

FERC SOC Program

# FERC Standards of Conduct Compliance Program Procedure for Electric Transmission

**Revision 1.4**

**Approval Date: 5/10/2019**

**Implementation Date: 5/12/2017**

**Document Owner: Lance Bean (FERC SOC CAM)**

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## Revision History

Revision	Approval Date	Implementation Date	Revision Description
1.0	8/1/2015	10/1/2015	<ul style="list-style-type: none"> <li>Initial Document</li> <li>Implementation dependent on FERC approval of CE becoming a transmission company</li> </ul>
1.1	3/23/2016	4/1/2016	<ul style="list-style-type: none"> <li>Updated Chief Compliance Officer info</li> <li>Updated Document Ownership and Approvals</li> <li>Added department responsibilities and other general updates</li> </ul>
1.2	8/1/2016	8/8/2016	<ul style="list-style-type: none"> <li>Clarified that this procedure applies to Consumers Energy and its affiliates employees and contractors</li> <li>Updated department responsibilities</li> <li>Added iConnect link to employee and contractor FERC SOC designation list</li> <li>Allowed for exceptions of the prohibition of Neutral/Shared employees reporting to Marketing function employees, with appropriate approval.</li> </ul>
1.2.1	See workflow history for Rev. 1.2	8/8/2016	<ul style="list-style-type: none"> <li>Errata – removed “INTERNAL” label from document footer</li> </ul>
1.3	See workflow history for Rev. 1.3	5/12/2017	<ul style="list-style-type: none"> <li>Updated FERC SOC CAM and FERC SOC SME information roles throughout document</li> <li>Added Gatekeeper in Section C. Definitions</li> <li>Added Section 2.3.2 FERC SOC Methodology Non-public TFI</li> <li>Added Section 2.5 Grid Management Granting Access to Transmission Control Centers</li> <li>Added Section 2.6 IT Granting Access to IT Systems/directories containing non-public TFI</li> <li>Added Section 2.7 Customer Experience &amp; Technology management of the FERC SOC Website</li> <li>Added Section 3.2.7 Escalation protocols for completion of FERC SOC training</li> <li>Updated Section 5.2 contact information</li> </ul>
1.4	See workflow history for Rev 1.4		<ul style="list-style-type: none"> <li>Added Section 2.8</li> <li>Updated Section 3.2.7 Escalations</li> <li>Updated Section 3.2.8 LOA</li> </ul>

## Approvals

Area	Title	Signature	Approval Date
Human Resources	Director of Employee Relations & EEO	Rebecca Kosnik	See workflow approvals
Grid Management	Executive Director	Ray Klavon	See workflow approvals
FERC Standards of Conduct	Compliance Assurance Manager	Lance Bean	See workflow approvals
Transmission	Executive Director	James Anderson	See workflow approvals
DCO Regulatory & Compliance	Director	Beth Fields	See workflow approvals
Customer Experience	Director	Tobin Williams	See workflow approvals
Transmission and Regulatory Strategies	Executive Director	Steve Gaarde	See workflow approvals
Corporate Compliance	Director	Christina DuVall	See workflow approvals
Electric Sourcing & Resource Planning	Executive Director	Richard Blumenstock	See workflow approvals
IT Planning & Governance	Director	Heather Weller	See workflow approvals



Workflow History

▢ [View workflow reports](#)

The following events have occurred in this workflow.

