

Tri-State Generation and Transmission Association, Inc.  
Written Procedures Implementing Standards of Conduct  
Effective Date: October 26, 2008

## 1. Applicability

Tri-State Generation and Transmission Association, Inc. ("Tri-State"), as the owner, operator and controller of facilities used for the Transmission of electric energy in interstate commerce that conducts Transmission transactions with an Affiliate that engages in Marketing Functions, has elected to adopt and abide by the following Standards of Conduct based on the regulation of the Federal Energy Regulatory Commission set forth in Part 358 of Chapter 18 of the Code of Federal Regulations (118 C.F.R. Part 358). However, Tri-State does not waive any exemption from jurisdiction or submit to any jurisdiction that the Commission does not have with respect to Tri-State, its facilities, books and records or its operations.

## 2. Definitions

The following terms when used in these Standards of Conduct have the meanings set forth below:

- (a) **Affiliate** - Another entity that Controls, is Controlled by, or is under common Control with Tri-State, or a division of Tri-State that operates as a functional unit. For purposes of these Standards of Conduct, Energy Markets in the Energy Management Division of Tri-State is an Affiliate of Tri-State.
- (b) **Commission** - The Federal Energy Regulatory Commission.
- (c) **Control** – "Control" as used in the above definition of Affiliate means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 percent or more creates a rebuttable presumption of Control.
- (d) **Critical Energy Infrastructure Information (CEII)** - Critical Energy Infrastructure Information means specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that:
  - (i) Relates details about the production, generation, transportation, Transmission, or distribution of energy;
  - (ii) Could be useful to a person in planning an attack on critical infrastructure;
  - (iii) Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and
  - (iv) Does not simply give the general location of the critical infrastructure.

- (e) **Employee** –Any person employed by Tri-State or its Affiliates, whether salaried or under contract, including any contractor, consultant or agent of Tri-State or its Affiliates.
- (f) **Internet Website** - The Internet location where Tri-State posts the information required to be posted under these Standards of Conduct:  
(<http://www.tristategt.org>).
- (g) **Marketing Function** –The sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of any of the following products: (1) electric energy or capacity, (2) demand response, (3) virtual transactions, or (4) financial or physical Transmission rights, all subject to the following exclusions. The following transactions are excluded from the Marketing Function of Tri-State: (i) bundled retail sales, (ii) sales of electric energy made by Tri-State as a provider of last resort (POLR) acting in its POLR capacity, (iii) purchases of energy for resale, and (iv) sales of energy and capacity by Tri-State to its member cooperatives under their long term requirements contracts. The member cooperatives are identified on the Internet Website.
- (h) **Marketing Function Employee** - An Employee of Tri-State or of an Affiliate of Tri-State who actively and personally engages on a day-to-day basis in Marketing Functions. Tri-State maintains a current list of all Tri-State Marketing Function Employees and their job titles which is located on the Tri-State Intranet Website.
- (i) **Open Access Same Time Information System or OASIS** - The Internet location where Tri-State posts the information required of jurisdictional public utilities by part 37 of 18 C.F.R (the OASIS Transmission posting requirements).
- (j) **Standards of Conduct Chief Compliance Officer** - the person designated by Tri-State with overall responsibility for compliance with these Written Procedures as provided in Section 8(c)(2) below, or his/her designated representative where necessary and appropriate.
- (k) **Tariff** - Tri-State’s Open Access Transmission Tariff (OATT).
- (l) **Transmission** –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 18 U.S.C. (Standardization of Generator Interconnection Agreements and Procedures.)
- (m) **Transmission Customer** - Any eligible customer that can or has executed a Transmission Service agreement with Tri-State or can or has received Transmission Service. This includes all persons who have pending requests for Transmission Service or for information regarding Transmission.
- (n) **Transmission Functions** - The planning, directing, organizing or carrying out of day-to-day Tri-State Transmission operations, including the granting and denying of Transmission Service requests.

- (o) **Transmission Function Employee** - An Employee of Tri-State who actively and personally engages on a day-to-day basis in Transmission Functions. All Employees working for the Tri-State Senior Manager of Systems Operations are considered Transmission Function Employees of Tri-State. A current Transmission organization chart showing job titles and job descriptions is posted in the “**Transmission Function Employees’ Job Titles and Job Descriptions**” section on the Internet Website.
- (p) **Transmission Function Information** - Information relating to Tri-State Transmission Functions.
- (q) **Transmission Provider** – Any public utility that owns, operates or Controls facilities used for the Transmission of electric energy in interstate commerce.
- (r) **Transmission Service** - The provision of any electric Transmission, network or point-to-point service, ancillary services or other methods of electric Transmission, or the interconnection with jurisdictional Transmission facilities.
- (s) **Waiver** - The determination by Tri-State, if authorized by its Tariff, to waive any provisions of its Tariff for a given entity.

