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December 18, 2009

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

RE: AUDIT REPORT PERTAINING TO APS' COMPLIANCE WITH THE CODE OF CONDUCT
DECISION NO. 68741
DOCKET NO.s: E-00000A-02-0051 AND E-00000A-01-0630

Pursuant to Decision No. 68741 (June 5, 2006), at page 14, line 1:

IT IS FURTHER ORDERED that, by no later than December 31, 2009, APS shall file in this Docket, a report prepared by an outside, independent auditor (selected in consultation with Staff) detailing APS' compliance with the Code of Conduct through June 30, 2009.

Attached is a report prepared by Grier Consulting detailing APS' compliance with the Code of Conduct through June 30, 2009.

If you should have any questions regarding the information contained herein, please call me at 602-250-2366.

Sincerely,

Linda A. Thompson

Attachment

LAT/jms

CC: Docket Control (Original, plus 14 copies)
Brian Bozzo, Compliance and Enforcement

Arizona Corporation Commission

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Final Report

2009
APS Code of Conduct
Compliance Audit

An Independent Audit
Grier Consulting Group LLC

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I. Introduction and Executive Summary

A. Introduction

Pursuant to Arizona Corporation Commission (Commission or ACC) Decision No. 68741 (June 5, 2006) (Decision), Arizona Public Service Company (APS or Company) sponsored an independent audit (Audit) detailing APS compliance with the Code of Conduct for the Arizona Corporation Commission (Code of Conduct) through June 30, 2009. This report presents the results of the Audit required by the Decision. To perform this Audit, APS contracted with Grier Consulting Group LLC (GCGLLC). GCGLLC was retained, after consultation with Commission Staff, to conduct an independent audit for APS of the compliance requirements of its Code of Conduct.

The objective of the Audit was to determine whether or not, with a high level of reasonableness, APS was in compliance with the requirements of the Code of Conduct.

B. Audit Scope

The scope of the Audit was based on the requirements of the Decision. Specifically, the Audit reviewed APS compliance to the requirements of their Code of Conduct from June 5, 2006 through June 30, 2009.

C. Audit Approach and Methodology

The overall approach to meet the Audit objective was two-fold:

First: Determine, through a review of each Part, Section and requirement as contained in the Code of Conduct, the applicability and acceptability of APS policies, procedures, processes, and tools utilized by management to administer and control the Code of Conduct.

Second: Perform document reviews, interviews, data analysis, and statistical and non-statistical testing related to the various Parts and Sections of the Code of Conduct to determine, with a high level of reasonableness, that APS is in compliance with the requirements of the Code of Conduct.

As noted, the Audit used both statistical and non-statistical methods to test compliance to Code of Conduct requirements. Statistical methods included the "Sampling by Attributes" testing process based on International Standards Organization (ISO 2859) and American National Standards Institute (ANSI Z1.4-2003). This test was utilized, where appropriate, to achieve results which would generally be recognized as sufficient to determine, with a high level of reasonableness, that APS' controls are adequate. Typical types of statistical testing would include selection of employees for Code of Conduct training and security access control. Non-statistical selection was used for the remaining compliance requirements.

Details of the Audit approach and methodology can be found in the associated section of this report.

D. Audit Results

The Audit discovered that APS uses a combination of Code of Conduct specific policies along with general corporate policies and procedures to administer and control the Code of Conduct. The Audit also determined that APS employs specific Code of Conduct training as well as senior management communications to educate employees on the requirements of the Code of Conduct and the importance of compliance.

The Audit reviewed the overall process APS uses in supporting management in administering and controlling Code of Conduct compliance. The compliance process areas reviewed included:

- Cataloging documents supporting both the governance and compliance to the Code of Conduct,
- Selecting employees (both new regular and contractor hires) requiring Code of Conduct training,
- Computer based Code of Conduct training,
- Monitoring employee transfers,
- Examining Shared Services agreements and work orders along with associated accounting activities,
- Surveying (starting in 2007) key APS management as to their personal and organizational knowledge of compliance (or non-compliance) to Code of Conduct requirements.

The Audit concludes that the various process steps appear to appropriately aid APS in assuring ongoing compliance to the Code of Conduct as well as to support executive management in accurately completing the annual attestation report to the ACC.

No material weakness¹ was identified in the applicability and acceptability of APS policies, procedures, processes, and tools utilized by management to administer and control all Parts and Sections of the Code of Conduct. The policies, procedures, processes, and tools appear to provide a reasonably competent person with a clear understanding and meaning of the requirements and intended controls related to the various Parts and Sections of the Code of Conduct.

Furthermore, to a high degree of reasonableness, the Audit concludes that APS has been in compliance to the requirements of the Code of Conduct from June 5, 2006 through June 30, 2009.



Christopher A. Grier
President
Grier Consulting Group LLC

¹ GCGLLC defines material weakness similar to the Public Company Accounting Oversight Board (PCAOB) in Release 2007-005A June 12, 2007. For this APS Code of Conduct Audit material weakness is defined as "a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misrepresentation or misstatement of compliance will not be prevented or detected on a timely basis."

II. Audit Approach and Methodology

As stated previously, the objective of the Audit was to determine whether or not, with a high level of reasonableness, that APS was in compliance with the requirements of the Code of Conduct. The overall approach to meet the Audit objective was two-fold:

- First:** Determine, through a review of each Part, Section and Requirement of the Code of Conduct, the applicability and acceptability of APS policies, procedures, processes, and tools utilized by management to administer and control the Code of Conduct.
- Second:** Perform document reviews, interviews, data analysis, and statistical and non-statistical testing related to the various Parts and Sections of the Code of Conduct as well as the supporting policies, procedures, processes, and tools to determine whether the Code of Conduct processes continue to work effectively.

To complete the approach multiple Audit techniques were utilized. These included:

- **Document Review** – The review of existing documentation of APS' processes relating to meeting the requirements of the Decision along with existing procedures, analysis methods, reports and controls associated with compliance to the Code of Conduct.
- **Interviews** – Conducting interviews with appropriate APS management to gather information for validation and clarification purposes.
- **Sampling for Compliance Testing** – The appropriate statistical or non-statistical sampling of applicable information and records for compliance testing.
- **Compliance Testing** - Testing the selected information and records against applicable policy and procedure to determine whether or not, with a high level of reasonableness, APS' controls and processes were operating effectively during our test periods. Either statistical or non-statistical compliance testing was performed for all Code of Conduct Parts and Sections where requirements exist. Some examples of compliance testing include:
 - The selection of APS New Hires to undergo Code of Conduct training,
 - Accounting records associated with Affiliate Transactions, and
 - Applicability of other APS records to demonstrate compliance to Code of Conduct requirements.