Date Occurred	Event Type	User ID	Description	Outcome
5/5/2017 11:28 AM	Workflow Initiated	LANCE E. BEAN	Approval was started. Participants: Rebecca I. Kosnik;Raymond A. Klavon;LANCE E. BEAN;James R. Anderson;Beth L. Fields;TOBIN S. WILLIAMS;Steven L. Gaarde;Christina DuWall;RICHARD T. BLUMENSTOCK;Heather N. Weller	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for Rebecca I. Kosnik. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for Raymond A. Klavon. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for LANCE E. BEAN. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for James R. Anderson. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for Beth L. Fields. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for TOBIN S. WILLIAMS. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for Steven L. Gaarde. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for Christina DuWall. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for RICHARD T. BLUMENSTOCK. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 11:28 AM	Task Created	LANCE E. BEAN	Task created for Heather N. Weller. Due by: 5/10/2017 12:00:00 AM	
5/5/2017 12:38 PM	Task Completed	RICHARD T. BLUMENSTOCK	Task assigned to RICHARD T. BLUMENSTOCK was approved by RICHARD T. BLUMENSTOCK. Comments:	Approved by RICHARD T. BLUMENSTOCK
5/5/2017 1:17 PM	Task Completed	James R. Anderson	Task assigned to James R. Anderson was approved by James R. Anderson. Comments: I approve based on inclusion of edits discussed with Lance on 05/05/17 at 1:00 p.m.	Approved by James R. Anderson
5/5/2017 3:17 PM	Task Completed	Steven L. Gaarde	Task assigned to Steven L. Gaarde was approved by Steven L. Gaarde. Comments: I identified a typo at 2.6.1; it reads "It is the responsible of each gatekeeper", responsible should be responsibility.  Regarding 2.7, what does adherence to their support pro	Approved by Steven L. Gaarde
5/5/2017 3:42 PM	Task Completed	Heather N. Weller	Task assigned to Heather N. Weller was approved by Heather N. Weller. Comments: Approved.	Approved by Heather N. Weller
5/8/2017 8:43 AM	Task Completed	Rebecca I. Kosnik	Task assigned to Rebecca I. Kosnik was approved by Rebecca I. Kosnik. Comments:	Approved by Rebecca I. Kosnik
5/8/2017 8:53 AM	Task Completed	LANCE E. BEAN	Task assigned to LANCE E. BEAN was approved by LANCE E. BEAN. Comments:	Approved by LANCE E. BEAN
5/8/2017 3:16 PM	Comment	LANCE E. BEAN	Participants for Approval on FERC SOC Procedure V 1.3 were updated by LANCE E. BEAN. New participants: Beth L. Fields	
5/8/2017 3:16 PM	Task Created	LANCE E. BEAN	Task created for Beth L. Fields. Due by: 5/10/2017 12:00:00 AM	
5/8/2017 3:23 PM	Task Completed	Beth L. Fields	Task assigned to Beth L. Fields was approved by Beth L. Fields. Comments:	Approved by Beth L. Fields
5/8/2017 4:37 PM	Task Completed	Beth L. Fields	Task assigned to Beth L. Fields was approved by Beth L. Fields. Comments:	Approved by Beth L. Fields
5/9/2017 10:15 PM	Task Completed	TOBIN S. WILLIAMS	Task assigned to TOBIN S. WILLIAMS was approved by TOBIN S. WILLIAMS. Comments: section 2.7 reviewed and approved	Approved by TOBIN S. WILLIAMS
5/10/2017 9:57 AM	Task Completed	Christina DuWall	Task assigned to Christina DuWall was approved by Christina DuWall. Comments:	Approved by Christina DuWall
5/10/2017 1:44 PM	Task Completed	Raymond A. Klavon	Task assigned to Raymond A. Klavon was approved by Raymond A. Klavon. Comments: Approved.	Approved by Raymond A. Klavon
5/10/2017 1:44 PM	Workflow Completed	LANCE E. BEAN	Approval was completed.	Approval on FERC SOC Procedure V 1.3 has successfully completed. All participants have completed their tasks.

## A. Purpose

This document establishes the procedures, responsibilities, and administrative controls to ensure compliance with the Federal Energy Regulatory Commission (FERC) Standards of Conduct (SOC) as defined in 18 CFR Part 358 and the relevant FERC Orders.

The following key outputs are produced from this procedure:

- Promotes knowledge dissemination and serves as a reference guide for complying fully with the FERC Standards of Conduct;
- Provides a procedure for use by Consumers Energy's employees, contractors, consultants or agents, who currently have or could have access to electric non-public *Transmission Function Information (TFI)*, and
- Compliance with 18 CFR 358.8(b)'s requirement to implement compliance measures and written procedures to ensure that the Standards of Conduct are observed by Consumers Energy employees and contractors.

## B. Applicability

The procedure applies to all Consumers Energy and its *affiliates* employees, contractors, and agents.

## C. Definitions

**NOTE** Defined terms are indicated with *italic* text the first time they are used in a document.

**NOTE** To the extent any of the definitions in this section conflict with the definitions in 18 CFR Part 358; those in 18 CFR Part 358 supersedes these [definitions](#).