### 3. General principles

- (a) Tri-State shall treat all Transmission Customers, including Affiliates and non-Affiliates, on a not unduly discriminatory basis, and shall not make or grant any undue preference or advantage to any person. In addition, Tri-State shall not subject any person to any undue prejudice or disadvantage with respect to any Transmission of electric energy in interstate commerce, or with respect to the wholesale sale of electric energy in interstate commerce. Tri-State shall apply the same criteria in the administration of Tariff Provisions to all Transmission Customers without preference or discrimination.
- (b) Tri-States Transmission Function Employees shall function independently from its Marketing Function Employees, except as permitted in these Standards of Conduct.
- (c) Tri-State and its Employees shall not disclose, or use a conduit to disclose, non-public Transmission Function Information to Tri-State’s Marketing Function Employees.
- (d) Tri-State shall provide equal access to non-public Transmission Function Information to all its Transmission Customers, including Affiliates and non-Affiliates, except in the case of confidential customer information or Critical Energy Infrastructure Information.

### 4. Non-discrimination requirements

- (a) Tri-State shall strictly enforce all Tariff provisions relating to the sale or purchase of open access Transmission Service, if its Tariff provisions do not permit the use of

discretion. Tri-State shall apply the same criteria in the administration of Tariff Provisions to all Transmission Customers without preference or discrimination.

- (b) Tri-State shall 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.
- (c) Tri-State shall 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).
- (d) Tri-State shall process all similar requests for Transmission in the same manner and within the same period of time as stated in Tri-State's Business Practices, which are located at: <http://www.oatioasis.com/TSGT/index.html>.

## 5. Independent functioning rule

### (a) General rule

Except as permitted in these Standards of Conduct, Tri-State's Transmission Function Employees shall operate and function independently of its Marketing Function Employees.

### (b) Separation of functions

(1) Tri-State Marketing Function Employees are not permitted to:

#### (a) Conduct Transmission Functions

- Tri-State Marketing Employees are not privy to operational tools and information necessary for conducting Transmission Functions. This information is located in intra-company software; and permission to use that software is given only to Transmission Function Employees and Employees engaged in Transmission Functions and shall not be given to Marketing Function Employees.
- Tri-State's OASIS software designed and installed by Open Access Technology International, Inc. (OATI) is used to approve Transmission Service Requests (TSRs) and active Energy Tags. The design parameters of this software follow federal compliance which requires certificate registration of functional areas; and only Transmission Function Employees are permitted to be so registered.
- SCADA and Energy Management Systems (EMS) information and control is given to the appropriate Transmission Function Employees and shall not be granted to the Marketing Function Employees.

(b) Have access to the Tri-State system control center or similar facilities used for Transmission operations that differs in any way from the access available to other Transmission Customers.

- Access to the Tri-State system control center (Dispatch) and the Operations Back-up Control Center, where Transmission Functions are or may be conducted, is controlled by card key entry. Card keys to those areas are managed by the Security Manager and are not issued to Marketing Function Employees, nor may they be made available to them.

(a) Tri-State Transmission Function Employees are not permitted to conduct Marketing Functions.

- Tri-State Transmission Function Employees are not privy to the tools and information necessary for conducting Marketing Functions.
- The functions of Tri-State's OATI-designed and installed OASIS software used for requesting Transmission Service Requests (TSRs) and to create Energy Tags are only available to Marketing Function Employees. The design parameters of this software follow federal compliance which requires certificate registration of functional areas. Only Marketing Function Employees may be registered for these Marketing Functions.

## 6. No conduit rule

(a) Tri-State shall not use anyone as a conduit for the disclosure of non-public Transmission Function Information to its Marketing Function Employees.

(b) Employees of Tri-State and its Affiliates are prohibited from disclosing non-public Transmission Function Information to any of Tri-State's Marketing Function Employees.

