

Eversource Energy
WRITTEN PROCEDURES
IMPLEMENTING FERC ORDER NO. 717
STANDARDS OF CONDUCT FOR TRANSMISSION PROVIDERS

I. APPLICABILITY

SUBCHAPTER S -- STANDARDS OF CONDUCT FOR TRANSMISSION

PROVIDERS

18 C.F.R. Part 358 -- STANDARDS OF CONDUCT

Sec.

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Authority: 15 U.S.C. 717–717w, 3301–3432; 16 U.S.C. 791–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

§ 358.1 *Applicability.*

(a) This part applies to any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of part 284 of this chapter and conducts transmission transactions with an affiliate that engages in marketing functions.

(b) This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in Marketing Functions.

(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.

(d) A Transmission Provider may file a request for a waiver from all or some of the requirements of this part for good cause.

Procedures and Mechanisms for Ensuring Compliance

The Connecticut Light and Power Company (CL&P), NSTAR Electric Company (NSTAR) and Public Service Company of New Hampshire (PSNH) are wholly-owned public utility subsidiaries of Eversource Energy (“Eversource”), a registered holding

company under the Public Utility Holding Company Act of 1935. CL&P, NSTAR and PSNH (collectively, “Eversource Companies”) own, operate and control facilities used for the transmission of electric energy in interstate commerce as described in § 358.1(b) and are classified as Transmission Providers, as that term is described in § 358.3, Definitions.

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II. GENERAL PRINCIPLES

§ 358.2 General principles.

(a) 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.

Procedures and Mechanisms for Ensuring Compliance

Eversource Energy Service Company (“Eversource Service”), a service company subsidiary of Eversource, has implemented an annual computer-based training program for employees, consultants, contractors and agents regarding FERC’s Standards of Conduct (“Standards”). A significant portion of the computer-based training program focuses on nondiscrimination and non-preferential treatment standards required by the Standards. The principles of the Standards are incorporated into Eversource’s Code of Business Conduct, which is available on Eversource’s intranet for all employees and is a component of Eversource’s mandatory annual compliance training program for all employees. Additionally, Eversource management periodically reminds employees of their nondiscrimination and non-preferential obligations through company newsletters.

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(b) 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.

Procedures and Mechanisms for Ensuring Compliance

Measures adopted to ensure compliance with this section of the Standards involve corporate and business unit separation, functional separation, information technology separation and physical separation of the Transmission Function Employees from the Marketing Function Employees. These activities are discussed in detail in 18 C.F.R. § 358.5(a), Independent Functioning Rule, in this Implementation Plan.

A significant portion of the Eversource education and training program focuses on the functional independence standards required by FERC Order No. 717. Relevant training materials have been developed that describe the FERC Order No. 717 separation rules and OASIS posting requirements. Topics discussed include:

- independent functioning
- nondiscrimination and non-preferential treatment standards
- prohibition against Marketing Function Employees conducting transmission operations or having access to control center or similar facilities
- prohibitions regarding Transmission Provider system information access
- anti-conduit rules regarding information sharing
- application of tariff provisions

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(c) 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.

Procedures and Mechanisms for Ensuring Compliance

Eversource training materials explain the prohibition against a Transmission Provider from disclosing, or using anyone as a conduit to disclose, non-public Transmission Function Information with a Marketing Function Employee.

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(d) A Transmission Provider must provide equal access to non-public transmission system information to all of its transmission customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information.

Procedures and Mechanisms for Ensuring Compliance

Eversource training materials explain that a Transmission Provider must provide equal access to non-public transmission system information to all its transmission customers, affiliated and non-affiliated.

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III. DEFINITIONS

§ 358.3 Definitions.

(a) Affiliate of a specified entity means:

(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 18 C.F.R. § 366.1), affiliate shall have the meaning set forth in 18 C.F.R. § 366.1, or any successor provision.

(3) “Control” (including the terms “controlling,” “controlled by,” and “under common control with”) 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.

(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 the Standards in 18 C.F.R. § 358.

(c) Marketing Functions means:

(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

(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:

(i) Bundled retail sales,

(ii) Incidental purchases or sales of natural gas to operate interstate natural gas pipeline transmission facilities,

(iii) Sales of natural gas solely from a seller’s own production,

(iv) Sales of natural gas solely from a seller’s own gathering or processing facilities, and

(v) Sales by an intrastate natural gas pipeline, by a Hinshaw interstate pipeline exempt from the Natural Gas Act, or by a local distribution company making an on-system sale.

