

VERMONT TRANSCO PLAN FOR IMPLEMENTING FERC ORDER 717 STANDARDS OF CONDUCT

I. Introduction.

Vermont Transco (VT Transco) sets forth below its Compliance Plan for implementing the Federal Energy Regulatory Commission's (the "Commission") Order 717 relating to the Standards of Conduct for Transmission Providers.

II. Description of Vermont Transco

VT Transco is an electric transmission company operating under the laws of the State of Vermont. VT Transco through its manager, VELCO, serves the distribution utilities and other eligible customers in the State of Vermont. The headquarters is located at 366 Pinnacle Ridge Rd, Rutland, Vermont 05701.

VT Transco does not own any generation assets; it is a "wires only" company. VT Transco does not sell any retail electric energy to its customers.¹ VT Transco does not have an energy trading function, but does have a power accounting department. This department is responsible for administration of the settlement contracts for a few of the distribution utilities. The power accounting department is involved in the settlement only portion of the markets. It does not provide market advice or transmission-related information to the Vermont distribution utilities.

III. VT Transco's Compliance with the Commission's Standards of Conduct

VT Transco has complied fully with the requirements of all FERC Orders governing the Standards of Conduct. The plan below describes steps Vermont Transco will take in order to maintain compliance.

IV. Plan for Implementing FERC Order 717

1. Compliance Plan

(a) **Written procedures:** Companies shall post on the Internet Website these current written procedures implementing the Standards of Conduct in such detail as will enable customers and the Commission to determine that they are in compliance with the Standards of Conduct requirements.

¹ VT Transco sells a portion of the output of Vermont Yankee, a nuclear power plant in Vernon, Vermont to certain of the Vermont Distribution utilities. These are pass-through transactions in which, for administrative convenience, VT Transco acts as an intermediary between Vermont Yankee and the ultimate wholesale customers. VT Transco recovers from those customers only the amounts it pays to Vermont Yankee, with no mark-up, even for administrative expenses. VT Transco has no role in deciding prices, schedules or any other term or condition of the sales in question.

Implementation procedures: VT Transco has posted this information on its page of the ISO New England OASIS internet website, at <https://oasis.iso-ne.com/oasis/VTTR> , and the VT Transco internet website, at <http://www.vermonttransco.com>.

(b) Identification of Employee Information on the Internet Website: A Transmission Provider must post on its Internet Website the job titles and job descriptions of its Transmission Function Employees. A Transmission Provider must post a notice on its Internet Website of any transfer of a Transmission Function Employee to a position as a Marketing Function Employee, or any transfer of a Marketing Function Employee to a position as a Transmission Function Employee. The information posted under this section must remain on its Internet Website for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted must include: (i) The name of the transferring employee; (ii) The respective titles held while performing each function (i.e., as a Transmission Function Employee and as a Marketing Function Employee); and (iii) The effective date of the transfer.

Implementation procedures: VT Transco has posted this information on the VT Transco page of the ISO New England OASIS internet website, at <https://oasis.iso-ne.com/oasis/VTTR>, and on the VT Transco internet website, at <http://www.vermonttransco.com>.

The VT Transco OASIS Security Officer is notified of new employees and employee transfers by the Human Resource Department, and is responsible for coordinating the required posting. Any transfers that are covered by this section of the Procedures must be reported to the VT Transco OASIS Security Officer not less than seven business days prior to the effective date of the transfer. Records are maintained for a minimum of five years.

(c) Training: The Transmission Provider must provide annual training on the Standards of Conduct 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. The Transmission Provider must provide training on the Standards of Conduct to new employees (who are Transmission Function Employees, Marketing Function Employees, officers, directors, supervisory employees and any other employees likely to become privy to Transmission Function Information) within the first thirty (30) days of their employment. The Transmission Provider must require each employee who has taken the training to certify electronically or in writing that she/he has completed the training.

Implementation procedures: (1) VT Transco shall provide training annually to all employees with access to Transmission information or information concerning electric

purchases, sale or marketing functions. VT Transco shall train new employees (who are Transmission Function Employees, Marketing Function Employees, officers, supervisory employees, and any other employees likely to become privy to Transmission Function Information) within the first thirty (30) days of their employment.

(2) All of the personnel listed above signed affidavits affirming that they will not be a conduit for sharing transmission or customer information with any Marketing, Sales or Brokering Employees, or to any of our Energy Affiliates.²

(3) VT Transco will maintain logs of employees that have participated in the training and copies of signed affidavits of the employees that have participated in the training.

(d) Non-Discrimination Requirements:

(i) Information access.

(1) If a Transmission Provider discloses non-public Transmission Function Information, other than information identified in paragraphs (a)(2) of this Section, in a manner contrary to the requirements of § 358.6, the Transmission Provider must immediately post the information that was disclosed on its Internet Website.