1. **Affiliate of a specified entity** - 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. "Control" as used in this definition 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.
2. **Control Center** – One or more facilities hosting operating personnel that monitor and control the Bulk Electric System (BES) in real-time to perform the reliability tasks, including their associated data centers, of: 1) a Reliability Coordinator, 2) a Balancing Authority, 3) a Transmission Operator for transmission Facilities at two or more locations, or 4) a Generator Operator for generation Facilities at two or more locations.
3. **Cycling** - Refers to a Consumers Energy employee or contractor transfer from a *Transmission Provider's* Transmission Function to a Marketing Function and back again, or vice-versa.
4. **Gatekeeper**- a person or persons responsible for granting access to IT systems/directories.
5. **Marketing Functions** - The sale for resale of electricity or capacity in interstate commerce, or the submission of offers to sell in interstate commerce, electricity 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 a provider of last resort acting in that capacity.
6. **Marketing Function Employee (MFE)** - An employee, contractor, consultant, or agent of a

Transmission Provider or an Affiliate of a Transmission Provider who actively and personally engages on a day-to-day basis in *Marketing Functions*. A non-exclusive list of examples includes Consumers Energy Merchant Operations Center, Electric Contract Strategy, Electric Operations Planning, and CMS Energy Resource Management Company.

7. **MISO Tariff** - the Midcontinent Independent System Operator (MISO) Open Access Transmission, Energy, and Operating Reserve Markets Tariff, as amended.
8. **Neutral (Shared) Function Employees** - Consumers Energy and its affiliate's employees, contractors, consultants or agents who provide support to either MFEs or Transmission Function Employees (TFEs), or both MFEs and TFEs, who may have access to Transmission Function Information. Neutral (Shared) Function employees, contractors, consultants or agents must understand and observe the No Conduit Rule as it relates to their specific job functions. Under no circumstances may Neutral (Shared) Function employees and contractors be a conduit of Transmission Function Information from the Transmission Function to the Marketing Function.
9. **Open Access Same-Time Information System (OASIS)** - Refers to the internet location where a public utility posts the information required by 18 CFR Part 37- Open Access Same-Time Information Systems and where it may also post the information required to be posted on its SOC Internet Web site by 18 CFR Part 385- Standards of Conduct.
10. **Open Access Transmission Tariff (OATT)** - A compilation of all effective rate schedules of a particular company or utility. Tariffs include General Terms and Conditions along with a copy of each form of service agreement. FERC Order No. 888 required public utilities to provide open access Transmission Service on a comparable basis to the Transmission Service they provide themselves.
11. **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. Examples of *Transmission Customers*: Wolverine Power Supply Cooperative and Consumers Energy merchant function.
12. **Transmission Function Employee (TFE)** - An employee, contractor, consultant, or agent of a Transmission Provider who actively and personally engages in *Transmission Functions* on a day-to-day basis.
13. **Transmission Functions** - The planning, directing, organizing, or carrying out of day-to-day electric transmission operations, including the granting and denying of Transmission Service requests. A non-exclusive list of examples includes activities involving the following: physical power flows, transmission loading relief, transmission outages or other transmission system conditions, balancing load with energy or capacity, available transmission capability, granting or denying of Transmission Service requests (including interconnection requests), day-to-day transmission system operations, sales of ancillary services under an *OATT* to Transmission Customers.
14. **Transmission Function Information (TFI)** - Information relating to Transmission Functions. Click the link for examples: [FERC SOC Methodology Non-public TFI](#)
15. **Transmission Provider** - Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce.
16. **Transmission Services** - Electric transmission, network or point-to-point service, as well as ancillary services and other methods of electric transmission, or the interconnection with FERC-jurisdictional transmission facilities.
17. **Waiver**- the determination by a transmission provider, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

## D. Program

### 1. FERC Requirements

Consumers Energy's FERC Standards of Conduct focus on four general principles:

#### 1.1. NONDISCRIMINATION- 18 CFR §358.2(a) and §358.4

Consumers Energy participates as a Transmission Owner member of *MISO* and operates in accordance with the provisions of *MISO*.

Consumers Energy shall treat all Transmission Customers on a not unduly discriminatory basis, and apply all *Transmission Services* in a fair and impartial manner. As such:

- 1.1.1. Consumers Energy will strictly apply all Midcontinent Independent System Operator (*MISO*) *Tariff* provisions relating to the sale or purchase of Open Access Transmission Service, if the tariff provisions do not permit the use of discretion.
- 1.1.2. Consumers Energy will apply all *MISO* *Tariff* provisions relating to the sale of 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.
- 1.1.3. Consumers Energy will not, through the *MISO* *Tariff* 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).
- 1.1.4. Consumers Energy will process all similar requests for transmission services in the same manner and within the same period of time.