A. Document Review

Each Part, Section and Requirement of the Code of Conduct was reviewed in detail to provide a basis for requesting existing APS documentation. The result of this appraisal was a series of document requests and the resultant delivery and review of over 200 documents from APS as a part of the Audit. The documents included applicable corporate and department policies, procedures, reports, raw and summary survey results; computer based testing results, and various other memorandums and data. Since some APS policies and procedures changed between June 5, 2006 and June 30, 2009 (not including Commission approved Code of Conduct Policies 1-11), multiple versions of these documents were reviewed in context to the Code of Conduct.

Appendix A provides a listing of all documents reviewed as a part of this Audit.

B. Interviews

During the course of the Audit ten management personnel were interviewed with regard to not only their respective roles and responsibilities associated with the Code of Conduct, but also their personal and organizational knowledge of the requirements of Code of Conduct as well as applicable compliance policy and processes. In addition, each person was asked if they were aware of any non-compliance or other compliance issue with the Code of Conduct during the Audit scope period.

Appendix B provides a list of the personnel interviewed as a part of this Audit.

C. Sampling for Compliance Testing

One of two methodologies was employed to select data for testing of compliance to the Code of Conduct. The statistical sampling and testing approach was based on "testing for effectiveness" using the double step "Sampling by Attributes" plan based on International Standards Organization (ISO 2859) and the American National Standards Institute (ANSI Z1.4-2003).

A non-statistical approach was used for selection and testing of compliance for other procedures that did not lend themselves to statistical sampling.

Test Period Segmentation

The scope of the Audit was June 5, 2006 through June 30, 2009. For both statistical and non-statistical sampling, the scope period was segmented as described in the following table.

Table 1
Scope Period Segmentation for Testing

Period	Testing Activities for Period
June 5 through December 31, 2006	<p>The entire period was used for testing of applicable 2006 accounting activities.</p> <p>This period was further segmented related to selection of employees requiring Code of Conduct training during 2006. These period segments include:</p> <ul style="list-style-type: none"> • June 5 through October 31, 2006 where all APS employees were instructed to complete Code of Conduct Training, and • October 2 through December 31, 2006, where new employees were screened for selection to receive Code of Conduct training. Note that there is a repeat during the month of October 2006 in data. This data overlay was necessary due to the lack of clarity of the specific employment start date of employees included in the first segment described above. The use of this overlay provides a conservative approach in ensuring that all employees were included in sample selection.
January 1 through December 31, 2007	Period was used for all applicable testing for 2007
January 1 through December 31, 2008	This test period was used for all applicable testing for 2008

Period	Testing Activities for Period
January 1 through June 30, 2009	This test period was used for all applicable testing for 2009

Statistical Sampling

Sample populations were identified by the type of data tested and within the test period of the scope of the Audit. Statistically sampled populations used in this Audit were:

- The population of new employees and contractors between November 1, 2006 and June 30, 2009.
- The population of APS Energy Services (APSES) employees as of November 23, 2009.

For the tests performed in these analyses a double step "Sampling by Attributes" plan based on ANSI Z1.4-2003 was utilized². Appropriate sample sizes were selected using an Acceptable Quality Level (AQL) of one percent (defining the maximum percent of nonconforming items) assuming a normal distribution of errors with a Level II sample strategy³ and an Average Outgoing Quality Limit⁴.

In utilizing the double step process, a sample is tested and accepted if less than a specific number of defects is found. If more than the allowed defects are found, then a second sample is drawn and tested. If more than the specified number of defects is found in this sample, then the entire lot is rejected as defective.

Once an adequate sample size was determined, a random sample query was created to select the specific unique combination of employee identification numbers or other data for each of the statistically based compliance tests.

The following table provides the sample sizes used for the double step "Sampling by Attributes" method at an AQL of one percent as described above.

Table 2
"Sampling by Attributes" Required Sample Sizes

Test Population →	51 to 90	151 to 280	281 to 500	501 to 1,200	1,201 to 3,200	3,201 to 10,000
Step 1: Sample "N" items →	32	32	32	50	80	125
Non-conforming items						
"X" defects or less - Accept	0	0	0	0	1	2
"Y" defects or more - Go To Step 2	2	2	2	3	4	5
Step 2: Sample "M" addition items →	32	32	32	50	80	125
Non-conforming items						

² Source: <http://sqconline.com/mil-std-105.html>.

³ Alternative sampling intensity (Level II): This level of sampling intensity, which balances speed and effectiveness, is commonly used where there is valid data and defensible numbers are needed related to a monitoring effort.

⁴ Average Outgoing Quality Limit is the highest/worst possible average percent of non-conforming items in the process, after employing some inspection scheme.

Test Population →	51 to 90	151 to 280	281 to 500	501 to 1,200	1,201 to 3,200	3,201 to 10,000
"X" defects or less - Accept	1	1	1	3	4	6
"Y" defects or more - Reject	2	2	2	4	5	7

The objective of determining an appropriate statistical sample size was to establish, with a high level of reasonableness, that APS' controls and processes for compliance to applicable sections of the Code of Conduct were operating effectively during the Audit period.

Non-statistical Sampling

For some compliance testing the "Sampling by Attributes" method was not an appropriate test method due to the nature of the process being evaluated. Therefore, a non-statistical approach was used when it became apparent that a process, or the steps within a process, was relatively unique or there existed no objective standard to test against. This was true for such processes as affiliate accounting procedures and web-based data access practices. In these cases, a review of the procedures, methods and practices was completed to assess compliance.

III. Audit Results

A. Governance of the Code of Conduct

To administer and control the Code of Conduct, APS, with Staff input and Commission approval, has a series of Code of Conduct specific policies along with existing corporate policies and procedures.

For this Audit each Part and Section of the Code of Conduct was examined to determine the underlying requirements. All requirements were then mapped to one or more applicable APS policies or procedures. At least one APS policy or procedure was mapped to each requirement.