(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. Marketing Function Employees include all persons who negotiate or provide input into the details of wholesale power sales contracts.

Marketing Function Employees do not include:

(1) Persons who set general negotiation parameters for wholesale power sales contracts; or

(2) Persons who review, approve or execute wholesale power sales contracts; or

(3) Persons who negotiate or provide input into the details of contract negotiations for power purchases serving retail and wholesale load.

(e) Open Access Same Time Information System or OASIS refers to the Internet location where a public utility posts the information required by 18 C.F.R. Part 37, and where it may also post the information required to be posted on its Internet Website by 18 C.F.R. Part 358.

(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 18 C.F.R. Part 35; and natural gas transportation, storage, exchange, backhaul, or displacement service provided pursuant to subparts B or G of 18 C.F.R. Part 284.

(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, such as:

- (1) Transmission system operation and management, including maintenance and switching;*
- (2) Reliability;*
- (3) Interconnections;*
- (4) Granting and denying transmission service requests; and*
- (5) Performing system impact studies in response to transmission service requests.*

For purposes of the Standards, Transmission Functions do not include performing transmission planning.

(i) Transmission Function Employee means an employee, contractor, consultant or agent of a Transmission Provider who actively and personally engages on a day-to-day basis in Transmission Functions

(j) Transmission Function Information means information relating to Transmission Functions.

(1) Transmission Function Information includes information such as:

- (i) Transmission system information (e.g., ATC and customer tie-line data), including historic data;
- (ii) System status, including line loading, equipment status, scheduled outages, curtailments, schedules and loading alarms, including historic data; and
- (iii) Transmission operating procedures.

(2) Transmission Function Information does not include information that does not pertain to day-to-day transmission operations, such as:

- (i) Information about transmission construction; and
- (ii) Information about transmission planning.

(k) Transmission Provider means:

- (1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce; or*
- (2) Any interstate natural gas pipeline that transports gas for others pursuant to subparts B or G of 18 C.F.R. Part 284.*
- (3) A Transmission Provider does not include a natural gas storage provider authorized to charge market-based rates.*

(l) Transmission service means the provision of any transmission as defined in 18 C.F.R. § 358.3(f).

(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource’s “Transmission Providers” are CL&P, NSTAR and PSNH, which are public utilities that own transmission facilities providing transmission service. The “Transmission Function,” as defined in the Standards, is performed by employees within certain departments of these companies, or within certain departments of Eversource Service.

The term “Transmission Function Employee” refers to specific personnel who are actively and personally engaged on a day-to-day basis in Transmission Function activities.

The term “Marketing Function Employee” includes certain personnel, actively and personally engaged on a day-to-day basis in Marketing Functions, who are employed in the Eversource Service’s Energy Supply department. This department’s personnel conduct incidental power sales and other Marketing Functions on behalf of the Eversource Companies to fulfill their retail load obligations.

For purposes of these Procedures, the OASIS is the OASIS of the Eversource Companies comprised of two locations: (1) <https://www.oasis.oati.com/NU/index.html> and (2) <https://www.oasis.oati.com/NSTR/index.html>

The information required by 18 C.F.R. Part 358 to be posted on the Eversource Companies’ Internet website may be found at the following location: <https://www.eversource.com/content/general/about/projects-infrastructure/transmission-rates-tariffs-interconnections/ferc-order-717-requirements>

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IV. NON-DISCRIMINATION REQUIREMENTS

§ 358.4 Non-discrimination requirements.

(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.

(b) A 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.

(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).

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

Procedures and Mechanisms for Ensuring Compliance

Effective February 1, 2005, the Eversource Companies became participating transmission owners in the ISO New England Inc. (“ISO-NE”) Regional Transmission Organization. ISO-NE administers a regional open access transmission tariff for New England (“ISO-NE OATT”). In addition, the Eversource Companies work closely with ISO-NE in administering transmission service over their local networks in accordance with the ISO-NE OATT, in order to provide transmission service that supports the competitive energy market in New England. The Eversource Companies have complied with FERC’s non-discrimination requirements with respect to OATT administration and will continue such practices. All OATT provisions are applied in a nondiscriminatory manner and, if an OATT provision allows for discretion in its application, then the Transmission Provider will apply that OATT provision in the same manner to its Marketing Function affiliates as it does to all other transmission service customers.