Any *waiver* of any approved tariff provisions granted by Consumers Energy would be in accordance with the *MISO* tariff, and such waiver would be posted on the Company's FERC SOC and/or *OASIS* website in accordance with the regulations (i.e., 18 CFR § 358.7(i)).

It is the policy of Consumers Energy not to grant waivers, without express written authorization of the Executive Director - Transmission and Regulatory Strategies, Executive Director of Transmission, and the Legal Department. Any waivers sought that are not otherwise allowed by the *MISO* tariff would require a FERC order approving the waiver.

#### 1.2. INDEPENDENT FUNCTIONING RULE - 18 CFR § 358.2(b) and § 358.5

Consumers Energy requires that *TFEs* function independently from *MFEs*. *MFEs* may not conduct Transmission Functions, or have access to the Transmission Control Centers.

- 1.2.1. Independent functioning - limits the opportunity for Consumers Energy to give preferential treatment to an Affiliate or to its *MFEs*. The following are examples of how the independent functioning rule is implemented:
  - 1.2.1.1. *TFEs* and *MFEs* are located in separate work areas. *Neutral (Shared) Employees* may work in the same work areas as *TFEs* or *MFEs*, but cannot perform Transmission or Marketing Functions.
  - 1.2.1.2. *MFEs* are prohibited from having access to Transmission Control Centers unless escorted under the Emergency Exception noted below in subsection 1.2.3.).
  - 1.2.1.3. *TFEs* are prohibited from performing Marketing Function activities.

- 1.2.1.4. MFEs are prohibited from performing Transmission Function activities.
- 1.2.2. Preferential Disclosure - Consumers Energy employees and contractors are prohibited from “preferential disclosure” of non-public TFI. The provision of such information to MFEs could provide an unfair competitive advantage in violation of the SOC requirement to provide “equal access” to TFI. Consumers Energy’s employees, contractors, consultants or agents must either:
- 1.2.2.1. Restrict access to nonpublic TFI by MFEs (unless an Emergency Exception applies, as noted below in subsection 1.2.3.) or
- 1.2.2.2. Make the TFI publicly available before providing it to the MFE.
- 1.2.3. Emergency Exception - In emergency circumstances affecting system reliability, Consumers Energy may take whatever steps are necessary to keep or restore system operation, including exchanging non-public TFI between TFEs and MFEs necessary to maintain or restore operation of the transmission system or generating units or that may affect the dispatch of generating units.
- 1.2.4. Record of Communication - A record (hand-written or typed notes, electronic records such as e-mails and text messages, and recorded telephone exchanges) will be made as soon as practical after an emergency situation requires communication of non-public TFI between TFEs and MFEs. Consumers Energy shall make the record available to the FERC upon request and will be retained for a period of five years. The Grid Management Department is responsible for maintaining these records.
- 1.3. NO CONDUIT RULE - 18 CFR § 358.2(c) and § 358.6
- All Consumers Energy employees, affiliate’s employees, and contractors are subject to the No Conduit Rule. This rule prohibits disclosing non-public TFI to MFEs. Non-public TFI is information that is not posted on the public portion of the Company’s FERC SOC Internet website or OASIS or is otherwise not public and that qualifies as TFI. TFEs and MFEs are not forbidden from speaking to one another, provided no non-public TFI is disclosed.
- 1.3.1. Consumers Energy is prohibited from using anyone as a conduit for the disclosure of non-public TFI to its MFEs. For example, a neutral shared employee with access to both the Transmission Control Center (transmission function) and the Merchant Operations Center (MOC) (marketing function) cannot pass along information gleaned in the Transmission Control Center to MFEs in the MOC.
- 1.3.2. *Cycling* of employees and contractors that could result in improper sharing of TFI with MFEs is strictly prohibited.
- 1.3.2.1. The Human Resources Department monitors cycling of employees between Transmission and Marketing Functions via daily FERC Designation Reports that identify transfers between Transmission and Marketing Functions.
- 1.3.2.2. Under no circumstances may the transferring employee be a conduit of TFI between the Transmission Function and the Marketing Function.
- 1.4. TRANSPARENCY RULE - 18 CFR § 358.2(d) and § 358.7 - Consumers Energy must provide equal access to non-public TFI disclosed to MFEs to all its transmission customers, affiliated and non-affiliated, except as permitted (see sections D.1.2.3, D.1.4.2 & D.1.4.10.2). For example “the Transparency Rule requires the following under SOC:”