Each applicable policy and procedure was reviewed to determine if an identifiable material weakness existed in the governance document. This review also assessed whether a reasonably competent person in the subject domain (i.e., affiliate accounting) would be capable of clearly comprehending the meaning and intent of the specified controls.

The summary results of the assessment of Code of Conduct governance is presented in the following table.

Table 3
Review of Code of Conduct Governance Documents

Document ID	Governance Document Title	Effective and Revised Dates	Acceptable ⁵ with No Material Weakness
Policies developed specifically to support Code of Conduct			
ACC CoC Policy No. 1	Affiliate Accounting Policies	Effective 06/05/2006 Revised 07/2006 Revised 11/2006 Revised 12/19/2007	Yes
ACC CoC Policy No. 2	Access to Information and No Conduit Rule	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 3	Compliance and Issue Resolutions	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 4	Shared Services and Contracting for Personnel Services Between APS and its Competitive Electric Affiliates	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 5	ESP Contracts and Requests for Service	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 6	Joint Promotion, Sales, and Advertising with a Competitive Electric Affiliate	Effective 06/05/2006 Revised 07/2006	Yes

⁵ The governance document (policy, procedure, or process) was determined to be acceptable if a reasonably competent person in the subject domain (i.e., affiliate accounting) would be capable of clearly and completely comprehending the meaning and intent of the specified controls.

Document ID	Governance Document Title	Effective and Revised Dates	Acceptable ⁵ with No Material Weakness
ACC CoC Policy No. 7	Separation of Entities	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 8	Common Officers and Directors	Effective 06/05/2006 Revised 07/20/2006 Revised 12/19/2007	Yes
ACC CoC Policy No. 9	Training Policy	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 10	Competitive Procurement	Effective 06/05/2006 Revised 07/2006	Yes
ACC CoC Policy No. 11	Provision of Trading Floor Services By APS	Effective 06/05/2006 Revised 07/2006	Yes
Other corporate policies and procedures utilized in the governance of the Code of Conduct			
Corp Policy No. 10	Corporate Ethics Policy	Effective 11/15/2000 Revised 02/12/2007	Yes
Corp Policy No. 11	Code of Ethics for Financial Professionals	Effective 02/18/2004 Revised 06/09/2009	Yes
Corp Policy No. 13	Pinnacle West Affiliate Accounting Policies	Effective 11/15/2000 Revised 09/01/2003 Revised 11/29/2004	Yes
Corp Policy No. 14	Affiliate Accounting Policies	Effective 06/03/2000 Revised 11/2006	Yes
Corp Policy No. 59	Employee Identification Badges	Effective 04/15/2002 Revised 12/17/2008	Yes
Corp Proc. No. 32-00	Sensitive Information – Requirement to Comply with Applicable Procedures	Effective 08/04/2006 Revised 07/16/2009	Yes
Corp Proc. No. 32-02	Handling of Confidential Information	Effective 01/07/2003 Revised 08/04/2006 Revised 11/05/2007 Revised 07/16/2009	Yes
Corp Proc. No. 32-03	Third Party Requests for Company Information or Information-Records	Effective 01/07/2003 Revised 08/04/2006 Revised 07/16/2009	Yes
Corp Proc. No. 57-01	Business Resumption Plan	Effective 01/01/2000 Revised 07/13/2009	Yes
Corp Proc. No. 59-01	Employee ID Badges – Access Control	Replacement Effective 01/01/2000 Revised 11/01/2006 Revised 08/23/2007 Revised 03/24/2008	Yes
Corp Proc. No. 59-01	Company Badge Issuance	Effective 12/17/2008	Yes

Document ID	Governance Document Title	Effective and Revised Dates	Acceptable ⁵ with No Material Weakness
		Revised 05/07/2009 Revised 10/01/2009	
Corp Proc. No. 59-02	Access Provisioning	Effective 12/17/2008	Yes
Corp Proc. No. 59-02	Access Provisioning (Authorization)/Revocation	Replacement Effective 05/07/2009	Yes
Corp Proc. No. 59-03	Access Authorization to Company Facilities	Effective 05/02/2005 Revised 05/31/2006 Revised 06/05/2006 Revised 03/24/2008	Yes
Corp Proc. No. 59-03	Personnel Risk Assessment Program	Replacement Effective 05/07/2009	Yes
Corp Proc. No. 59-04	Employee/Visitor Register (Note: 59-04 was merged into 59-02 on 12/17/2008)	Effective 01/01/2000 Revised 11/07/2005	Yes

In conclusion, no material weakness was identified in the applicability and acceptability of APS policies, procedures, processes, and tools utilized by management to administer and control all Parts and Sections of the Code of Conduct. The policies and procedures also appear to provide a reasonably competent person with clear meaning and intent of the controls necessary to meet the requirements of the various Parts and Sections of the Code of Conduct.

B. Compliance with the Requirements of Code of Conduct

To determine, with a high level of reasonableness, whether or not APS was in compliance with the various requirements of the Code of Conduct, the Audit performed testing on individual and multiple Sections and Subsections of the Code of Conduct. For each test conducted a procedure was developed to help make certain that the examination of the requirements were adequate.

Compliance test procedures typically included the following:

Step 1 - Review applicable Code of Conduct Section(s) to understand the requirement(s).

Step 2 - Collect and review a sample of documentation or data supporting compliance to the applicable Code of Conduct Section(s). If non-statistical sampling was used a reasonable sample population was selected. If statistical sampling method was used the following additional process steps were performed:

2(a) Determine statistical sample size based on test population and statistical requirements (see discussion of statistical sampling elsewhere in this report).

2(b) Select a random sample from the test population based on 2(a).

Step 3 - Determine if the selected document or data adequately supplies one or more

compliance artifacts⁶ to support evidence of compliance to the requirement.

Step 4 – Determine, based on a review of all compliance artifacts, if there is adequate evidence to support, to a high degree of reasonableness, that APS controls are performing properly and APS is in compliance.

Data and information used in the compliance tests were gathered from:

- Documents listed in Appendix A.
- Interviews with APS management as listed in Appendix B.
- Independent statistical and non-statistical analysis of supplied or directly observable data and information.