(c) Employees of a Tri-State Affiliate that is engaged in the Marketing Function but who are not themselves Marketing Function Employees and are privy to non-public Transmission Function Information are prohibited from disclosing that information to the Marketing Function Employees. Marketing Function Employees who receive non-public Transmission Function Information should report it to the Standards of Conduct Chief Compliance Officer immediately and are prohibited from using or acting on the information until it has been posted on the Internet Website.

## 7. Transparency rule

(a) Contemporaneous disclosure

1. If Tri-State discloses non-public Transmission Function Information, other than information identified in paragraph 2 immediately below, in a manner contrary to the requirements of the No Conduit Rule, Tri-State shall immediately post the

information that was disclosed on its Internet Website. The procedure for posting is as follows:

- The Employee that disclosed or received the non-public Transmission Function Information or his/her supervisor will immediately fill out and submit a Standards of Conduct Incident Report located in the “**Incident Reporting Form**” on the Internet Website or the Tri-State intranet website.
  - The Standards of Conduct Chief Compliance Officer will immediately investigate the report to determine if a violation has occurred and if the non-public Transmission Function Information should be posted on the Internet Website.
  - If the information requires posting, the Standards of Conduct Chief Compliance Officer will immediately post the information on the “**Contemporaneous Disclosure**” section in the Standards of Conduct posting area located on the Internet Website. The posting will contain the date of the event and the information disclosed.
  - If the information also requires posting on the OASIS, the Standards of Conduct Chief Compliance Officer will contact the Transmission OASIS personnel and request immediate posting. The Transmission OASIS personnel will report to the Standards of Conduct Chief Compliance Officer the time the posting occurred.
  - The violation resolution report section of the Incident Report will be completed by the Standards of Conduct Chief Compliance Officer detailing the findings of the investigation and the consequent actions required and taken. This report will become the permanent and official record of the event.
2. If Tri-State discloses in a manner contrary to the requirements of the No Conduit Rule, non-public Transmission Customer information, Critical Energy Infrastructure Information (CEII), or any other information that the Commission by law has determined is to be subject to limited dissemination, Tri-State shall immediately post notice on its Internet Website that the information was disclosed. The procedure for posting is as follows:
- The Employee that disclosed or received the non-public Transmission Customer Information, Critical Energy Infrastructure Information (CEII) or other information subject to limited dissemination, or his/her supervisor, will immediately fill out and submit a Standards of Conduct Incident Report located in the “**Incident Reporting Form**” on the Internet Website or the Tri-State intranet website.
  - The Standards of Conduct Chief Compliance Officer will immediately investigate the report to determine if a violation has occurred and if notice of the disclosure of non-public Transmission Customer Information, Critical Energy Infrastructure Information (CEII) or other information subject to limited dissemination should be posted on the Internet Website.
  - If posting is required, the Standards of Conduct Chief Compliance Officer will immediately post notice that the information was disclosed on the “**Contemporaneous Disclosure**” section in the Standards of Conduct posting

area located on the Internet Website. The posting will specify the type but not the content of the information, to whom, how and when it was disclosed.

- The violation resolution report section of the Incident Report will be completed by the Standards of Conduct Chief Compliance Officer detailing the findings of the investigation and the consequent actions required and taken. This report will become the permanent and official record of the event.

(b) Exclusion for specific transaction information

Tri-State's Transmission Function Employees may discuss with its Marketing Function Employees a specific request for Transmission Service submitted by the Marketing Function Employees. Tri-State is not required to, and will not, contemporaneously disclose information otherwise covered by the No Conduit Rule if the information relates solely to a Marketing Function Employee's specific request for Transmission Service.

(c) Voluntary consent provision

A Transmission Customer may voluntarily consent, in writing, to allow Tri-State to disclose the Transmission Customer's non-public information to Tri-State's Marketing Function Employees. If the Transmission Customer authorizes Tri-State to disclose its information to Marketing Function Employees, Tri-State shall 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.

Procedure for posting

- Any such consent must be in writing. In the event that a Tri-State Transmission Customer voluntarily consents to allow Tri-State to share its non-public information with Tri-State Marketing Function Employees, the unit that receives such a written consent shall forward it to the Standards of Conduct Chief Compliance Officer.
- The Standards of Conduct Chief Compliance Officer shall post a notice of that consent and a statement that Tri-State did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent on the "**Voluntary Consent Provision**" section of the Internet Website.

(d) Posting written procedures on the public Internet

Tri-State shall post these current Written Procedures implementing the Standards of Conduct on its Internet Website.