- 1.4.1. Contemporaneous Disclosure - If Consumers Energy discloses non-public TFI in a manner contrary to the requirements of the SOC, Consumers Energy will immediately post the information that was disclosed on its SOC Internet website. If Critical Energy Infrastructure Information (CEII) is disclosed, or any other information that FERC by law has determined is to be subject to limited dissemination, Consumers Energy will immediately post only a notice on its website that the information was disclosed, omitting the actual information. The FERC SOC Compliance Assurance Manager (or their designee) is responsible for posting this information to the website.
- 1.4.2. Exclusions From Specific Transaction Information - Consumers Energy's TFEs may discuss a specific request for Transmission Service submitted by the MFE, but only if the information relates solely to the MFE's specific request for Transmission Service. Currently such requests are handled by MISO. Consumers Energy is not required to immediately disclose such information.
- 1.4.3. Voluntary Consent Provision - A Transmission Customer may voluntarily consent, in writing, to allow Consumers Energy to disclose the Transmission Customer's non-public information to Consumers Energy's MFEs. The Transmission and Regulatory Strategies Department is responsible for posting notice on to the FERC SOC Internet website of that consent along with a statement that it did not provide any preference, either operational or rate related, in exchange for the voluntary consent, and in fact shall not provide any such preference.
- 1.4.4. Posting Written Procedures - The FERC SOC Compliance Assurance Manager (or their designee) will post on the FERC SOC Internet website these written procedures regarding the FERC SOC.
- 1.4.5. Identification of Affiliate Information - The FERC SOC Compliance Assurance Manager (or their designee) will post on the FERC SOC Internet website the names and addresses of all its Affiliates that employ or retain MFEs.
- 1.4.6. Identification of Common Facilities - The FERC SOC Compliance Assurance Manager (or their designee) will post on the FERC SOC Internet website a complete list of the employee-staffed facilities shared by any of its TFEs and MFEs. The list will include the types of facilities shared and the addresses of the facilities.
- 1.4.7. Identification of Potential Merger Partners - The FERC SOC Compliance Assurance Manager (or their designee) will post on the FERC SOC Internet website information concerning potential merger partners as Affiliates that may employ or retain MFEs.
- 1.4.8. Identification of Transmission Function Job Titles - The Human Resources Department of Consumers Energy will post on the SOC Internet website the job titles and job descriptions of its TFEs
- 1.4.9. Identification of Applicable Transfers - The Human Resources Department of Consumers Energy will post on the FERC SOC Internet website any transfer of a TFE to a position as a MFE, or any transfer of a MFE to a position as a TFE. The information posted must remain on the Internet website for 90 days. No such job transfer may be used as a means to circumvent any portion of these regulations. The information to be posted must include:
- 1.4.9.1. The name of the transferring employee or contractor,
  - 1.4.9.2. The respective titles held while performing each function (i.e. as a TFE and as a MFE), and

- 1.4.9.3. The effective date of the transfer.
- 1.4.10. Timing and General Requirements of Posting on the Public Internet
  - 1.4.10.1. Consumers Energy will update its FERC SOC Internet website with the information required by the regulations within seven business days of any change, and post the date on which the information was updated, except for situations described by section 1.4.1. and 1.4.2.
  - 1.4.10.2. In the event an emergency, such as an earthquake, flood, fire or hurricane that severely disrupts Consumers Energy's normal business operations, the posting requirements may be suspended by the Company. The Transmission & Regulatory Strategies Department is responsible for notifying FERC if the disruption lasts longer than one month and may seek a further exemption from the posting requirements.
  - 1.4.10.3. All FERC SOC Internet website postings required by this part will be sufficiently prominent as to be readily accessible. The Consumers Energy's web page for FERC SOC is located at the following link:  
<https://www.consumersenergy.com/ferc>

