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AZ CORP COMMISSION  
ACCOUNT CONTROL  
Arizona Corporation Commission

DOCKETED

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DOCKETED BY *JM*

June 2, 2000

Ms. Deborah Scott  
Director, Utilities Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007

RE: APS CODE OF CONDUCT  
DOCKET NO.'s: E-01345A-98-0473, E-01345A-97-0773, RE-00000C-94-0165

Dear Ms. Scott:

Pursuant to ACC Decision No. 62416, Ordering Paragraph 4, attached is Arizona Public Service Company's ("APS") revised Policies and Procedures that implement the Code of Conduct.

If you or your staff have any questions, please feel free to call me.

Sincerely,

Jana Van Ness  
Manager  
State Regulations

Attachment

JVN/srm

Cc: Docket Control (Original, plus 18 copies)

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**TAB**

**2**

## CODE OF CONDUCT

### I. Definitions

**“APS”** means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

**“Bill”** means the billing invoice for Noncompetitive Services.

**“Competitive Activities”** means Competitive Electric Affiliates, Interim Competitive Activities, or Permitted Competitive Activities, as those terms are defined in this Code of Conduct.

**“Competitive Electric Affiliate”** means any business enterprise related to APS that is also an Electric Service Provider.

**“Competitive Services”** means all aspects of retail electric services described in A.A.C. R14-2-1601(7).

**“Confidential Customer Information”** means any non-public customer-specific information obtained by APS as a result of providing Noncompetitive Services or Permitted Competitive Activities. Confidential Customer Information also includes non-public customer-specific information obtained by APS from customers of special districts and public power entities on behalf of such special districts and public power entities.

**“Confidential Information”** means Confidential Customer Information as that term is defined in this Code of Conduct and any other information obtained through the provision of Noncompetitive Services that would provide a competitive advantage to a Competitive Electric Affiliate.

**“Distribution Service”** means those services described in A.A.C. R14-2-1601(14).

**“Electric Competition Rules”** means A.A.C. R14-2-1601 to -1617 including all future amendments and modifications.

**“Electric Service Provider”** means an entity as described in A.A.C. R14-2-1601(15).

**“Extraordinary Circumstance”** means any situation that requires APS to act in a manner contrary to this Code of Conduct to protect public interest or safety. Examples include the following: (a) an abnormal system condition requiring manual or automatic action to maintain system frequency, to prevent loss of firm load, to prevent equipment damage, or to prevent disconnection of system elements that could adversely affect reliability or safety; (b) a fuel shortage requiring departure from normal operating procedures to minimize the use of a particular fuel; (c) a condition that requires implementation of emergency procedures as defined in the AISA operating protocols or protocols of any successor; or (d) any applicable

law, regulation, court order, or regulatory agency directive requiring APS to act in a manner contrary to the Code of Conduct.

**“Interim Competitive Activities”** means any Competitive Services, exclusive of those set forth in A.A.C. R14-2-1615(B), that APS may lawfully provide until December 31, 2002.

**“Noncompetitive Services”** means those services described in A.A.C. R14-2-1601(29).

**“Permitted Competitive Activities”** means those Competitive Services that APS may provide pursuant to A.A.C. R14-2-1615(B), except for any service provided as part of Standard Offer Service.

**“Policies and Procedures” or “P&P”** means those policies and procedures developed by APS to implement this Code of Conduct.

**“Same Terms”** means that APS shall provide Noncompetitive Services to its Competitive Activities and Third Parties on the same terms and conditions.

**“Standard Offer Service”** means the bundled provision of retail electric service as described in A.A.C. R14-2-1601(38).

**“Third Party”** means any Electric Service Provider or other market participants that may lawfully provide Competitive Services to retail customers that do not fall within the definition of APS or Competitive Activities, as those terms are defined in this Code of Conduct.

## **II. Applicability of Code of Conduct**

The Code of Conduct applies to the conduct of APS and its Competitive Activities, unless an Extraordinary Circumstance excuses compliance.

All employees and authorized agents of APS shall comply with this Code of Conduct. Failure to comply with this Code of Conduct will subject the employee to disciplinary actions as described in Section XIII.

## **III. Treatment of Similarly Situated Persons**

- A. APS shall apply its tariffs in the same manner to similarly situated entities. If a tariff provision allows for discretion in its application, APS shall apply that provision in a non-discriminatory manner between its Competitive Activities and all Third Parties and their respective customers.

- B. APS shall process all similar requests for Noncompetitive Services and for Permitted Competitive Activities, if applicable, in the same manner and within the same time period.
- C. APS shall provide access to Distribution Service-specific information (including information about available distribution capability, transmission access, and curtailments) to its Competitive Electric Affiliates and Third Parties concurrently and under the same terms and conditions.

#### **IV. Use of Confidential Customer Information**

- A. APS shall not provide Confidential Customer Information to any Competitive Electric Affiliate or Third Party without the customer's written authorization. Such information may be provided only to the extent specifically authorized.
- B. APS shall inform any Competitive Electric Affiliate or Third Party seeking Confidential Customer Information that such information may be released only after APS receives the customer's written authorization.