The remainder of this report provides a discussion and summarization of APS' compliance to the Code of Conduct. Since the use of annual compliance surveys and Code of Conduct training are especially important to understand, these are discussed in detail separately from Parts Two through Four of the Code of Conduct. The following report sections include:

- Annual Compliance Surveys – A discussion and compliance conclusion relating to the annual Code of Conduct compliance surveys.
- Code of Conduct Training – A discussion and compliance conclusion relating to computer based Code of Conduct training and the selection of employees and contractors who are required to complete the training.
- Parts Two through Four – Providing summary tables of the compliance conclusion and notes related to each Part and Section of the Code of Conduct.

Annual Compliance Surveys

Starting in 2007, APS utilized a computer based survey of key management personnel to aid APS in assuring ongoing compliance to the Code of Conduct as well as to support executive management in completing the annual attestation report to the ACC. Starting in 2008, the number of formal management survey participants was reduced to those shown. The 2008 survey process provided the participants with the option of soliciting further information from within their organization without each of those people having to formally respond to the survey. The following table lists the management participants in the 2007 and 2008 annual surveys.

**Table 4
Management Participants in Annual Code of Conduct Compliance Survey**

2007 Survey Participants		2008 Survey Participants	
Name	Title	Name	Title
Daniel T. Froetscher	General Manager Rural AZ Delivery	Daniel T. Froetscher	VP Energy Delivery
Deborah R Scott	Senior Attorney Regulatory	Denny L. Brown	VP & Chief Information Officer

⁶ A compliance artifact is a single piece of information (document, memorandum, email, data record, process, drawing, etc.) which provides evidence related to compliance or non-compliance to a requirement.

2007 Survey Participants		2008 Survey Participants	
Name	Title	Name	Title
Denny L. Brown	VP Information Services	Edward Z Fox	VP & Chief Sustainability Officer
Edward Z Fox	Vice President Community/Environment/Safety	James Hatfield	SVP & Chief Financial Officer PNW
Jan H. Bennett	VP Customer Service	Justin Thompson	Director of Commercial Operations
Jason C. La Benz	Finance Accounting Group Leader	Carl Balderson	Director, Internal Audit
Linda A. Thompson	Director, Ethics and Compliance	Kepi Foliaki	Audit Supervisor
Meghan H. Grabel	Senior Regulatory Attorney	Lori Sundberg	VP Human Resources
Patrick Dinkel	Director Resource Acquisition & Renewables	Patrick Dinkel	Director Resource Acquisition & Renewables
Robert L. Parrish	Director, Corporate Security	Steve Norris	Director, Trading Floor Operations
Ronald J Kee	Finance Services Group Leader	Tammy D. McLeod	VP & Chief Customer Officer
Stephen J. Bischoff	GM- Asset Management, Operations and Maintenance	Thomas J. Carlson	Director Fuels
Steve Norris	Director, Trading Floor Operations		
Tammy D McLeod	GM Customer Services /Southern AZ Operations		
Thomas J. Carlson	Director Fuels		
Thomas L. Mumaw	Sr. Attorney Regulatory		
Thomas R. Glock	Power Operations Manager		
William D. Wiley	Sr. Mgr Eco Efficiency/ Technical Innovation		

This Audit reviewed in detail the 2007 and 2008 survey questions and responses. Each annual survey contained approximately fifty questions covering the requirements of the Code of Conduct. While the surveys were found to differ slightly in specific wording, each survey appeared to adequately cover all Code of Conduct requirements.

Survey responses for 2007 and 2008 were reviewed in detail. In addition to their standardized survey responses participants could supply additional information to clarify or comment on their response. The Audit analyzed these comments and, where necessary, obtained clarification from APS management regarding resolution of these comments.

For 2007 and 2008 all survey participants responded that APS was in compliance to all Parts and Sections of the Code of Conduct for the survey period. The final question in each survey required the participant to confirm knowledge of any compliance issue related to the Code of Conduct. For each year all participants answered that they were unaware of any compliance concern regarding the Code of Conduct.

Code of Conduct Training

APS utilizes both classroom training and computer based training to educate employees and contractors with regard to scope, content and compliance requirements of the Code of Conduct. Classroom training is presented by the APS Compliance Department to employees where there is a higher possibility of encountering Code of Conduct issues. These departments include the Law Department, Human Resources Department, Marketing and Trading, and the Internal Audit Department.

All employees, including those who underwent classroom training, participate in computer based Code of Conduct training. Successful completion of computer based training is assigned to employees who perform activities directly related to the Code of Conduct or have the potential to be required to comply with the Code of Conduct.

The computer based training application, which did not change throughout the Audit scope period, contained 80 informational slides and 20 assessment questions. In order to be recorded as having successfully completed the Code of Conduct training a trainee must view the instructional slides and correctly answer 80 percent of the assessment questions. If a trainee fails the assessment he/she must review the training material until an 80 percent success rate is achieved.

The computer based training application and associated assessment questions were reviewed by the Audit. The content of the computer based training application appears to be comprehensive with regard to the scope, content, and requirements of the Code of Conduct.

The first use of the computer based training application was in November 2006. Several thousand existing APS employees and contractors participated in this initial training. Starting in October 2006 a process was implemented to more carefully select those employees and contractors who would participate in the Code of Conduct training.

The Audit tested this process by examining a statistical population of new hires (both regular employees and contractors) during four test periods. The following table provides the details relating to this statistical sampling.

Table 5
Sample Sizes for Test of Employee Assigned to Receive Code of Conduct Training

Test Period	Approximate "New Hire" Population ⁷	Applicable Range for Sampling	Required Sample Size to 1% AQL Step 1 / Step 2
Oct 2 thru Dec 31, 2006	660	501 to 1,200	50 / 50
Jan 1 thru Dec 31, 2007	6,430	3,201 to 10,000	125 / 125
Jan 1 thru Dec 31, 2008	7,700	3,201 to 10,000	125 / 125
Jan 1 thru Jun 30, 2009	2,770	1,201 to 3,200	80/80

For the selected population each employee's department and job function were reviewed to determine if the selected employee should have been assigned to receive Code of Conduct training. Employees who were unlikely to be involved in activities covered by the Code of Conduct, i.e., union workers, did not participate in Code of Conduct Training.

⁷ The new hire population includes contractors hired for Palo Verde Nuclear Generating Station outages, who were not engaged in activities subject to the Code of Conduct.

In addition to testing the appropriate selection of employees to receive Code of Conduct training, the Audit tested that an electronic record existed of successful training completion.

The Audit tested a total of 380 new hires between October 2, 2006 and June 30, 2009. Based on the completed testing the Audit concludes that the APS selection process was appropriately followed. In addition, for all employees selected a record of successful completion of the Code of Conduct computer based training was found.

