transmission-owning member of the Midwest ISO and has transferred functional control of its transmission system to the Midwest ISO. The Midwest ISO, as Otter Tail's Transmission Provider, offers transmission service, including interconnection of facilities and granting and denying of transmission service over Otter Tail's transmission system, under the terms of the Midwest ISO Tariff. Otter Tail cannot provide any operational or rate-related preferences with respect to transmission service provided by the Midwest ISO under its Tariff. A transmission customer may authorize disclosure of non-public customer-specific information to an Otter Tail Marketing Function Employee. Such authorization, together with a statement by Otter Tail that it did not provide any operational or rate-related preference in exchange for that authorization, shall be posted on Otter Tail's internet website at www.otpc.com/NewsInformation/FERCsocCompliance.asp.</p>



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<p>(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.</p>	<p>A copy of this Standards of Conduct Implementation Plan is posted on the Otter Tail Internet web site at www.otpc.com/NewsInformation/FERCsocCompliance.asp</p>
<p>(e) Identification of affiliate information on the public Internet.</p> <p>(1) A transmission provider must post on its Internet website the names and addresses of all its affiliates that employ or retain marketing function employees.</p> <p>(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.</p> <p>(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.</p>	<p>The Manager, Federal Regulatory Compliance & Policy posts and maintains on the Otter Tail website, www.otpc.com/NewsInformation/FERCsocCompliance.asp, the information required by Section 358.6(e).</p>
<p>(f) Identification of employee information on the public Internet.</p> <p>(1) A transmission provider must post on its Internet website the job titles and job descriptions of its transmission function employees.</p> <p>(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</p>	<p>The Manager, Federal Regulatory Compliance & Policy will post and maintain on the Otter Tail website (www.otpc.com/NewsInformation/FERCsocCompliance.asp) the information required by Section 358.6(f). The Human Resources Department shall notify the Manager, Federal Regulatory Compliance & Policy of any employee transfers between the Transmission Function and the Marketing Function.</p>



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<p>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:</p> <ul style="list-style-type: none">(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. <p>(g) Timing and general requirements of postings on the public Internet.</p> <ul style="list-style-type: none">(1) A transmission provider must update on its Internet website the information required by this part 358 within seven business days of any change, and post the date on which the information was updated. A public utility may also post the information required to be posted under Part 358 on its OASIS, but is not required to do so.(2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts a transmission provider's normal business operations, the posting requirements in this part may be suspended by the transmission provider. If the disruption lasts longer than one month, the transmission provider must so notify the Commission and may seek a further exemption from the posting requirements.(3) All Internet website postings required by this part must	<p>The Manager, Federal Regulatory Compliance & Policy will post and maintain on the Otter Tail website, www.otpc.com/NewsInformation/FERCsocCompliance.asp, the information required by Section 358 within seven business days of any change and will post the date on which the information was updated. All Standards of Conduct postings will be maintained (posted) for a minimum of 90 days. Emergency suspension of the posting requirements must be approved by the Chief Compliance Officer. The Chief Compliance Officer is responsible for notifying the FERC if it is anticipated that the suspension will exceed one month.</p>



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<p>be sufficiently prominent as to be readily accessible.</p> <p>(h) Exclusion for and recordation of certain information exchanges.</p> <p>(1) Notwithstanding the requirements of §§ 358.5(a) and 358.6, a transmission provider's transmission function employees and marketing function employees may exchange certain nonpublic transmission function information, as delineated in § 358.7(h)(2), in which case the transmission provider must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record must be made of the exchange as soon as practicable after the fact. The transmission provider shall make the record available to the Commission upon request. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.</p> <p>(2) The non-public information subject to the exclusion in § 358.7(h)(1) is as follows:</p> <p>(i) Information pertaining to compliance with Reliability Standards approved by the Commission, and</p> <p>(ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.</p>	<p>System Operations and Power Services may exchange non-public transmission information that (1) is related to compliance with reliability standards, (2) is necessary to maintain or restore operation of the transmission system or generating units, or (3) may affect generating dispatch. The Chief Compliance Officer or member of the Compliance Team must be notified of such exchange, in advance, if at all possible and within 24 hours if contemporaneous. The exchange must be recorded by contemporaneous hand-written notes, e-mails, recorded telephone lines or similar means and retained for 5 years. The Manager of System Operations has been designated as the Otter Tail individual responsible for administering the recording policy, ensuring the recordings or log, and five year retention specified in section 358.7(h).</p>