#### **V. Use of the Bill and Promotions within the Bill Envelope**

- A. If APS decides to include any amounts due for its Competitive Activities within the Bill, APS shall develop a section in its P&P to ensure equal access to billing services for Third Parties which shall provide that APS will include in its Bill the amounts due for Competitive Services to any Third Party on the Same Terms, upon request.
- B. This provision shall not prevent APS' Competitive Activities or any Third Party from including amounts due for Noncompetitive Services in its own consolidated billing statement, as long as the customer receiving such consolidated billing statement has authorized APS' Competitive Activities or a Third Party, as applicable, to act as its agent for such purpose.
- C. If APS chooses to insert any advertising or promotional materials for its Competitive Activities or for any Third Party's Competitive Services into the envelope for the Bill or to print such advertisements on the Bill or billing envelope, APS shall develop a section in its P&P to ensure equal access to advertising space in or on the Bill or billing envelope.

#### **VI. Customer Telephone Calls**

Telephone numbers and websites used by APS for provision of Noncompetitive Services shall be different from those used by its Competitive Electric Affiliates.

## **VII. Prohibition on Suggestion of Utility Advantage**

- A. APS shall not state in any advertising, promotional materials, or sales efforts that a consumer who purchases services from APS' Competitive Activities will receive preferential treatment in the provision of Noncompetitive Services or that any other advantage regarding the provision of Noncompetitive Services will accrue to that consumer.
- B. The name or logo of APS as a utility distribution company shall not be used in promotional advertising material circulated by a Competitive Electric Affiliate.
- C. APS personnel shall not specify to any customer or potential customer a preference for any Competitive Service provided by APS' Competitive Activities over those of any Third Party.
- D. APS personnel shall not specify to any customer or potential customer a preference for any Competitive Service provided by a Third Party over any Competitive Service provided by any other Third Party.
- E. APS personnel providing Noncompetitive Services shall either inform customers who inquire about Competitive Services that a list of Electric Service Providers is available at no charge from the Arizona Corporation Commission on its website or by telephone, and upon request shall provide the customers with the appropriate Arizona Corporation Commission website address and telephone number, or may provide such customers with a copy of the current Arizona Corporation Commission list of such providers.
- F. APS shall not require that a consumer purchase any Competitive Service from APS' Competitive Activities as a condition to providing Noncompetitive Services.
- G. Prior to the divestiture of APS generation pursuant to Arizona Corporation Commission Decision No. 61973 (October 6, 1999), APS generation service shall not be sold on a discounted basis to Standard Offer Service customers without the express permission of the Arizona Corporation Commission.

## **VIII. Accounting for Costs**

- A. APS shall not subsidize its Competitive Activities through any rates or charges for Noncompetitive Services. However, this provision does not require APS to charge more than its authorized tariff rate for any Noncompetitive Service.

- B. All transactions between APS and its Competitive Electric Affiliate shall be accounted for in accordance with APS' P&P, which shall be developed to describe the cost allocation of all transactions pertaining to APS and its Competitive Electric Affiliates in a manner that ensures that there is no subsidization of the Competitive Electric Affiliate by the Noncompetitive Services of APS. Any material violation of the P&P or other activity which would constitute engagement in unlawful anticompetitive behavior shall constitute a violation of this Code of Conduct.
- C. The initial P&P shall be submitted to the Commission for review and approval. If no action is taken by the Commission or its designee within 60 days of the filing, the P&P shall be deemed approved. Beginning one year from the date of approval of the P&P, APS shall notify the Commission by filing annual updates to the P&P, including any and all Commission approved modifications as specified in subsection D, to allocation methods and changes in direct and indirect allocators used in the P&P. If no action is taken by the Commission or its designee within 30 days of its filing, the update shall be deemed approved.
- D. APS may not make and implement any material change to the P&P without seeking the prior approval of the Commission or its designee. Once notification is made by APS of an intended modification, if no action is taken by the Commission or its designee within 30 days of its filing, the modification shall be deemed approved.

## **IX. Reporting Requirements**

APS shall submit the following information to the Commission on an annual basis:

- A. A list of all Extraordinary Circumstances excusing APS' compliance with this Code of Conduct and a report explaining the nature, cause, and duration of each incident.
- B. A report detailing the costs associated with all nontariffed transactions between APS and its Competitive Electric Affiliates, with the associated costs reported separately for each business activity and for each transaction.
- C. A report detailing how many non-Standard Offer Service customers were provided metering services or meter reading services pursuant to R14-2-1615.B and how many Electric Service Providers received consolidated billing services from APS pursuant to R14-2-1615.B.