Therefore, the Audit concluded, to a high level of reasonableness, that the APS process of selecting, instructing, and recording results of new employee training in the scope, content, and requirements of the Code of Conduct is adequate.

Part Two – Basic Principles

Code of Conduct Part Two – Basic Principles contains nine Sections. The following table provides a summary of the compliance finding for each Section.

**Table 6
Summary of Compliance Results to Part Two - Basic Principles**

Part Two Section	Section Title	Compliance Finding	Notes and comments
I	Applicability of the Code of Conduct	Compliant	<p>The Code of Conduct is applicable unless Extraordinary Circumstances exit.</p> <p>The Audit assessed this Section through a review of applicable documents, information and analysis related to Applicability of the Code of Conduct. Additional assessment of this area was made through management interviews and by an analysis of survey results. It is noted that no evidence was found that Extraordinary Circumstances existed during the Audit scope period.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section I.</p>
II	No Discrimination in Service	Compliant	<p>APS cannot give preferential treatment to Competitive Electric Affiliates (CEA) and must act in a non-discriminatory manner with affiliated and non-affiliated entities.</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to non-discrimination of service. Additional assessment of this area was made through management interviews and by an analysis of survey results. In addition, APS conducted an internal Audit in 2006 which identified no material weaknesses in this area.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section II.</p>
III	Confidential Information	Compliant	<p>APS must ensure the proper control of confidential information related to customers and utility operations. APS utilizes a variety of controls to help meet these requirements through policies, procedures, tools and training performed across the entire organization.</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to the treatment of confidential information. Additional assessment of</p>

Part Two Section	Section Title	Compliance Finding	Notes and comments
			<p>this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section III.</p>
IV	Separation Requirements	Compliant	<p>APS must ensure that APS operates separately from their electric affiliates to the extent practical. APS utilizes multiple policies and procedures to control these requirements.</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis including Affiliate Transactions, Risk Management, Shared Services, Employee Transfers, and Security. Additional assessment of this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>Testing in this area included the review of several months of accounting records in each year of the Audit scope. All Shared Services Master Service Agreements and approximately 17 Shared Services Work Orders as well as all transfers related to Marketing and Trading and a statistical sampling of physical security controls were reviewed.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section IV.</p>
V	Transfer of Goods and Services	Compliant	<p>APS must not subsidize its CEAs except as specified in the Code of Conduct.</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis including Shared Services and Affiliate Transactions. Additional assessment of this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section V.</p>
VI	Compliance, Dissemination and Education	Compliant	<p>APS must comply with the Code of Conduct. To help achieve this compliance APS must disseminate a copy of the Code of Conduct and educate their employees and contractors with regard to the Code of Conduct. In addition, APS must provide a process for employees to raise questions and report non-compliance to the Code of Conduct.</p> <p>The Audit tested compliance to this section through a review of applicable documentation in this area in the areas of Shared Services and Affiliate Transactions. Additional assessment of this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section VI.</p>
VII	Modifications to the Code of Conduct or	Compliant	<p>APS must control all changes to the Code of Conduct and supporting policies and procedures.</p> <p>APS made non-material changes to Code of Conduct Policy No. 1</p>

Part Two Section	Section Title	Compliance Finding	Notes and comments
	Policies and Procedures		<p>in 2007 due to a clerical and typographical error. This change appears to have been adequately controlled. Additional assessment of this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section VII.</p>
VIII	Reporting Requirements	Compliant	<p>APS must submit information related to the Code of Conduct to the ACC annually (by April 15th).</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to Reporting Requirements. Additional assessment of this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section VIII.</p>
IX	Dispute Resolution	N/A	<p>No evidence was discovered related to Code of Conduct complaints processed under R-14-2-212 for the Audit scope period. Additional assessment of this area was made through management interviews and by an analysis of survey results and collected documents.</p> <p>Therefore, a compliance conclusion for Section IX is not applicable for this Audit.</p>

Part Three – Retail Electric Competition

Code of Conduct Part Three – Retail Electric Competition contains five Sections. The following table provides a summary of the compliance finding for each Section.

**Table 7
Summary of Compliance Results to Part Three – Retail Electric Competition**

Part Three Section	Section Title	Compliance Finding	Notes and comments
I	Non-Discrimination	Compliant	<p>APS must treat its Competitive Retail Affiliate and any Third Parties in a non-discriminatory manner.</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to Non-Discrimination. Additional assessment of this area was made through management interviews, collected documents, and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section I.</p>
II	Consolidated Billing and Promotions	N/A	<p>APS must adhere to special rules if Consolidated Billing and Promotions within the Bill Envelope are utilized.</p> <p>No identifiable evidence of consolidated billing and promotion</p>

Part Three Section	Section Title	Compliance Finding	Notes and comments
	within the Bill Envelope		by APS within the bill envelope was found. The Audit nevertheless assessed this Section through management interviews, collected documents, and by an analysis of survey results. Based on this assessment no compliance conclusion is made for Section II.
III	Company Contact Information	Compliant	APS must maintain separate telephone numbers and websites related to the provision of Noncompetitive Services and Operating Utility services. The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to Company Contact Information. Additional assessment of this area was made through analysis of survey results. In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section III.
IV	Prohibition on Suggestion of Utility Advantage	Compliant	APS must not suggest to customers that there is an advantage in utilizing an APS CEA. The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to Prohibition on Suggestions of Utility Advantage. Additional assessment of this area was made through analysis of survey results and collected documents. In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section IV.
V	Joint Marketing	Compliant	APS cannot jointly market with a Competitive Retail Affiliate. No identifiable evidence of joint marketing was found. The Audit nevertheless assessed this Section through management interviews, collected documents, and by an analysis of survey results. In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section V.

Part Four – Competitive Procurement

Code of Conduct Part Four – Competitive Procurement contains three Sections. The following table provides a summary of the compliance finding for each Section.