Eversource training materials note that Transmission Providers must treat all transmission customers, affiliated and non-affiliated, in a non-discriminatory manner.

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V. INDEPENDENT FUNCTIONING RULE

§ 358.5 Independent functioning rule.

(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.

Procedures and Mechanisms for Ensuring Compliance

Measures adopted to ensure compliance with this section of the Standards involve Corporate and Business Unit Separation, Functional Separation of Employees, Physical Separation Measures, and Information Technology Separation measures. These activities are discussed separately below.

a. Corporate and Business Unit Separation

Transmission operations and wholesale marketing operations are conducted in separate business units within Eversource Service on behalf of the Eversource Companies. Each business unit operates with its own budget and employees are not shared between business units.

b. Functional Separation of Employees

Employees who are engaged in transmission operations functions do not perform wholesale or retail marketing functions and are functionally separate from those employees. FERC Order No. 717 training materials describe the Transmission Provider prohibitions associated with permitting Marketing Function Employees from: 1) conducting transmission system operations or reliability functions, and 2) accessing system control centers or similar facilities used for transmission operations or reliability functions. Employees performing shared administrative or corporate support services are instructed to strictly account for time and resources spent on services provided to these functional areas and are instructed not to serve as conduits of non-public transmission system information obtained through their work supporting the transmission operations functions to Marketing Function Employees.

c. Physical Separation Measures

Eversource has taken appropriate measures to ensure physical separation between Transmission Function Employees and Marketing Function Employees. Some Eversource Marketing Function Employees and Transmission Function Employees are located in the same office complex in either Connecticut or Massachusetts but are either in separate buildings or on separate floors restricted by key card access. In addition, access to all Eversource buildings and locations are restricted via key card access. Further, computer databases for the Transmission Function at the various Eversource control centers are password protected and are separate from those for the Marketing Function Employees.

d. Information Technology Separation Measures

Eversource's information protection program requires all information stored and

processed on corporate technology systems to be protected by default and each user that is granted access to be individually identified with strong password policies. Any access granted, whether to applications or specific data, requires a properly approved and documented access request. Eversource uses “best of breed” security technology to protect and monitor its systems and our program is regularly audited and tested to ensure effective on-going operation. In addition, computer databases for the Transmission Functions of Eversource are password protected and are separate from the computer databases for the Marketing Functions.

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(b) Separation of functions.

(1) A Transmission Provider is prohibited from permitting its Marketing Function Employees to:

- (i) Conduct transmission functions; or*
- (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 other transmission customers.*

Procedures and Mechanisms for Ensuring Compliance

The various compliance measures detailed in response to 18 C.F.R. § 358.5(a), Independent Functioning Rule, describe the mechanisms adopted by Eversource to ensure that Marketing Function Employees cannot perform transmission system activities or access system control centers or similar facilities.

Eversource’s FERC Order No. 717 training materials describe the Transmission Provider prohibitions associated with permitting Marketing Function Employees from: 1) conducting transmission system operations or reliability functions, and 2) accessing system control centers or similar facilities used for transmission operations or reliability functions.

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(2) A Transmission Provider is prohibited from permitting its Transmission Function Employees to conduct Marketing Functions.

Procedures and Mechanisms for Ensuring Compliance

The prohibition against Transmission Function Employees from conducting Marketing Functions is explained in the EEI training module on FERC Order No. 717 that Eversource uses to train employees on the Standards. In addition, the physical and information technology separation of Transmission Function and Marketing Function Employees is maintained by the Eversource Security Department and the Corporate Compliance Manager.

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VI. NO CONDUIT RULE

§ 358.6 No conduit rule.

(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.

(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource training materials explain the prohibition against a Transmission Provider using anyone as a conduit to inappropriately share information with Marketing Function personnel. Eversource employees are trained to report immediately any information disclosure violations to the Corporate Compliance Manager, so that violations can be posted in accordance with the Transparency Rule below.

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VII. TRANSPARENCY RULE

§ 358.7 Transparency rule.

(a) Contemporaneous disclosure.