**X. Separation Requirements**

- A. APS and its Competitive Activities shall be separate corporate affiliates to the extent required by A.A.C. R14-2-1615 and Decision No. 61973 (October 6, 1999).
- B. APS shall not provide Interim Competitive Activities.
- C. APS and its Competitive Electric Affiliates shall keep separate books and records. APS shall keep accounting records that set forth appropriate cost allocations between APS' Noncompetitive Services, and its Competitive Electric Affiliates. All APS records shall be kept in accordance with the FERC Uniform System of Accounts and Generally Accepted Accounting Principles. As a precondition to transacting any business with APS, books and records of APS' Competitive Electric Affiliates must be made available for inspection by the Arizona Corporation Commission to the extent reasonably necessary to determine compliance with this Code of Conduct.
- D. APS and its Competitive Electric Affiliates shall not jointly employ the same employees; provided, however, that APS and its Competitive Electric Affiliates may have common officers and directors for corporate support, oversight, and governance, but APS officers directly responsible for operational matters shall not serve as officers or directors of a Competitive Electric Affiliate. Common officers and directors shall not utilize Confidential Information obtained through the provision of Noncompetitive Service to provide a competitive advantage to a Competitive Electric Affiliate. Contracts for services accounted for in conformance with Section XI shall not constitute prohibited joint employment if measures are taken to prevent the transfer of Confidential Information between APS and a Competitive Electric Affiliate.
- E. This Code of Conduct shall not prohibit APS and its Competitive Electric Affiliates from purchasing shared services from Pinnacle West Capital Corporation in accordance with the P&P; provided, however, that APS, Pinnacle West, and any Competitive Electric Affiliate shall take appropriate measures to prevent the transfer of Confidential Information between APS and its Competitive Electric Affiliates via Pinnacle West.

**XI. Transfers of Goods and Services**

- A. APS' tariffed goods and services shall be provided to Third Parties and its Competitive Electric Affiliates at the rates and under the terms and conditions set forth in the tariff.

- B. If APS sells nontariffed goods and services that were developed by APS for sale in the market to its Competitive Electric Affiliates, the transfer price shall be the fair market value. Such goods and services shall be provided to APS' Competitive Electric Affiliates and Third Parties on a non-discriminatory basis.
- C. All other transfers of nontariffed goods and services from APS to APS' Competitive Electric Affiliates shall be at the higher of fully-allocated cost or fair market value.
- D. If APS' Competitive Electric Affiliates transfer any goods and services to APS that were developed for sale by the Competitive Electric Affiliate in the market, the transfer price shall be the fair market value.
- E. All other transfers of goods and services from APS' Competitive Electric Affiliates to APS shall be at the lower of fully-allocated cost or fair market value.

## **XII. Joint Marketing**

APS and its Competitive Electric Affiliates shall not jointly market their respective services.

## **XIII. Dissemination, Education, and Compliance**

- A. Copies of this Code of Conduct shall be provided to employees of APS and its Competitive Electric Affiliates and those authorized agents of APS and its Competitive Electric Affiliates that are likely to be engaged in activities subject to the Code of Conduct. A copy of the Code of Conduct shall be maintained on Pinnacle West Capital Corporation's intranet.
- B. Training on the provisions of the Code of Conduct and its implementation shall be provided to all APS employees, as well as to authorized agents that are likely to be engaged in activities subject to the Code of Conduct.
- C. Compliance with the Code of Conduct is mandatory. An APS employee's or agent's failure or refusal to abide by or to act according to such standards may subject the employee or agent to disciplinary action, up to and including discharge from employment or termination of the agent's relationship with APS.
- D. Questions regarding this Code of Conduct should be directed to Pinnacle West Capital Corporation's Business Practices Department. Compliance with this Code of Conduct shall be administered as part of Pinnacle West Capital Corporation's Business Practices Program.

**XIV. Procedure to Modify the Code of Conduct**

APS or any other interested party, including Commission Staff may request modifications to the Code of Conduct by filing an application with the Commission. The application shall set forth the proposed modifications and the reasons supporting them.

**XV. Dispute Resolution**

To the extent permitted by law, complaints concerning violations of this Code of Conduct shall be processed under the procedures established in A.A.C. R14-2-212.

**TAB**

**3**



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CODE OF CONDUCT POLICY NO. 1	CODE SECTION NOS. VII, X and XI
SUBJECT: Affiliate Accounting Policies	

**Definitions:**

“**Affiliate**” means a separate legal entity that is controlled by, controls, or is under common control with APS.

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Assets**” include real property, depreciable personal property, and intangible property.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Depreciable Personal Property**” means vehicles, machinery, furniture, fixtures not attached to land, equipment, computer hardware and related software applications, and any other tangible property, which are not goods or real property.

“**Fully Loaded Cost**” means the direct cost of a good or service and all applicable indirect charges and overheads.

“**Goods**” means non-depreciable personal property, such as inventory, materials, and supplies.

“**Intangible Property**” means any asset having no physical existence, its value being set by the rights and anticipated benefits that an owner obtains by possessing it.

“**Labor Charges**” means direct payroll costs and all related costs such as pension, post employment benefits, health insurance, payroll taxes, etc.

“**Liabilities**” includes accounts payable, notes payable, lease obligations, debt, pension and other post retirement benefits, deferred compensation, and other employee-related benefits.