**Table 8
Summary of Compliance Results to Part Four – Competitive Procurement**

Part Four Section	Section Title	Compliance Finding	Notes and comments
I	Applicability	Compliant	The Competitive Procurement principles apply except in cases of emergencies and other specified conditions. No evidence of emergencies and other specified conditions

Part Four Section	Section Title	Compliance Finding	Notes and comments
			<p>were identified for the Audit scope period. The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to applicability of competitive procurement practices. Additional assessment of this area was made through management interviews and by an analysis of survey results.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section I.</p>
II	Acceptable Procurement Methods	N/A	<p>This section provides definitions of acceptable procurement methods. Therefore, no conclusion with regard to compliance is made for Section II.</p>
III	Participation of Competitive Electric Affiliate	Compliant	<p>APS cannot give preferential treatment to its CEAs in competitive procurement or other energy related services.</p> <p>The Audit tested compliance to this Section through a review of applicable documents, information and analysis related to Company Contact Information. Additional assessment of this area was made through analysis of survey results.</p> <p>No evidence was found that CEAs participated in a competitive procurement process for areas covered by the Code of Conduct.</p> <p>In conclusion, to a high level of reasonableness, there was a prevalence of compliance artifacts to support that APS is in compliance with the requirements of Section III.</p>

IV. Management Recommendations

As a part of the Audit, APS management asked GCGLLC to make recommendations to improve APS policies, procedures, processes, and tools utilized by management to administer and control the Code of Conduct. We believe the following two items, which represent neither a material weakness nor a non-compliance issue with the Code of Conduct, might be valuable to APS management in this endeavor.

A. Control of Room Signage

Currently, to help support the control of confidential information, APS posts a sign in each meeting room that contains the statement "ACC Code of Conduct - The disclosure of non-public APS information about utility operations to Energy Affiliates is prohibited". The current process used to ensure appropriate signage requires the APS Compliance Department to communicate with the Facilities Department to install signs in new or refurbished meeting rooms. We recommend that APS implement a simple standing work instruction to direct the Facilities Department to install appropriate signage during any construction or remodeling project impacting meeting rooms.

B. Documentation of Employees Selected to Participate in Training

The APS Compliance Department reviews on a weekly basis the APS "New Hires" report to determine which employees are directed to take the Code of Conduct computer based training. During our testing, in which found the process to be acceptable, the audit team identified significant variability in the nomenclature used to document those people selected or not selected and the reason for this choice. We recommend that APS develop and implement a simple and consistent classification system to document those employees who are directed to take the Code of Conduct training. An example of what we believe is an acceptable system can be found on page 1 of the Monday, August 27, 2007 "New Hires" report.

V. Appendices

Appendix A – APS Documents Reviewed

The following documents were reviewed in conjunction with the 2009 Code of Conduct Audit.

2007 end of year ACC Code of Conduct Attestation Questions AJG.pdf	DR - 29.3 APS Curtailment Plan 2009 AJG.pdf
2008 End of Year Survey Responses AJG.pdf	DR - 31 Corp Procedure 57-01 AJG.pdf
2008 REGULATORY REFRESHER TRAINING AJG.pdf	DR - 32.1 Pandemic Influenza Response Plan June 2, 2009 AJG.pdf
ACC Code of Conduct Refresher 2007 Quiz AJG.pdf	DR - 33 Corp Procedure 32-00 AJG.pdf
DR - 02 Code of Conduct AJG.pdf	DR - 34 Corp Procedure 32-02 AJG.pdf
DR - 03 Code of Conduct Part 2 APS layout AJG.pdf	DR - 35 Corp Procedure 32-03 AJG.pdf
DR - 04 Table COC Req Part 3 AJG.pdf	DR - 36 Corp Procedure 59-01 AJG.pdf
DR - 05 Table COC Req Part 4 AJG.pdf	DR - 37 Corp Procedure 59-02 AJG.pdf
DR - 06 thru 16 Policies No 1 - 11 AJG.pdf	DR - 38 Corporate Procedure 59-03 AJG.pdf
DR - 100 PWM&T and APS Recon 2006 CAG.pdf	DR - 39 Corp Procedure 59-04 AJG.pdf
DR - 101 PWM&T and APS Recon June 07 CAG.pdf	DR - 40 Corp Policy 10 AJG.pdf
DR - 102 PWM&T and APS Recon Dec 07 CAG.pdf	DR - 41 Corp Policy 11 AJG.pdf
DR - 103 PWM&T and APS Recon June 08 CAG.pdf	DR - 42 Corp Policy 13 AJG.pdf
DR - 104 PWM&T and APS Recon December 08 CAG.pdf	DR - 43 Corp Policy 14 AJG.pdf
DR - 105 PP Journal Cat Bal 1206 CAG.pdf	DR - 44 Corp Policy 59 AJG.pdf
DR - 106 APSES_APSCO_Dec06 AJG.pdf	DR - 45 FERC Compliance Bulletin No. 3 Revision 1 AJG.pdf
DR - 107 APSES_APSCO_Jun07 AJG.pdf	DR - 46 Reg 1 AJG.pdf
DR - 108 APSES_APSCO_Dec07 AJG.pdf	DR - 49 Website AJG.pdf
DR - 109 APSES_APSCO_Jun08 AJG.pdf	DR - 49.2 List of Corp Policies & Procedures AJG.pdf
DR - 110 APSES_APSCO_Dec08 AJG.pdf	DR - 50 - Copy of singular circumstance notice to ACC AJG.pdf
DR - 111 APSES_APSCO_Jun09 AJG.pdf	DR - 51 Electronic Verification Page AJG.pdf
DR - 112 2008 Selections From New Hires Report AJG.pdf	DR - 52 AUDIT #OPS-APS-06-030.05 AJG.pdf
DR - 113 2009 Selections From New Hires Report AJG.pdf	DR - 53 APS ESP Svs Web Page & Info Ctr Pg AJG.pdf
DR - 115 Antoine and Linda 2008 Training CAG.pdf	DR - 53.1 APS ESP archive final AJG.pdf
DR - 17 Code of Conduct Annual Filing thru Dec 31 2006 CAG.pdf	DR - 54.1 PNW APS Leadership Forum Dec 6 06 AJG.pdf
DR - 17.1 Code of Conduct_Revised Attachment 2_2006 AJG.pdf	DR - 54.2 PNW APS Leadership Forum Feb 23 06 AJG.pdf
DR - 18 Code of Conduct Annual Report thru Dec 31 2007 AJG.pdf	DR - 54.3 PNW APS Leadership Forum May 06 AJG.pdf
DR - 19 Code of Conduct Annual Filing thru Dec 31 2008 AJG.pdf	DR - 54.4 SMG Agenda 040406 AJG.pdf
DR - 24 REGACC06 AJG.pdf	DR - 54.5 SMG Agenda Oct 5 06 AJG.pdf
DR - 25 Training Notification Guidelines 10-29-2009 AJG.pdf	DR - 55.1 Discrimination of Services Clauses AJG.pdf
DR - 26 Mandatory Training Notice Sent out Nov 2 2006 AJG.pdf	DR - 55.2 Discrimination of Service Clauses #3 AJG.pdf
DR - 28 ACC Code of Conduct Training_2006 Version CAG.pdf	DR - 55.3 Discrimination of Service Clauses #2 AJG.pdf
DR - 29.1 APS Curtailment Plan 2007 AJG.pdf	DR - 55.4 Discrimination of Service Clauses AJG.pdf
DR - 29.1.0 APS Press Releases - 2006 CAG.pdf	DR - 55.5 Discrimination of Service Clauses AJG.pdf
DR - 29.1.1 APS Press Releases - 2007 CAG.pdf	DR - 56 3rd party request & REP Direct AJG.pdf
DR - 29.1.2 APS Press Releases - 2008 CAG.pdf	DR - 57 meeting room sign AJG.pdf
DR - 29.1.3 APS Press Releases - 2009 CAG.pdf	DR - 58 Attestation for 2006 AJG.pdf
DR - 29.2 APS Curtailment Plan 2008 AJG.pdf	DR - 59.1 Employee Transfer AJG.pdf