(2) If a Transmission Provider discloses, in a manner contrary to the requirements of 18 C.F.R. § 358.6, non-public transmission customer information, critical energy infrastructure information (CEII) as defined in 18 C.F.R. § 388.113(c)(1) of this chapter or any successor provision, or any other information that the Commission by law has determined is to be subject to limited dissemination, the Transmission Provider must immediately post notice on its website that the information was disclosed.

Implementation procedures: In the event of a disclosure, employees have been instructed to report the matter immediately to their supervisor and the Chief Compliance Officer.

(ii) Voluntary Consents. 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

² Vermont Transco is owned by the distribution utilities. The two largest owning utilities are Central Vermont Public Service, and Green Mountain Power. Their ownership share of VT Transco is in excess of 20%. All of the other utilities own less than 10%. VT Transco's energy affiliates are the marketing personnel at following companies:

Central Vermont Public Service (CVPS) 778 Grove Street, Rutland, Vermont
Green Mountain Power (GMP) 163 Acorn Lane, Colchester, Vermont

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.

Implementation procedures: The Transmission Function Employees must inform the Chief Compliance Officer of any request by a Transmission Customer to share information with a Marketing Function Employee not less than two business days before the information is to be shared. The Chief Compliance Officer shall ensure that the required information concerning the voluntary consent is posted prior to the time at which the information is shared.

(iii) **Exception for Specific Transactions.** Transmission Function Employees may share with Marketing Function Employees information related solely to the Marketing Function's specific request for transmission service.

Implementation procedures: All Transmission Customers, including Marketing Function Employees, may have exclusive access to information regarding the status of their own transactions. These status communications must present the same level of detail to any Transmission Customer presenting a similar request.

(iv) **Exceptions for System Operations.** Transmission Function Employees may discuss with Marketing Function Employees non-public Transmission Function Information (i) pertaining to compliance with FERC-approved NERC Reliability Standards, (ii) to maintain or restore operation of the transmission system or generating units, or (iii) that may affect generator dispatch.

Implementation procedures: At this time, VT Transco does not have communications in which its Transmission Function Employees have a need to disclose non-public Transmission Function Information to Marketing Function Employees (i) pertaining to compliance with FERC-approved NERC Reliability Standards, (ii) to maintain or restore operation of the transmission system or generating units, or (iii) that may affect generator dispatch. To the extent that there is such a need in the future, Transmission Function Employees should contact their supervisors and the Chief Compliance Officer. A determination will be made regarding the requirements that will be implemented in the event of such communications. The separate written procedures require that records of any such communications be maintained for a five-year period.

e. Non-Discriminatory Requirements

(i) The 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.

(ii) The Transmission Provider must apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all

transmission customers in a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.

(iii) The 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).

(iv) The Transmission Provider must process all similar requests for transmission in the same manner and within the same period of time.

Implementation Procedures: All tariff provisions are applied in a non-discriminatory manner, and if a tariff provision allows for discretion in its application, then the Transmission Provider will provide that tariff provision in the same manner to its Marketing Functioning Affiliates as it does to all other transmission service customers.

f. No Conduit Rule.

(i) A transmission provider is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to marketing function employees.

(ii) An employee, contractor, consultant or agent of a transmission provider and an employee, contractor, consultant or agent of an affiliate transmission provider that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any of the transmission providers marketing function employees.

Implementation Procedures: Training materials explain the prohibition against a Transmission Provider from using anyone as conduit to inappropriately share information with any marketing function personnel.

IV. Ensuring Ongoing Compliance: VT Transco will designate a Chief Compliance Officer who will: (1) Ensure that VT Transco is in compliance with the Standards of Conduct; and (2) Ensure that Standards of Conduct training for new and existing employees is carried out.

Implementation procedures: The Chief Compliance Officer is Dave Haas. The Chief Compliance Officer is responsible for:

- (i) Ensuring the timely posting on the Internet Website of the information required by these Procedures;
- (ii) Updating these Procedures as necessary to maintain compliance with the Standards of Conduct;
- (iii) Overseeing or conducting Standards of Conduct training of all employees, officers and directors who are required to receive training by these Procedures and

maintaining signed certificates of training for all persons who have received such training;

- (iv) Distributing the Standards of Conduct procedures to employees in compliance with 18 C.F.R. Section 358.8(b)(2).
- (v) Serving as a point of contact for questions or concerns relating to compliance with the Standards of Conduct and these Procedures.
- (vi) Ensuring compliance with the Standards of Conduct and these Procedures through periodic audits and reviews of compliance and, where necessary, taking action to ensure compliance;
- (vii) Retaining for five years records of evaluations and audits of Standards of Conduct compliance and actions taken to ensure compliance or correct instances of non-compliance with the Standards of Conduct;
- (viii) Receiving all reports of non-compliance with the Standards of Conduct and/or these Procedures and taking necessary corrective actions, including, where necessary, the posting of information on the OASIS and making reports to the FERC.