“**Noncompetitive Services**” means those services described in A.A.C. R14-2-1601(29).

“**Pinnacle West Capital Corporation**” (Pinnacle West) means the parent holding company for APS and other Affiliates.

“**Proprietary Information**” means written, verbal, or visual information, material, data, or knowledge belonging to APS or an Affiliate which APS or the Affiliate considers being

valuable, confidential, and proprietary. Such proprietary information could be owned by an Affiliate and/or third parties and licensed to an Affiliate. Proprietary information includes trade secrets, data, software, computer programs and related documentation, specifications, documents, methods, inventions, discoveries, drawings, customer lists, and employee or personnel information and records. Proprietary information also includes information and records relating to research, developments, operations or activities of APS, Affiliates, contractors, or others, which have not been generally released to the public by duly authorized representatives of the entity in lawful possession of the same.

**Purpose:**

The purpose of these policies is to provide guidelines and standards to ensure compliance with regulatory requirements related to Competitive Electric Affiliate relationships. All transactions between APS and its Competitive Electric Affiliate, including the provision of services and transfer of assets and liabilities, shall be accounted for in accordance with these policies.

**Policies:**

**I. APPLICABILITY**

These Affiliate Accounting Policies set forth business practices for transactions between APS and its Competitive Electric Affiliate.

**II. COMPLIANCE**

The Pinnacle West Controller is responsible for issuing, updating, and monitoring compliance with these policies.

**III. OVERVIEW**

These accounting policies provide guidelines and standards to ensure compliance with regulatory accounting requirements related to Affiliate financial relationships, including those requirements of the Arizona Corporation Commission (“ACC”), the Federal Energy Regulatory Commission (“FERC”) and the Securities and Exchange Commission (“SEC”). All transactions between APS and its Competitive Electric Affiliate, including the provision of services and transfer of assets or liabilities, shall be accounted for in accordance with these policies.

It is the policy of APS and Pinnacle West to ensure that the costs related to their Competitive Electric Affiliate are segregated and accounted for separately. Specifically:

- All relationships between APS and its Competitive Electric Affiliate are to be conducted in a manner that prevents subsidization of competitive retail electric services provided by the Competitive Electric Affiliate through any rate or charge by APS for noncompetitive electric services.

- Compensation or reimbursement for all assets, liabilities, goods or services transferred or provided between APS and its Competitive Electric Affiliate shall be in accordance with these Affiliate Accounting Policies.
- All transactions between APS and its Competitive Electric Affiliate shall be segregated and shall separately account for all costs incurred and revenues received by APS as a result of such transaction.

#### **IV. SHARED SERVICES GENERAL**

Shared services are those corporate support services performed by Pinnacle West on behalf of its Affiliates. These services are organized at Pinnacle West in order to ensure consistency, efficiency and the leverage of resources for the mutual benefit of all Pinnacle West Affiliates. Examples of shared services include the following:

- Accounting and Finance
- Audit
- Tax Services
- Information and Communications Technology
- Corporate Communications
- Shareholder Services
- Law and Business Practices
- Environmental Services
- Public Affairs
- Human Resources

Charges for shared services to the various Affiliates are either direct or indirect. Direct charges result from shared services that benefit a single Affiliate and will be directly assigned to that Affiliate in accordance with this policy. Indirect charges are allocated to the appropriate Affiliate based on a measure representing the Affiliate's proportionate relationship to other Affiliates. The allocation method used is based on Pinnacle West's net equity invested in its Affiliates.

#### **A. DIRECT CHARGES**

##### **1. Identification**

Direct charges are applicable to those shared services that are assignable to a specific Affiliate based on a causal or beneficial relationship to that Affiliate. Where direct shared services benefit more than one Affiliate, such services may be assigned to more than one Affiliate based on the support provided. In other cases, such services will be based on the actual demands for such services by the Affiliate. Examples of direct support services may include some human resources services, information technology support, communications services, and legal services.

## **2. Charging Methodology:**

Direct charges are charged to specific Affiliates based on a causal or beneficial relationship or, in the case of special services requested by the Affiliate, on the basis of the service level provided. Direct labor charges will be captured on an “as-provided basis” and charged to a specific account number for that Affiliate using variable payroll distribution when the provider can specifically identify the actual hours to provide the service. When the service is provided on a regular or monthly basis and the specific Affiliate is not easily identifiable, as in the case of accounts payable or payroll processing, the time to be charged will be based on a time study or another measurable quantity (i.e., number of invoices processed or number of employees being paid) to determine the “average” time spent as a percent of total time, with the subsequent use of a payroll fixed distribution.

## **B. INDIRECT CHARGES**

### **1. Identification:**

Indirect charges are those shared services that are essential for the overall corporate enterprise and generally benefit all Affiliates. The associated costs are assignable to each Affiliate. Examples of indirect shared services include preparing consolidated financial statements, filing tax returns, meetings of the Pinnacle West Board of Directors and shareholder services.