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DR - 59.2 FERC Compliance Bulletin No. 3 Revision 1 AJG.pdf	DR - 98 PNWCC and APS Recon 2009 AJG.pdf
DR - 60 Shared Officers and Directors 06 AJG.pdf	DR - 99 Equity Jun 08 CAG.pdf
DR - 61 Example of Affirmation Statement for Shared Officer-Director AJG.pdf	H - AT - 00.1 Affiliate Interest Report_Non-Confidential_041307 CAG.pdf
DR - 62 Mthly Sumy of Affiliate Transfers posted to OASIS in October 2006 AJG.pdf	H - AT - 00.2 APS 2007 Affiliate Interest Report_Redacted CAG.pdf
DR - 63 ACC Code of Conduct - Confirmation AJG.pdf	H - AT - 00.3 - Affiliate Rpt 2008 CAG.pdf
DR - 64 Energy Risk Management - shared services AJG.pdf	H - AT - 01 RE ACC Affiliate Interest Transactions CAG.pdf
DR - 65 Identification of Trading Desk Employees AJG.pdf	H - AT - 01 Shared_Services1206 CAG.pdf
DR - 67.1 Affirmation Stmt_ PNW Trader AJG.pdf	H - AT - 01.1 Shared_Services1206 CAG.pdf
DR - 67.2 Affirmation Stmt_APS Trader AJG.pdf	H - AT - 02 Shared_Services1206 Apr 7 2007 CAG.pdf
DR - 67.3 Affirmation Stmt_PWMT Trader 11_2006 AJG.pdf	H - AT - 03 Copy of ACC Affiliate2006 Final CAG.pdf
DR - 68 Trading Desk AJG.pdf	H - AT - 04 As Filed with ACC on Apr 12 07 - Shared_Services1206 Apr 13 2007 CAG.pdf
DR - 69 Copy of Work Order and extension agreement used in 2006 AJG.pdf	H - AT - 05 Filed Copy of Transfer \$ CAG.pdf
DR - 70 Sample List of New Hires AJG.pdf	H - AT - 06 ACC 2007 vs 2006 3.4.08 CAG.pdf
DR - 71 ACC Filing to modify CoC Policy1 and 8 & Attestations_041307 AJG.pdf	H - AT - 08 Exhibit 4_ Affiliate Transactions 2007 CAG.pdf
DR - 72 Rprt trnsfrs btwn Affiliates at Mgmt L & TD AJG.pdf	H - AT - 09 Shared Services Detail 3.4.08 CAG.pdf
DR - 73 Attestation for Filing AJG.pdf	H - AT - 10 Shared_Services 2007 CAG.pdf
DR - 75 RE_ COC - Information Request 3 AJG.pdf	H - AT - 11 SUMMARY OF EXISTING CONTRACTS 2007 CAG.pdf
DR - 76 Cust Srv - Phase 1 New Hire Trng_ Elec Comp AJG.pdf	H - AT - 12 2008 AFFILIATED INTEREST TABLE - revised 090209-Exhibit 1 redline CAG.pdf
DR - 77 Rep Direct AJG.pdf	H - AT - 13 2008 Attestation AJG.pdf
DR - 78 RE_ Message from Madden Sharon R(Z61960) AJG.pdf	H - AT - 14 ACC 2008 vs 2007 4 7 09 CAG.pdf
DR - 79.1 RE_ ACC Code of Conduct Question AJG.pdf	H - AT - 15 Shared Services 2008 4 7 09 CAG.pdf
DR - 79.2 RE_ ACC COC - Information Request AJG.pdf	H - AT - 16 APS_APSES WO_8 Schenk 10-12-08 CAG.pdf
DR - 79.3 RE_ ACC Code of Conduct Question AJG.pdf	H - AT - 17 APS_APSES WO_1 01-01-09 CAG.pdf
DR - 80 RE_ ACC COC Questions AJG.pdf	H - AT - 18 APS_APSES WO_1 01-01-03 CAG.pdf
DR - 81.1 RE_ ACC Code of Conduct Question AJG.pdf	H - AT - 19 APS_APSES WO_1 01-01-07 CAG.pdf
DR - 81.2 RE_ ACC Code of Conduct Question AJG.pdf	H - AT - 20 APS_APSES WO_2 Aguayo 11-09-07 CAG.pdf
DR - 82 Secondary Procurement Protocol as filed with ACC_033103 CAG.pdf	H - AT - 21 APS_APSES WO_2 Stoneberger 3-18-08 CAG.pdf
DR - 83 Code of conduct AJG.pdf	H - AT - 22 APS_APSES WO_4 Tech Dev 04-01-07 CAG.pdf
DR - 84 RE_ Code of conduct AJG.pdf	H - AT - 23 APS_APSES WO_6 McAdams 05-20-08 CAG.pdf
DR - 85 RE_ Code of conduct AJG.pdf	H - AT - 24 APS_APSES WO_7 Klyana 06-18-08 CAG.pdf
DR - 86 Confirmation statement - Tom Carlson AJG.pdf	H - AT - 25 APS_PWCC WO_1 01-01-09 CAG.pdf
DR - 87 Thompson Attestation AJG.pdf	H - AT - 26 APS_PWCC WO_2 01-01-09 CAG.pdf
DR - 89 2006 Selections From New Hires Report[1] AJG.pdf	H - AT - 27 APS_PWCC WO_2 01-01-08 CAG.pdf
DR - 90 2007 Selections From New Hires Report[1] AJG.pdf	H - AT - 28 APS_PWCC WO_1 01-01-08 CAG.pdf
DR - 91 APS_APSES Master Agreement 01-01-07 AJG.pdf	H - AT - 29 APS_PWCC WO_1 01-01-07 CAG.pdf
DR - 92 PWCC_APSES Master Agreement 01-01-07 AJG.pdf	H - AT - 30 APS_PWCC WO_2 01-01-07 CAG.pdf
DR - 93 PNWCC and APS recon 2006 AJG.pdf	H - AT - 31 APS_PWEC Extends Mstr and WO's thru 12-31-06 CAG.pdf
DR - 94 PNWCC and APS recon June 07 AJG.pdf	H - AT - 32 APS_PWMT Master Agreement 02-01-07 CAG.pdf
DR - 95 PNWCC and APS recon June 08 AJG.pdf	H - AT - 33 APS_PWMT WO_1 02-01-07 CAG.pdf
DR - 96 PNWCC and APS recon 2007 AJG.pdf	H - AT - 34 APS_PWMT WO_1 02-01-08 CAG.pdf
DR - 97 PNWCC and APS Recon 2008 AJG.pdf	H - AT - 35 2007 APSES Service Delivery CAG.pdf
	MR - 01 - List of CHQ Meeting Rooms 19 NOV 09 CAG.pdf

