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**NEW WEST ENERGY**

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AZ CORP COMMISSION  
DOCUMENT CONTROL

April 3, 2003

DOCKET NO. E-03685A-99-0008

DECISION NO. 62782

Docket Control  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission

**DOCKETED**

APR 16 2003

DOCKETED BY	<i>CAR</i>
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Dear Docket Control,

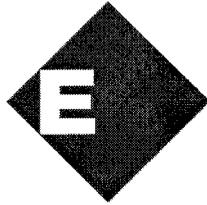
Section IX of New West Energy's Code of Conduct requires New West Energy to submit compliance information to the Arizona Corporation Commission on at least an annual basis. Enclosed are one original and thirteen (13) copies of such compliance information.

Please call me at 602 236-2436 if you have any questions or comments.

Sincerely,

Mark E. Truxal  
Business Control Manager

Cc: Patrick C. Williams

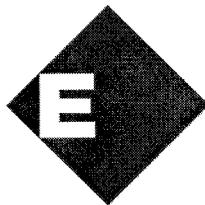


## **NEW WEST ENERGY**

### **Code of Conduct Section IX Reporting Requirements**

Section IX of New West Energy's (NWE) Code of Conduct requires NWE to submit the following to the Commission on at least an annual basis:

- A. A report detailing all allocation methods used in the Policies and Procedures and all modifications to these allocation methods.
- B. A report detailing all of the direct and indirect allocators used in the Policies and Procedures and all modifications to these allocators, such that a history of allocator evolution may be maintained.
- C. A report detailing confidential customer information that was obtained by NWE from SRP NC. Such a report shall include the type of information and the date of customer consent. It shall also specify whether the information was obtained from a Direct Access Service Request or another source. If the information was not obtained through a Direct Access Service Request, NWE shall name the source of the information transfer.
- D. A report detailing the costs allocated to NWE from SRP NC and the basis for the cost allocation.
- E. A copy of the annual external audit provided to SRP as referenced in Subsection 6 of the "Directive to Management" Section of SRP's Code.



## **NEW WEST ENERGY**

### **Code of Conduct Section IX Reporting Requirement**

#### **Code of Conduct Section IX A**

#### **Requirement**

A report detailing all allocation methods used in the Policies and Procedures and all modifications to these allocation methods.

#### **Report**

The Policies and Procedures identify two methods for allocating costs, (1) direct charges and (2) indirect charges. The major categories of direct and indirect costs and the methods of allocating these costs are as follows:

#### **Direct Charges**

Direct charges result from shared services with SRP NC that specifically benefit New West Energy.

Direct charges for the following cost categories are allocated to New West Energy as follows:

- ✓ Direct labor charges are captured on an "as provided basis." These charges are based on hours worked and fully allocated costs of the department providing the services.

Advertising	Information Technology
Benefits	Legal Services
Billing Services	Mail Services
Cartographic Services	Market Research
Commercial Energy Services	Media Relations
Communications	Miscellaneous
Corporate Taxes	Training
Human Resources	Transportation

Direct charges for the following cost category is allocated to New West Energy as follows:

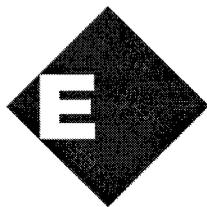
- ✓ Direct charges are captured on an "as provided basis." These charges are based on square footage office space occupied and fully allocated costs of the department providing the services.

Facilities

#### **Indirect Charges**

Indirect charges are those shared services that are essential for the overall corporate enterprise and generally benefit SRP NC and New West Energy. Because indirect shared services represent functions not specifically identifiable to New West Energy, it is impractical to charge those costs to New West Energy as incurred. Indirect charges for the following cost categories are allocated to New West Energy based on a measure representing New West Energy's proportionate relationship of operating costs.

Administrative and general expenses



## **NEW WEST ENERGY**

### **Code of Conduct Section IX Reporting Requirement**

#### **Code of Conduct Section IX B**

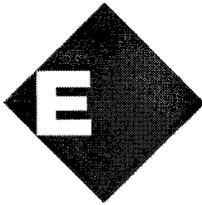
##### **Requirement**

A report detailing all of the direct and indirect allocators used in the Policies and Procedures and all modifications to these allocators, such that a history of allocator evolution may be maintained.

##### **Report**

Please see Code of Conduct Section IX A on Exhibit 1 page 2.

There have been no modifications to these allocators.



## **NEW WEST ENERGY**

### **Code of Conduct Section IX Reporting Requirement**

#### **Code of Conduct Section IX C**

##### **Requirement**

A report detailing confidential customer information that was obtained by NWE from SRP NC. Such a report shall include the type of information and the date of customer consent. It shall also specify whether the information was obtained from a Direct Access Service Request or another source. If the information was not obtained through a Direct Access Service Request, NWE shall name the source of the information transfer.

##### **Report**

During the calendar year 2002, New West Energy did not obtain from SRP NC any confidential customer information.



## **NEW WEST ENERGY**

### **Code of Conduct Section IX Reporting Requirement**

#### **Code of Conduct Section IX D**

#### **Requirement**

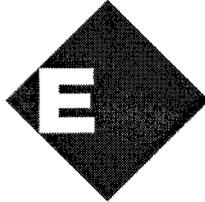
A report detailing the costs allocated to NWE from SRP NC and the basis for the cost allocation.

#### **Report**

Under SRP's code of conduct, as required by the Electric Power Competition Act, costs are allocated between competitive and non-competitive activities. Since the cost separation has already taken place at the SRP level, there are no costs allocated to New West Energy from SRP NC.

Nonetheless, New West Energy will report the costs allocated to it from SRP. The following direct and indirect costs were allocated to NWE for the calendar year December 31, 2002. The basis for the cost allocation is described under Code of Conduct Section IX A and IX B above.

Description	Amount
Contract Labor	842,892
Facilities	287,376
Information Technology	581,753
Other	957,849
<b>Direct &amp; Indirect Charges Total</b>	<b>\$2,669,870</b>



**NEW WEST ENERGY**

**Code of Conduct Section IX  
Reporting Requirement**

**Code of Conduct Section IX E**

**Requirement**

A copy of the annual external audit provided to SRP as referenced in Subsection 6 of the "Directive to Management" Section of SRP's Code.

**Report**

A copy of the Code of Conduct Attestation Report provided to Management and the Board of Directors of Salt River Project Agricultural Improvement and Power District as of December 31, 2002 is not available at this time.