### **2. Charging Methodology:**

Because indirect shared services represent functions not specifically identifiable to an Affiliate, it is impractical to charge those costs to the specific Affiliate as the costs are incurred. Indirect charges are allocated to the appropriate Affiliate based on Pinnacle West’s net equity invested in its Affiliates, including APS and its Competitive Electric Affiliate.

## **V. GOODS OR SERVICES PROVIDED BETWEEN APS AND AFFILIATES**

### **A. GENERAL**

This section provides guidelines for the transfer of goods or services, other than shared services described in Section V, between APS and its Competitive Electric Affiliate. It provides guidelines to assign monetary value to other goods or services transferred between APS and its Competitive Electric Affiliate. There are two general types of transactions that can occur (each of which is discussed in detail at B and C below):

- Goods or services produced, purchased, or developed for sale
- Goods or services not produced, purchased, or developed for sale

## **B. GOODS OR SERVICES PRODUCED, PURCHASED, OR DEVELOPED FOR SALE**

### **1. Identification:**

Goods or services produced, purchased, or developed for sale include those goods or services intended for sale in the normal course of APS' or the Competitive Electric Affiliate's business. To be considered produced, purchased, or developed for sale, the goods or services must be routinely available to third parties in addition to the Competitive Electric Affiliate and APS and would usually be the product of resources which are planned and dedicated to providing those goods or services.

Goods or services produced, purchased, or developed for sale include:

- Electric generation, transmission, and distribution services
- Engineering and design services

### **2. Charging Methodology:**

Goods or services produced, purchased, or developed for sale will be priced based on the following:

#### **From APS to the Competitive Electric Affiliate:**

- Tariffed goods or services at the rates, terms and conditions set forth in the tariff.
- Non-tariffed goods or services developed for sale in the market at market price.

#### **From the Competitive Electric Affiliate to APS:**

- Goods or services developed for sale in the market at a price not to exceed market price.

### **3. Recording:**

Goods or services produced, purchased, or developed for sale will be a direct charge to the recipient Affiliate or APS based upon the pricing described above.

## **C. GOODS OR SERVICES NOT PRODUCED, PURCHASED, OR DEVELOPED FOR SALE**

### **1. Identification:**

Goods or services not produced, purchased, or developed for sale include those goods or services that are provided only incidentally to the primary business of APS or an Affiliate and are not provided to unaffiliated third parties.

#### **a. Labor:**

No APS employee may perform any work for the Competitive Electric Affiliate unless a written agreement is in place. Where an agreement calls for direct labor charges, such labor charges will be based on the rate for that employee and the actual number of hours devoted to providing services. All direct labor will be priced at fully loaded cost by Pinnacle West Accounting.

**b. Materials:**

Purchases of materials or services by the Competitive Electric Affiliate from APS or by APS from the Competitive Electric Affiliate require the preparation of a requisition form or purchase order and the related costs shall be charged to the appropriate Affiliate charge numbers.

**2. Charging Methodology:**

Non-tariffed goods or services not produced, purchased, or developed for sale will be priced based on the following:

**From APS to the Competitive Electric Affiliate:**

- Non-tariffed goods or services not developed for sale in the market at the higher of market value or fully loaded cost

**From the Competitive Electric Affiliate to APS:**

- Goods or services not developed for sale in the market at the lower of market value or fully loaded cost

**3. Recording:**

Charges for goods or services will be calculated by the entity providing the service. The entity receiving the goods or services may request that Pinnacle West audit the transactions. APS will record the fully loaded cost of any such goods or services provided by APS, and any corresponding revenues, below-the-line.

**D. TRANSFER OF ASSETS & LIABILITIES**

**1. Identification:**

Transfers of assets include transfers of tangible real or depreciable personal property and intangible property used in a trade or business.

**Real property:**

Includes, but is not limited to:

- Land
- Buildings
- Improvements
- Easements
- Other real property rights

Personal property:

Includes, but is not limited to:

- Automobiles
- Power-operated equipment
- Computer hardware
- Computer software or application software
- Furniture
- Materials and supplies

Intangible property:

Includes, but is not limited to:

- Copyrights
- Patent rights
- Royalty interests
- Licenses
- Trademarks
- Other proprietary information

Transfers of liabilities include, but are not limited to, accounts payable, notes payable, lease obligations, debt, pension and other post retirement benefits, deferred compensation and other items related to employees of APS and the Competitive Electric Affiliate

**2. Valuation:**

Transfers of assets and liabilities between APS and its Competitive Electric Affiliate will be at net book value as of the date of the transfer in accordance with Generally Accepted Accounting Principles and SEC requirements.

**3. Recording:**

Transfers of assets or liabilities will be recorded through a direct charge.

## **VI. INTER-COMPANY BILLINGS AND REIMBURSEMENTS**

### **A. GENERAL**

Billing for inter-company transactions shall be issued on a timely basis, at least monthly, for goods or services and at the time of transfer for assets or liabilities. Sufficient detail will be provided to ensure an adequate audit trail and enable prompt reimbursement from the recipient of the assets, liabilities, goods, or services.