## 2. Best Practices and Controls

- 2.1. FERC Designations for Employees- All Consumers Energy employees defined as TFE, MFE or Neutral (Shared) Function employees are assigned a FERC designation to clearly identify their status under SOC regulations.
  - 2.1.1. Hiring managers are required to identify, on the Human Resources hiring form, whether a position is to be designated as a TFE, MFE, Neutral (Shared) or No FERC-SOC designation.
  - 2.1.2. The hiring manager should seek guidance from FERC SOC Compliance Assurance Manager, the FERC SOC SME, or the Legal Department as to determine the proper FERC SOC designation status.
  - 2.1.3. Employee organizational lists are reviewed by the FERC SOC Subject Matter Expert (SME) (or their designee) on at least a twice per 7 calendar day basis to determine if the appropriate employees within affected organizations have been properly designated.
  - 2.1.4. The FERC SOC SME (or their designee) will apply other criteria, such as organizational groupings of employees and an employee's physical and electronic access to non-public TFI-related systems, in the administration of the FERC SOC program for determining FERC SOC designations.
  - 2.1.5. FERC designations may be removed if an employee no longer has physical or electronic access to systems that contain non-public TFI and the employee does not otherwise perform Transmission, Marketing Functions or Neutral (Shared) Functions.
- 2.2. FERC Designations for Contractors- All Consumers Energy contractors designated as TFE, MFE or Neutral (Shared) Function employees are assigned a FERC designation to clearly identify their status under SOC regulations.
  - 2.2.1. The designation is based on supervisory requests or on physical and electronic accesses that the contractor may have to systems that contain non-public TFI.

- 2.2.2. Contractor access lists are reviewed by the FERC SOC SME (or their designee) on at least a twice per month basis to determine if the appropriate contractors have been properly designated.
- 2.2.3. FERC designations may be removed if a contractor no longer has physical or electronic access to systems that contain non-public TFI and the employee does not otherwise perform Transmission, Marketing Functions or Neutral (Shared) Functions.
- 2.3. Posting of FERC SOC files on iConnect
  - 2.3.1. FERC SOC Designations – The FERC SOC SME (or their designee) will post a file showing the FERC SOC designations on the Company’s internal iConnect webpage at least once per week. This file is located at the following link:  
[FERC SOC Designations](#)
  - 2.3.2. FERC SOC Methodology Non-public TFI– The FERC SOC Compliance Assurance Manager (or their designee) will post a file documenting the FERC SOC Methodology for non-public TFI on the Company’s internal iConnect webpage. This file is located at the following link:  
[FERC SOC Methodology Non-public TFI](#)
- 2.4. Employee Reporting Exceptions –
  - 2.4.1. MFEs, TFEs and Neutral (shared) employees and contractors may report to Neutral (Shared) employees. In such case, the Neutral (Shared) employee must be careful to avoid acting as a conduit in violation of the No Conduit Rule.
  - 2.4.2. MFEs are prohibited from reporting to TFEs.
  - 2.4.3. TFEs are prohibited from reporting to MFEs.
  - 2.4.4. Neutral (Shared) employees and contractors may report to TFEs.
  - 2.4.5. Neutral (Shared) employees are generally prohibited from reporting to MFEs except under very limited circumstances. One such circumstance exists in the Non-Utility Generator (NUG), MISO and Wholesale Settlements groups which have employees who are designated as Neutral (Shared) and report to a MFE. The Neutral Shared employees are prohibited from performing Marketing Functions and they are prohibited from sharing real-time or near real time data, or any other potential form of non-public TFI, with their Marketing Function management. The Marketing Function manager of these Neutral (Shared) employees is also subject to these prohibitions and must indicate in writing that they are aware of these prohibitions.
  - 2.4.6. Other such circumstances of Neutral (Shared) employees reporting to MFEs must be approved in writing by the FERC SOC Compliance Assurance Manager. An e-mail approving such situations may serve as evidence.
  - 2.4.7. The organizational situations discussed in this Section 2.4 will be monitored and documented by the FERC SOC SME (or their designee) at least twice per month.
- 2.5. Grid Management Granting Access to Transmission Control Centers- There are two types of access to Transmission Control Centers, escorted and unescorted, neither of which shall be granted to MFEs as mentioned in Section 1.2.
  - 2.5.1. Escorted Access- Grid Management shall be responsible for managing the [FERC SOC Visitor Process](#) governing access to all Transmission Control Centers.