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OD - APS 2006 AJG.pdf
OD - APS 2007 AJG.pdf
OD - APS 2008 AJG.pdf
OD - APS 2009 AJG.pdf
OD - APS Energy Services 2007 AJG.pdf
OD - APS Energy Services 2009 AJG.pdf
OD - PNW 2006 AJG.pdf
OD - PNW 2007 AJG.pdf
OD - PNW 2008 AJG.pdf
OD - PNW 2009 AJG.pdf
OD - PNW Energy 2006 AJG.pdf
OD - PNWM&T 2006 AJG.pdf
P2S6 - 01 - APS Internet - Compliance Department CoC webpage 24 NOV 09 CAG.pdf
P2S6 - 02 - COC Approved 06_05_06[1] - Downloaded from APS Website 24 NOV 09 CAG.pdf
RD - 01 Rep Direct - Authorized People 19 NOV 09 CAG.pdf
RD - 02 Rep Direct - Letter of Authorization 19 NOV 09 CAG.pdf
RD - 03 Rep Direct - Customer of Record 19 NOV 09 CAG.pdf
Sauer - 01 - Data Request (Signed Balance Sheet Reconciliations) 12 NOV 09 CAG.pdf
Second Half Survey AJG.pdf
SR - 01 Lori Sundberg 2008 Survey AJG.pdf
SR - 02 James Hatfield 2008 Survey AJG.pdf
SR - 03 Daniel Froetscher 2008 Survey AJG.pdf
SR - 04 Patrick Dinkel 2008 Survey AJG.pdf
SR - 05 Tammy McLeod 2008 Survey AJG.pdf
SR - 06 Steven Norris 2008 Survey AJG.pdf
SR - 07 Kepiloni Foliaki 2008 Survey AJG.pdf
SR - 08 Denny Brown 2008 Survey AJG.pdf
SR - 09 Carl Balderson 2008 Survey AJG.pdf
SR - 10 Thomas Carlson 2008 Survey AJG.pdf
SR - 11 Justin Thompson 2008 Survey AJG.pdf
SR - 12 Lori Sundberg 2007 Survey AJG.pdf
SR - 13 Tammy McLeod 2007 Survey AJG.pdf
SR - 14 Don Robinson 2007 Survey AJG.pdf
SR - 15 Chris Froggatt 2007 Survey AJG.pdf
SR - 16 Jan Bennett 2007 Survey AJG.pdf
SR - 17 All responses to the 2008 CoC Survey AJG.pdf
SR - 18 All Responses to the 2007 CoC Survey AJG.pdf
TR - email from Barbara Bourque RE Employee move AJG.pdf
TR - email from Dennis Beals Personnel Change AJG.pdf
TR - email from Steve Norris re 2006 Transfers AJG.pdf
TR - email from Steve Norris Transfer of PNW employee AJG.pdf
TR - Transfers Trading Desk & Affiliates 2006 AJG.pdf
TR - Transfers Trading Desk & Affiliates 2007 AJG.pdf
TR - Transfers Trading Desk & Affiliates 2008 AJG.pdf

Appendix B – APS Personnel Interviewed

The following APS management personnel were interviewed as a part of the 2009 Code of Conduct Audit. In addition to the response to the general areas of focus for the interviews listed below each interviewee stated that they had no information or knowledge of any non-compliance to the Code of Conduct between June 5, 2006 and June 30, 2009.

Name	Management Position	General focus areas of Interview
Colleen Sauer	Accounting Team Lead	Shared Services Transfer of Goods and Services Affiliate Transactions
James Lodge	President APSES	Current APSES activities Control of confidential information Shared Services
Jenine Schenk	Rate and Regulatory Analyst	(Former APSES employee) Separation requirements APSES compliance activities Close-out of PNW M&T activities Shared Services
Keith Van Ausdal	Manager, Franchise and Technical Services	Control of confidential information Retail electric competition
Lecia Bowers	Business/Technical INT Section Leader	Shared services Information security
Linda Thompson	Director, Ethics and Compliance	Compliance, Dissemination and Education Reporting requirements Modification to the Code of Conduct or Policies and Procedures Dispute Resolution
Stacy Aguayo	Regulatory Relations Group Leader	(Former APSES employee) Control of confidential information General APSES activities
Steven Norris	Director, Trading Floor Operations	Front, middle, and back office trading activities Control of confidential information Close-out of PNW M&T activities
Tammy McLeod	VP and Chief Customer Officer	Organizational compliance to Code of Conduct
William Leavenworth	Account Team Leader	Shared services Affiliate transactions