### **B. INTER-COMPANY BILLINGS AND PAYMENTS**

Inter-company billing issued for transfers of assets, liabilities, goods, or services will be accompanied by or referenced to appropriate supporting documents. Allocations will be based upon methods set forth in these policies or applicable references. Such computations must be

documented in order to facilitate verification of the costs of transferred assets, liabilities, goods, or services. Costs incurred on behalf of APS or the Competitive Electric Affiliate shall be accumulated, priced, and billed no later than the end of the following month to enable timely payment.

Payments, or formal arrangement for payment, for assets, liabilities, goods, or services received from APS or the Competitive Electric Affiliate shall be made no later than 30 days after receipt of an invoice. Inter-company billing and payments shall be adequately documented so that an audit trail exists to facilitate verification of the accuracy and completeness of all billings and reimbursements.

### **C. RECORDING**

The receipt of an inter-company billing shall promptly be recorded in the accounting records of APS or the Competitive Electric Affiliate, whichever receives the billing. Disputes shall not preclude recording of the billing. Adjustments to prices, if necessary, will be proposed and resolved as soon as practicable after the billing is recorded.

**TAB**

**4**



THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 2	CODE SECTION NOS. III.C., IV. And X.E.
SUBJECT: Access to Information	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Confidential Customer Information**” means any non-public customer-specific information obtained by APS as a result of providing Noncompetitive Services or Permitted Competitive Activities. Confidential Customer Information also includes non-public customer-specific information obtained by APS from customers of special districts and public power entities on behalf of such special districts and public power entities.

“**Confidential Information**” means Confidential Customer Information as that term is defined in the Code of Conduct and any other information obtained through the provision of Noncompetitive Services that would provide a competitive advantage to a Competitive Electric Affiliate.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Policies and Procedures**” or “**P&P**” means those policies or procedures developed by APS to implement the Code of Conduct.

“**Third Party**” means any Electric Service Provider or other market participants that may lawfully provide Competitive Services to retail customers that does not fall within the definition of APS or Competitive Activities, as those terms are defined in the Code of Conduct.

“**Utility Distribution Company**” (UDC) means the electric utility entity regulated by the Commission that operates, constructs, and maintains the distribution system for the delivery of power to the end user point of delivery on the distribution system.

**Purpose:**

The purpose of this policy is to address the provision of various types of information by APS to Competitive Electric Affiliates.

**Policy:**

**1. Customer-Specific Information**

Except as permitted by this Policy, APS shall not provide Confidential Customer Information to any Third Party, including its Competitive Electric Affiliate, unless APS has received written authorization from the customer to provide the information to the other party. Customer-specific information subject to this restriction includes, but is not limited to: name and address; credit and payment history; deposit information; load profile and usage data; and billing information. APS may, however, release customer-specific information without such authorization if required by law (such as in response to a subpoena) or if necessary to obtain collection and payment of a delinquent account or if otherwise authorized by statute or an order or regulation of the Arizona Corporation Commission.

**2. Non-customer Specific Information**

**Utility Distribution Company (UDC)-Specific Information**

APS may provide UDC-specific information (information derived by virtue of APS' status as a UDC and transmission operator), to a Competitive Electric Affiliate only if such information is concurrently available to all other ESPs under the same terms and conditions *and* the Competitive Electric Affiliate pays the same amount for the information as APS charges other ESPs. UDC-specific information includes, but is not limited to: system resource plans; load growth data; system outage information; extension requests; and transmission access information.

**Corporate Administrative Information**

APS may provide to Pinnacle West Capital Corporation (Pinnacle West) corporate administrative information that is proprietary and confidential. Corporate administrative information includes, but is not limited to: company policies; personnel policies; shared system information; budgets; financial reports; company newsletters and employee-related communications; organization charts and benefits information; and material logistics information systems.

Such information provided by APS to Pinnacle West shall not thereafter be provided to a Competitive Electric Affiliate unless such sharing is for the purpose of administering shared services, joint corporate oversight, governance, support systems or personnel, and the

information so provided does not include customer-specific information or UDC-specific information that is not made available to other ESPs in accordance with this policy

**TAB**

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THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 3	CODE SECTION NO. XIII.D.
SUBJECT: Compliance	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Pinnacle West Business Practices Department**” means the department, or any successor department as designated by Pinnacle West Capital Corporation (Pinnacle West) from time to time, responsible for administering the corporation’s Business Practices Program, or any successor program, that includes the Code of Conduct and the Business Practices HelpLine.

“**Pinnacle West Human Resources Department**” means the department, or any successor department as designated by Pinnacle West from time to time, responsible for administering the corporation’s human resource programs including compensation, benefits, and staffing.

“**Policies and Procedures**” or “**P&P**” means those policies or procedures developed by APS to implement the Code of Conduct.