(1) If a transmission provider discloses non-public transmission function information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of 18 C.F.R. § 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) 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.

Procedures and Mechanisms for Ensuring Compliance

Employees will be trained to report immediately, via telephone, email or direct communication, any disclosure of non-public Transmission Function Information directly to the Chief Compliance Officer. After being notified pursuant to these Procedures, the Chief Compliance Officer will direct compliance with posting requirements to the OASIS administrator and will ensure that such posting is completed.

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(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 18 C.F.R. § 358.6 if the information relates solely to a Marketing Function Employee's specific request for transmission service.

Procedures and Mechanisms for Ensuring Compliance

As noted in the response to 18 C.F.R. § 358.5(a), Independent Functioning Rule, Eversource Service, on behalf of the Eversource Companies, maintains a number of policies and procedures regarding the handling of proprietary and confidential information. The ISO-NE Information Policy, found at https://www.iso-ne.com/static-assets/documents/regulatory/tariff/attach_d/attachment_d.pdf, also provides rules and guidelines regarding the appropriate disclosure or non-disclosure of all information received, created and distributed in connection with the operation of, and/or participation in, ISO-NE and NEPOOL, the stakeholder body for participants in the New England wholesale market.

Eversource has included in its Standards training materials a discussion of the prohibitions on the Transmission Provider from: 1) disclosing to its Marketing Function Employees information concerning the transmission system of the Transmission Provider or the transmission system of another, or 2) sharing any information, acquired from nonaffiliated transmission customers or potential nonaffiliated transmission customers, or developed in the course of responding to requests for transmission or ancillary service on the OASIS or Internet website, with its Marketing Function Employees. If a Transmission Function Employee has a question concerning whether disclosure is required, the employee is instructed to contact the Chief Compliance Officer or a member of the Legal Department.

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(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource’s training materials inform employees that Transmission Providers cannot provide customer information to its Marketing Function Employees, unless it has received written consent from the unaffiliated transmission customer at issue.

Should an Eversource Transmission Function Employee obtain authorization from a non-affiliated customer to share its information with a Marketing Function Employee, Eversource will post a notice on the Eversource Internet website of the customer consent accompanied with a statement that it did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

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(d) Posting written procedures on the public Internet. A Transmission Provider must post on its Internet website current written procedures implementing the Standards.

Procedures and Mechanisms for Ensuring Compliance

These written procedures and mechanisms implementing the FERC Standards are posted on Eversource’s Internet website.

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(e) Identification of affiliate information on the public Internet.

(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.

(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource posts on its Internet website the names and addresses of all its affiliates that employ or retain Marketing Function Employees. Eversource posts on its Internet website a complete list of the employee-staffed facilities shared by any of the Transmission Function Employees and Marketing Function Employees.

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(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource will post pertinent information related to potential merger partners as affiliates that may employ or retain marketing function employees within seven days after the potential merger is announced.

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(f) Identification of employee information on the public Internet.

(1) A Transmission Provider must post on its Internet website the job titles and job descriptions of its Transmission Function Employees.

Procedures and Mechanisms for Ensuring Compliance

Eversource posts on its Internet website identification of the job titles and descriptions of its transmission function employees.

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(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 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.*

Procedures and Mechanisms for Ensuring Compliance

Employee transfers involving Transmission Function Employees and Marketing Function Employees are reported to the Corporate Compliance Manager so that Eversource can post the relevant transfer information on its Internet website.

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

(1) A Transmission Provider must update on its Internet website the information required by 18 C.F.R. 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 18 C.F.R. Part 358 on its OASIS, but is not required to do so.

Procedures and Mechanisms for Ensuring Compliance

Eversource, on behalf of its Transmission Providers, will update the website information within seven business days of any change, and post the date on which the information was updated.

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(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource notes that emergency events may cause a suspension of the posting requirements. If the disruption lasts longer than a month, management of the Eversource Transmission Provider will consult with its Legal Department to determine if a further exemption and FERC notification is required.

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(3) All Internet website postings required by this part must be sufficiently prominent as to be readily accessible.

Procedures and Mechanisms for Ensuring Compliance

The Web pages displaying all FERC Order No. 717 posting requirements are clearly displayed and accessible from the Eversource Internet website.

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(h) Exclusion for and recordation of certain information exchanges.