- These compliance procedures entitled “**Written Procedures Implementing Standards of Conduct , Effective Date: October 26, 2008**”, are posted in the Written Procedures Section on the Internet Website and contain the most current procedures in effect to date.
- If in the future this document is revised in any way, the revised procedures bearing the date of the revision will be posted on or before the date they become effective.

(e) Identification of Affiliate information on the public Internet:

(1) Tri-State shall post on its Internet Website the names and addresses of all its Affiliates that employ or retain Marketing Function Employees.

- To date Tri-State’s only Affiliate that employs or retains Marketing Function Employees is Tri-State Energy Markets. In the event that Tri-State acquires or creates other Affiliates fitting this description, the Standards of Conduct Chief Compliance Officer will post that information within seven business days of any change.
- Affiliate information is located in the “**Identification of Affiliate Names and Addresses**” section on the Internet Website.

(2) Tri-State shall post on its Internet Website a complete list of the Employee-staffed facilities shared by any of Tri-State’s Transmission Function Employees and Marketing Function Employees. The list will include the types of facilities shared and the address of the facilities, provided that the facility is not part of Tri-State’s critical energy infrastructure.

- Tri-State is posting a complete list of staffed facilities shared by Transmission Function Employees and Marketing Function Employees in the “**Employee Staffed Shared Facilities**” section on the Internet Website.
- The Standards of Conduct Chief Compliance Officer shall post any change to this list within seven business days of any change.

(3) Tri-State shall 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.

- Tri-State shall post information concerning potential merger partners as affiliates in the “**Potential Merger Partner Information**” section on the Internet Website.
- The Standards of Conduct Chief Compliance Officer shall post any change to this list within seven business days of any change.

(f) Identification of Employee information on the public Internet

(1) Tri-State shall post on its Internet Website the job titles and job descriptions of its Transmission Function Employees.



- Tri-State shall post job titles and job descriptions of its Transmission Function Employees in the “**Transmission Function Employees’ Job Titles and Job Descriptions**” section on the Internet Website.
- The Standards of Conduct Chief Compliance Officer shall post any change to this list within seven business days of any change.

(2) Tri-State shall 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 will remain on the Internet Website for 90 days. Tri-State shall not use any job transfer to circumvent any provision of these Standards of Conduct. The procedure for posting is as follows:

- All new hires, transfers, and terminations of Tri-State Employees will be provided to the Standards of Conduct Chief Compliance Officer by Human Resources or Contracts as they occur.
- When a Tri-State Employee is transferred from Transmission Function Employees to Marketing Function Employees, or transferred from Marketing Function Employees to Transmission Function Employees, the Standards of Conduct Chief Compliance Officer shall post the following information on the Internet Website in the “**Transfers of Employees between Marketing Function and Transmission Function**” section prior to implementation of the transfer:
  - i) the name of the transferring Employee
  - ii) the respective titles held while performing each function
  - iii) the effective date of the transfer.
- The information posted shall remain on the Internet Website for 90 days.

(g) Timing and general requirements of postings on the public Internet

(1) The Standards of Conduct Chief Compliance Officer shall update on the Internet Website all required information within seven business days of any change, and shall post the date on which the information was updated. Tri-State will post all information required by these Standards of Conduct on the Internet Website and will provide a link of this information on its OASIS site.

(2) In the event of an emergency, such as an earthquake, flood, fire or hurricane, which severely disrupts Tri-State’s normal business operations, Tri-State may suspend the posting requirements required by these Standards of Conduct.

(3) Tri-State shall place its Standards of Conduct information on the Internet Website home-page in a sufficiently prominent location to be readily accessible.

(h) Exclusion for and recordation of certain information exchanges

(1) While adhering to the requirements of the Independent Functioning Rule and the No Conduit Rule, Tri-State's Transmission Function Employees and Marketing Function Employees may exchange certain non-public Transmission Function information. The information subject to the exclusion and that can be exchanged is:

- Information pertaining to compliance with Reliability Standards approved by the Commission, and
- Information necessary to maintain or restore operation of the Transmission system or generating units, or that may affect the dispatch of generating units.

(2) When such information is exchanged, Tri-State shall make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record will be made of the exchange as soon as practicable after the fact. Tri-State 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 will be retained for a period of five years.

Procedure for recording information:

- Digital Telephone communication will be recorded and electronically stored for five years.
- Inter-company e-mail used to exchange information is archived and stored for five years.
- System Operator records and logs are electronically stored and archived for five years in accordance with internal retention policy.
- At the Commission's request, all forms of recordings will be queried by the applicable dates and a report of all pertinent data will be made for the Commission's inspection.