**Purpose:**

The purpose of this policy is to document the process used by the Pinnacle West Business Practices Department, or such successor department as is designated by Pinnacle West from time to time, on behalf of APS to handle complaints concerning violations of the Code of Conduct and its Policies and Procedures received from APS, its Competitive Electric Affiliates’ employees and agents, and others.

**Policy:**

Complaints concerning violations of the Code of Conduct shall be processed under the procedures established in R14-2-212 and in conformance with the practices utilized by the Pinnacle West Business Practices HelpLine (HelpLine), or such successor program as is designated by Pinnacle West from time to time.

**Scope:**

Concerns involving compliance with the Code of Conduct and its Policies and Procedures may be raised through the HelpLine. Violations of the Code of Conduct and its Policies and Procedures may also be reported through the HelpLine.

**Audit Provisions:**

Periodic audits regarding APS' compliance with the Code of Conduct and its Policies and Procedures will be performed by Pinnacle West internal auditors. Such internal audits shall not prevent the Arizona Corporation Commission or its designee from conducting its own audit of APS compliance.

**Procedures:****Complaint Resolution:**

1. Concerns or complaints may be registered in several ways:
  - Pinnacle West Business Practices HelpLine (1-800-446-8144)
  - Pinnacle West Business Practices HelpLine internal phone extensions (602-250-3235/2979), or such additional/substitute extensions as may be designated from time to time by the Pinnacle West Business Practices Department
  - Office visit to Pinnacle West Business Practices Department
  - Internal and external mail
  - Referral
2. Each concern or complaint received by the HelpLine will be assigned a unique number when it is received. The number will be provided to the caller as one way for him/her to reference the concern or complaint at a later time. In addition to the concern or complaint number, a unique password will be assigned to each concern and provided to the caller.

3. The concern/complaint file will include:

- File Number
- Password
- Date
- Time
- Name
- Address
- Type of concern/complaint (confidential or anonymous)
- Description of concern/complaint
- Disposition of concern/complaint
- Correspondence or supporting documentation related to concern/complaint

4. Each file related to the Code of Conduct shall be kept separate from HelpLine files pertaining to non-Code of Conduct related concerns.

5. Callers will be asked whether or not they request confidentiality. Names of those requesting confidentiality will not be disclosed to anyone outside the HelpLine program, including investigative assignees, unless there is a "need to know."

Once confidentiality has been requested, the submitter's name may normally be released only with the explicit concurrence of the submitter. If the submitter will not release confidentiality, and release is necessary to address particular concerns, the submitter will be notified that release will be made without their concurrence and the reason why the release is necessary. This decision and action will be thoroughly documented in the respective file.

When confidentiality has been released, the submitter's identity should not be referred to or released to any individual except those determined to have a "need to know." Discretion in the release of confidentiality will be exercised in all cases.

6. Callers not wishing to identify themselves should be told to call back if they wish to receive a report on the status of the concern they have raised. The unique number and password will be required before any information will be provided to the caller.

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THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 4	CODE SECTION NO. X.D.
SUBJECT: Contracting for Personnel Services Between APS and Its Competitive Retail Electric Affiliates	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Pinnacle West Business Practices Department**” means the department, or any successor department as designated by Pinnacle West Capital Corporation (Pinnacle West) from time to time, responsible for administering the corporation’s Business Practices Program, or any successor program, that includes the Code of Conduct and the Business Practices HelpLine.

**Purpose:**

The purpose of this policy is to establish general terms and conditions under which APS and its Competitive Electric Affiliates may obtain each other’s services.

**Policy:**

1. The department or employee from whom the services are being contracted must have a recognized expertise needed for the project.
2. The project or assignment must have a specified scope and finite duration (no open-ended, as-needed or on-retainer contract provisions).

3. Any Competitive Electric Affiliate personnel involved in supporting an APS project or APS personnel involved in supporting a Competitive Electric Affiliate project may be required to sign a confidentiality/non-disclosure agreement.
4. All agreements for services between APS and a Competitive Electric Affiliate, except for allowable shared services, must be in writing and authorized by both an appropriate representative of APS and an appropriate representative of the Competitive Electric Affiliate.
5. All agreements for services must be priced in accordance with APS' Affiliate Accounting Policies.
6. The executed service agreement shall be forwarded to the Pinnacle West Business Practices Department, or such successor department as is designated by Pinnacle West from time to time.
7. Under no circumstances may a Competitive Electric Affiliate contract with APS for the provision by the latter of Call Center Services to such Competitive Electric Affiliate unless specifically permitted by the Code of Conduct.

**TAB**

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THE POWER TO MAKE IT HAPPEN<sup>SM</sup>

CODE OF CONDUCT POLICY NO. 5	CODE SECTION NO. III.B
SUBJECT: ESP Contacts and Requests for Service	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Competition Rules**” (the Rules) means A.A.C. R14-2-1601 to –1617 including all future amendments and modifications.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Third Party**” means any Electric Service Provider, or other market participants, that may lawfully provide Competitive Services to retail customers that does not fall within the definition of APS or Competitive Activities, as those terms are defined in the Code of Conduct.