- 2.5.2. Unescorted Access- Room owners are responsible for approving Building Access Requests (BAR)s submitted by an employee or contractor's Consumers Energy Supervisor. Corporate Security shall be responsible for processing approved BARs via the Processing and Activating Regulated Access Badges Job Aid. In the event unescorted access is no longer needed, it is the responsibility of the employee or contractor's Consumers Energy Supervisor to submit a BAR in order for Corporate Security to remove access.
- 2.6. IT Granting Access to IT Systems/directories containing non-public TFI. There are a number of IT systems/directories containing non-public TFI throughout the Company of which MFEs are prohibited from accessing or may only be allowed limited access.
- 2.6.1. It is the responsibility of each *gatekeeper* of the IT systems/directories to consult the FERC SOC Designations file in order to verify that an applicant has completed FERC SOC training and is not a MFE prior to granting system access via Computer Access and Authorization Request (CAAR) approval.
- 2.6.2. If someone requires access, but lacks a FERC designation and / or training completion, the gatekeeper must contact FERC SOC CAM or FERC SOC SME.
- 2.6.3. Continued access to IT Systems/Directories containing non-public TFI is contingent upon the employee or contractor completing the annual training. Failure to complete FERC SOC training within the two week deadline as discussed in Section 3.2.7. may result in the employee's or contractor's IT System /Directories access being revoked.
- 2.7. Customer Experience & Technology management of the FERC SOC website-The Customer Experience & Technology- Digital Channel Department shall be responsible for maintaining the <http://www.Consumersenergy.com/FERC> website and adherence to their support protocols.
- 2.8. Controls- Countermeasures have been instituted in order to take a proactive approach to mitigating risk and avoid FERC SOC Violation(s). These preventative controls include:
- 2.8.1. Countermeasure #1: Employees/contractors using the CMS Energy MS Outlook email will see a pop up message every time a MFE's name is entered into the To: , or Cc:, or Bcc: lines of a draft email. The email's author will receive a pop up message indicating he/she is about to send this message to a MFE. The email's author is asked to verify the email does not contain non-public Transmission Function Information prior to sending the message. This preventative measure seeks to avert an unintentional release of non-public Transmission Function Information to an MFE which would result in a FERC SOC violation.
- 2.8.2. Countermeasure #2: The FERC SOC CAM (or their designee) will complete the necessary steps to revoke physical/electronic access to CE facilities/IT systems for an employee/contractor who has not completed initial training within 30 days of designation or renewal training by December 25. This preventative measures will take the employee/contractor out of scope for the FERC SOC regulation in order to avert a FERC SOC violation. Note: The employee/contractor shall retain the necessary IT system access rights to MS Outlook and Coursemill to complete the training.

### 3. Training

- 3.1. Distribution of Standards of Conduct Procedure. This Consumers Energy FERC Standards of Conduct Program/Procedures document is available to all Consumers Energy employees and contractors on the company's public FERC SOC website at the following link:

<https://www.Consumersenergy.com/FERC>

- 3.1.1. The FERC SOC Compliance Assurance Manager (or their designee) will post the updated Consumers Energy FERC SOC procedure on the Consumer Energy FERC SOC website 7 business days of the change in the procedure and notify in-scope employees and contractors of such changes to the procedure within 7 business days of its posting on the Consumers Energy FERC SOC website. :
- 3.2. FERC Standards of Conduct Training-The FERC SOC Compliance Assurance Manager (or their designee) will develop annual training requirements for TFEs, MFEs and Neutral (Shared) employees and contractors to educate them on the SOC program requirements.
  - 3.2.1. All TFEs, MFEs, and Neutral (Shared) employees and contractors are required to certify completion of the training.
  - 3.2.2. The Learning and Development Department will maintain records of all individuals who are administered the training through the computer based training program.
  - 3.2.3. Newly designated - The FERC SOC SME (or their designee) will monitor to ensure that TFE, MFE and Neutral (Shared) employees complete the SOC training within the first 30 days of their employment or transfer into a FERC-designated position. The training consists of the same computer-based training product referenced in Section 3.2. above.
  - 3.2.4. Contractors - who are working in a FERC-designated position will be monitored to ensure that they have received FERC SOC training within 30 days of designation into a FERC- designated position. The FERC SOC SME (or their designee) will be responsible for monitoring contractor training status.
  - 3.2.5. FERC SOC training will be administered manually by the FERC SOC Compliance Assurance Manager (or their designee) and a written certification will be required for those contractors who do not have access to the Company’s online training system.
  - 3.2.6. Annual training requirements - Employees or contractors who have previously completed the FERC SOC training prior to becoming designated do not have to take the initial training again if it was taken within 12 months prior to the designation. They will, however, be subject to the annual renewal FERC SOC training as normally scheduled.
  - 3.2.7. Escalation - In the event employees or contractors do not meet the two week deadlines for initial FERC SOC training or one month deadline for renewal training , the following escalation protocols will be administered by FERC SOC SME (or their designee) unless noted as FERC SOC CAM (or their designee) responsibility:

Initial Training (two week deadline)

Event	Action Taken
Two week deadline for completion of initial training missed by employee or contractor.	Supervisor of employee or contractor notified to resolve training issue within two business days.

Supervisor of employee or contractor has not resolved training issue within two business days of escalation.	Next level of supervision contacted to resolve training issue within one business day.
Next level of supervision contacted has not resolved training issue within one business day of escalation.	Escalation to the next level of supervision up the chain of command will occur each business day until training issue resolved.
Employee/contractor has not completed initial training within 30 days of being designated.	Countermeasure #2 deployed by FERC SOC CAM (or their designee). Refer to section 2.8.2. of this procedure.
Employee has not completed initial training after 30 days of countermeasure #2 being deployed.	FERC SOC CAM (or their designee) shall contact HR Department for discipline recommendation/resolution.
Contractor has not completed initial training after 30 days of countermeasure #2 being deployed.	FERC SOC CAM (or their designee) shall contact the Director of the department responsible for using the services of the vendor to which the contractor is employed. A recommendation will be made to off board the contractor who refuses to complete the FERC SOC training.

Renewal Training (one month deadline)

Event	Action Taken
One month deadline for completion of renewal training missed by employee or contractor.	Supervisor of employee or contractor notified to resolve training issue within two business days.
Supervisor of employee or contractor has not resolved training issue within two business days of escalation.	Next level of supervision contacted to resolve training issue within one business day.
Next level of supervision contacted has not resolved training issue within one business day of escalation.	Escalation to the next level of supervision up the chain of command will occur each

	business day until training issue resolved.
Employee/contractor has not completed renewal training prior to December 25.	Countermeasure #2 deployed by FERC SOC CAM (or their designee). Refer to section 2.8.2. of this procedure.
Employee has not completed renewal training after 30 days of countermeasure #2 being deployed.	FERC SOC CAM (or their designee) shall contact HR Department for discipline recommendation/resolution.
Contractor has not completed renewal; training after 30 days of countermeasure #2 being deployed.	FERC SOC CAM (or their designee) shall contact the Director of the department responsible for using the services of the vendor to which the contractor is employed. A recommendation will be made to off board the contractor who refuses to complete the FERC SOC training.

3.2.8. FERC designated employees returning from Leave of Absence (LOA) are subject to the two week deadline for the completion of initial FERC SOC training and one month deadline for the completion of renewal FERC SOC training. An employee using vacation time after returning from LOA will not extend the annual training requirement beyond the current year.

**4. Chief Compliance Officer**

Pursuant to 18 CFR §358.8(c)(2), the Chief Compliance Officer, Ms. Melissa Gleespen, has overall responsibility for ensuring FERC Standards of Conduct compliance and may be contacted as noted below:

Melissa M. Gleespen  
 One Energy Plaza (EP12-246)  
 Jackson, MI 49201  
 (517) 788-2158  
[Melissa.Gleespen@cmsenergy.com](mailto:Melissa.Gleespen@cmsenergy.com)

**5. Obligation to Report**

5.1. If an employee knows of or suspects possible noncompliance with, or a violation of, the FERC Standards of Conduct, they are required to report such noncompliance or violation immediately.

5.2. Known or suspected violations should be reported to:  
 Lance Bean

FERC SOC Compliance Assurance Manager  
 (734) 513-6242

[PO Box: FERC SOC Compliance](#)

Michael Gabor

FERC SOC SME

(517) 788-0396

[PO Box: FERC SOC Compliance](#)

## **E. Records and Retention**

The retention of records and documentation associated with FERC SOC compliance is the responsibility of each department that creates the record. With the exception of those records created per Section D.1.2.4 of these procedures, the retention period for FERC SOC documentation is indefinite.

## **F. References**

*FERC Standards of Conduct for Transmission Providers*

<https://www.ferc.gov/legal/maj-ord-reg/stand-conduct.asp>