#### (i) Posting of Waivers

Tri-State shall post on the 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 shall be made within one business day of the act of a Waiver. Tri-State shall also maintain a log of the acts of Waiver, and shall make it available to the Commission upon request. The records shall be kept for a period of five years from the date of each act of Waiver. The procedure for posting any Waiver is as follows:

- At the time a Tri-State OATT provision is waived, the relevant Transmission Function Employee will immediately report this Waiver to the Standards of Conduct Chief Compliance Officer via email. ([SOC@tristategt.org](mailto:SOC@tristategt.org))
- The Standards of Conduct Chief Compliance Officer will post the information in the "**Waivers**" section of the Internet Website, within one working day of the Waiver.
- All details of the Waiver will be entered into a log kept specifically for the acts of Waiver and the information of each waiver retained for five years from the date of the Waiver.
- The log will be available for Commission inspection upon request.

## 8. Implementation requirements

### (a) Effective date

These Standards of Conduct shall take effect on October 26, 2008 and continue in effect until they are amended or withdrawn.

### (b) Compliance measures and written procedures

- (1) Tri-State is implementing measures to ensure that the requirements of the Independent Functioning Rule and the No Conduit Rule are observed by its Employees and by the Employees of its Affiliates.
- (2) Tri-State shall distribute these Written Procedures to all its Transmission Function Employees, Marketing Function Employees, the Standards of Conduct Chief Compliance Officer, supervisory Employees, and any other Employees likely to become privy to Transmission Function Information.

### (c) Training and compliance personnel

- (1) Tri-State shall provide annual training on the Standards of Conduct to Transmission Function Employees, Marketing Function Employees, the Standards of Conduct Chief Compliance Officer, supervisory Employees, and any other Employees likely to become privy to Transmission Function information. Tri-State shall provide training on the Standards of Conduct to new Employees in these categories within the first 30 days of their employment. Tri-State shall also require each Employee who has taken the training to certify electronically or in writing that s/he has completed the training. The procedure for training is as follows:
  - Tri-State will generally utilize a customized Electric Energy Institute (EEI) Standards of Conduct electronic training module for training of most Employees. Customized training by qualified professionals may also be used in place of or in addition to the EEI training module.
  - The EEI Training module is sent electronically to each Employee designated by the Standards of Conduct Chief Compliance Officer.
  - Successful completion of the training will be recorded by the software.
  - Each Employee will print a completion certificate for his/her records.
  - Tri-State Employee training is conducted once a year, usually in December; and all designated Employees will complete their training at this time.
  - New Employees designated for training will complete the module within 30 days of their hiring date.
- (2) Tri-State shall designate a Standards of Conduct Chief Compliance Officer who will be responsible for compliance with these Standards of Conduct. Tri-State shall post the name of the Standards of Conduct Chief Compliance Officer and

provide his or her contact information in the “**Standards of Conduct Chief Compliance Officer Designation**” section of its Internet Website.

(c) Books and records

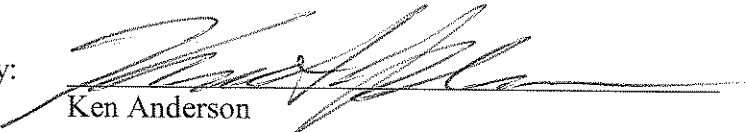
Tri-State shall maintain its books of accounts and records separately from those of its Affiliates that employ or retain Marketing Function Employees (i.e., Tri-State Energy Markets), and these will be available for Commission inspections.


- Tri-State’s accounting software and other applicable programs provide separation between the Marketing Function and all other company departments.
- Measures are in place to ensure that separation is achieved by using distinct account numbers and specific permissions.

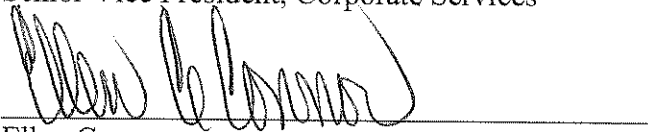


**TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.**

Tri-State Generation and Transmission Association, Inc., as a Transmission Provider, adopted the attached Standards of Conduct on the 26<sup>th</sup> day of October, 2008 and amended on the 24<sup>th</sup> day of June, 2009 to include additional clarity.

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