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<p>(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.</p>	<p>Otter Tail is a transmission-owning member of the Midwest ISO and transferred functional control of its transmission system to the Midwest ISO. The Midwest ISO, as Otter Tail's Transmission Provider, offers transmission service, including interconnection of facilities and granting and denying of transmission service over Otter Tail's transmission system under the terms of the Midwest ISO Tariff. Therefore, it is not anticipated that Otter Tail will ever have a posting related to a waiver of the transmission service tariff. Any waiver that Otter Tail grants will be posted on Otter Tail's Internet website www.otpc.com/NewsInformation/FERCsocCompliance.asp. The employee granting such a waiver must notify a Compliance Team member before the waiver is granted so the appropriate posting can be made. The Chief Compliance Officer will ensure that a record of any such waivers is retained for a period of five years.</p>
<p>§ 358.8 Implementation requirements.</p>	
<p>(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.</p>	<p>Otter Tail will implement these policies and procedures as of November 1, 2009.</p>
<p>(b) Compliance measures and written procedures. (1) A transmission provider must implement measures to ensure that the requirements of §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates.</p>	<p>Otter Tail has implemented measures to ensure the requirements of Sections 358.5 (the Independent Functioning Rule) and 358.6 (the No Conduit Rule) are observed by the employees, contractors, consultants and agents of Otter Tail and any affiliates. The Manager, Federal</p>



Otter Tail Power Company's FERC Standards of Conduct Implementation Plan (FERC Order No. 717)

18 C.F.R. § 358 - Standards of Conduct	Otter Tail's Implementation Plan
<p>(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.</p> <p>(c) Training and compliance personnel.</p> <p>(1) A transmission provider must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. The transmission provider must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this section, within the first 30 days of their employment. The transmission provider must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.</p>	<p>Regulatory Compliance & Policy shall distribute a copy of the current version of this Implementation Plan to each person specified in Section 358.8(b)(2) not less than once each year. Such distribution may occur in person or by e-mail.</p> <p>Otter Tail shall conduct training on the Standards of Conduct for all persons specified in Section 358.8(b)(2) not less than once each calendar year. The Manager, Federal Regulatory Compliance & Policy shall notify those persons of the dates and times for training. Each person who has received training will be required to certify that he or she has taken the training. The Manager, Federal Regulatory Compliance & Policy shall maintain a list of all persons who have received training and shall review the list periodically to ensure that all required training has been completed.</p> <p>Within 15 days after the hiring of new employees or the transfer of personnel within Otter Tail, Human Resources shall provide the Compliance Team such employees' names and job functions. The Manager, Federal Regulatory Compliance & Policy shall review the information about the new and transferred employees and determine which employees must receive Standards of Conduct training. The Manager, Federal Regulatory Compliance & Policy shall ensure that any required Standards of Conduct training for new or transferred employees is completed no later than 30 days after the commencement of employment or the effective date of the transfer.</p>



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18 C.F.R. § 358 - Standards of Conduct	Otter Tail's Implementation Plan
<p>(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.</p> <p>(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.</p>	<p>An employee who makes the decision on hiring of contractors, consultants or agents who may become privy to non-public transmission information is required to notify the Compliance Team when the hiring occurs. The Compliance Team shall identify those contractors, consultants, or agents that require Standards of Conduct Training and shall ensure that such training occurs before they perform work for Otter Tail. Each such person shall acknowledge in writing that they have been trained.</p> <p>The Chief Compliance Officer's contact information is as follows:</p> <p>Tom Brause Vice President Administration Otter Tail Power Company 215 S Cascade St. Fergus Falls, MN 56538-0496 218-739-8525 tbrause@otpc.com</p> <p>Otter Tail maintains its books and records as required by FERC rules and regulations and will make them available for Commission inspections.</p>