(1) Notwithstanding the requirements of 18 C.F.R. §§ 358.5(a) and 358.6, a transmission provider's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in 18

C.F.R. § 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.

(2) The non-public information subject to the exclusion in 18 C.F.R. § 358.7(h)(1) is as follows:

(i) Information pertaining to compliance with Reliability Standards approved by the Commission, and

(ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.

Procedures and Mechanisms for Ensuring Compliance

The prohibition against Transmission Function Employees conducting Marketing Functions is explained in the EEI training module on FERC Order No. 717 that Eversource uses to train its employees on the Standards. The training materials note that a contemporaneous record must be kept for these types of information exchanges.

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(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource employees responsible for administering transmission tariff provisions governing transmission service are aware that they must post waivers, if any, of a tariff provision that it grants in favor of an affiliate unless previously approved by the Commission. Further, they are aware of the one day posting requirement, the need to maintain a log of any waivers, and the need to make the log available to the Commission.

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VIII. IMPLEMENTATION REQUIREMENTS

§ 358.8 Implementation requirements.

(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource's predecessor Transmission Providers were in full compliance with the Standards by November 26, 2008. Further, as of the date of this current Written Procedures Implementing FERC's Order 717, Eversource remains in full compliance with the Standards.

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(b) Compliance measures and written procedures.

(1) A Transmission Provider must implement measures to ensure that the requirements of 18 C.F.R. §§ 358.5 and 358.6 are observed by its employees and by the employees of its affiliates.

Procedures and Mechanisms for Ensuring Compliance

The detailed procedures and mechanisms documented in Eversource's response to 18 C.F.R. § 358.5 and 18 C.F.R. § 358.6 (i.e., IT, physical separation, and no conduit), in addition to those responses related to other sections, were initially reflected in a comprehensive compliance plan posted to Eversource's predecessor OASIS in December 2008. The Standards of Conduct training module referred to earlier annually reminds employees of the FERC Order No. 717 requirements. Additionally, Eversource reinforces its commitment to compliance in its internal Code of Business Conduct, as well as through periodic messages from management.

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(2) A transmission provider must distribute the written procedures referred to in 18 C.F.R. § 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.

Procedures and Mechanisms for Ensuring Compliance

The detailed procedures and mechanisms contained in these Written Procedures Implementing Compliance with FERC Order No. 717 is distributed to all Transmission Function Employees and Marketing Function Employees, and their supervisors and management, as well as any other employees likely to become privy to transmission function information.

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(c) Training and compliance personnel.

(1) A Transmission Provider must provide annual training on the standards of conduct to all the employees listed in 18 C.F.R. § 358.8(b)(2). The Transmission Provider must provide training on the standards of conduct to new employees in the categories listed in 18 C.F.R. § 358.8 (b)(2), 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.

Procedures and Mechanisms for Ensuring Compliance

A comprehensive training program is the primary means for ensuring compliance with the various State and Federal codes of conduct at Eversource. Mandatory, department-specific training began in 1999 and continues to be used to educate employees throughout Eversource.

Transmission Function Employees, Marketing Function Employees, shared services, and certain distribution company employees have received training regarding FERC Order No. 717 rules and reporting requirements. Further, these employees will produce electronic certifications verifying that they have been trained, understand FERC Order No. 717 and will abide by its rules.

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(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.

Procedures and Mechanisms for Ensuring Compliance

Eversource management has designated Duncan R. MacKay, Eversource Deputy General Counsel and Chief Compliance Officer, as the FERC Chief Compliance Officer responsible for administering compliance with the Standards. Mr. MacKay's contact information is posted on the Eversource Internet website.

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(d) Books and records.

A Transmission Provider must maintain its books of account and records (as prescribed under 18 C.F.R. Parts 101, 125, 201 and 225) separately from those of its affiliates that employ or retain Marketing Function Employees, and these must be available for

Commission inspections.

Procedures and Mechanisms for Ensuring Compliance

Each of the Eversource Companies maintain separate books and records. Eversource subsidiaries follow and will continue to follow Uniform System of Accounts and Records (USOA) and Generally Accepted Accounting Principles (GAAP) standards, to the extent applicable. The books and records of Eversource's Transmission Providers and Marketing Function affiliates are open for examination by the Commission.

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