“**Utility Distribution Company**” (UDC) means the electric utility entity regulated by the Commission that operates, constructs, and maintains the distribution system for the delivery of power to the end user point of delivery on the distribution system.

**Purpose:**

The purpose of this policy is to:

- Provide all ESPs, including APS Energy Services, with a single point of contact at APS for initiating requests for UDC-provided services and for processing direct access-related requests for service.
- Ensure that APS provides consistent and equitable treatment to all ESPs when handling ESP transactions and requests for UDC-provided services.
- Ensure that APS’ actions regarding ESP requests comply with the requirements of the Rules.

**Policy:**

1. APS will designate a single point of contact for all ESP requests pertaining to direct access processing as well as requests for UDC-provided services. Such single point of contact (the "Contact Agency") shall be ESP Services or such successor department as is designated by APS from time to time.
2. Requests from all ESPs shall be initiated through the Contact Agency only. Other APS departments and employees shall promptly refer any requests for services received from an ESP to the Contact Agency for handling and processing or shall advise the ESP to make its request to the Contact Agency. These departments and employees shall not begin action on an ESP request for service until notified by the Contact Agency.
3. The Contact Agency shall review ESP requests, assign the appropriate organizations to address the requests, determine the appropriate charges, and bill the ESP or cause the ESP to be billed for the services provided.
4. Requests for UDC-provided services from an APS competitive electric affiliate and non-affiliated ESPs shall be processed on a non-discriminatory basis.
5. The Contact Agency may release information relating to an ESP request for UDC-provided services only to those APS departments or employees involved in responding to or providing the requested service. Such information will not be released or made available to Affiliates or other APS departments, employees, or Third Parties.

**TAB**

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THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 6	CODE SECTION NOS. V, VII and XII
SUBJECT: Joint Promotion, Sales, and Advertising with a Competitive Retail Electric Affiliate	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Bill**” means the billing invoice by APS for Noncompetitive Services.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Noncompetitive Services**” means those services described in A.A.C. R14-2-1601(29).

**Purpose:**

The purpose of this policy is to address issues regarding non-discriminatory treatment toward ESPs, including APS’ Competitive Electric Affiliate, as it pertains to joint promotions, sales, and advertising.

**Policy:**

1. APS will not provide a Competitive Electric Affiliate with preferential treatment over non-affiliated ESPs regarding the inclusion of advertising materials in Bills and related customer mailings. APS will also inform non-affiliated ESPs of opportunities to include their advertising materials in APS Bills or related mailings at the same time and in the same manner that it informs its Competitive Electric Affiliate.
2. APS employees will not express a preference toward the products and services of any ESP, including APS’ Competitive Electric Affiliate, or offer recommendations regarding a customer’s selection of an ESP.

3. APS employees will not provide customers with unsolicited information regarding its Competitive Electric Affiliate.
4. APS employees will tell customers asking about competitive services that a listing of certified ESPs is available at no charge from the Arizona Corporation Commission (ACC) and that the list can be obtained through the Commission's website or by telephone. Upon request, employees will provide the customer with the website address or phone number or provide the customer with a current copy of the ACC's list of authorized ESPs. If a customer asks an APS employee for information regarding a specific ESP, including APS' Competitive Electric Affiliate, the APS employee may provide the customer with a contact name and phone number for the ESP.
5. APS will not engage in joint advertising, marketing, or sales with a Competitive Electric Affiliate.
6. APS will not jointly sponsor civic, industry, or charity functions and events with a Competitive Electric Affiliate. For those events sponsored by APS, only the APS name and logo will be used.
7. A Competitive Electric Affiliate and APS may participate in the same types of events described above when a non-affiliated party sponsors the event; however, they must maintain physically separate booths, displays, and/or other facilities. Each facility must bear the name and/or logo of only the company occupying or sponsoring that space or location and may only promote or advertise the services of that company.

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THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 7	CODE SECTION NO. X
SUBJECT: Physical Separation of Entities	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Pinnacle West Business Practices Department**” means the department, or any successor department as designated by Pinnacle West Capital Corporation (Pinnacle West) from time to time, responsible for administering the corporation’s Business Practices Program, or any successor program, that includes the Code of Conduct and the Business Practices HelpLine.

“**Pinnacle West Security Department**” means the department, or any successor department as designated by Pinnacle West Capital Corporation (Pinnacle West) from time to time, responsible for administering the corporation’s Security program that includes maintaining physical security of the corporation’s facilities and employee security at the those facilities.

**Purpose:**

This policy sets forth measures to ensure that APS maintains physical separation from its Competitive Electric Affiliates. Physical separation protects against the unauthorized transfer of confidential information and the improper subsidization of its Competitive Electric Affiliates.

**Policy:**

1. Escorted access to APS-occupied areas will be allowed for employees and agents of a Competitive Electric Affiliate on an as-needed basis and will under no circumstances allow employees or agents of a Competitive Electric Affiliate to read, review, copy or otherwise have access to information that may not be shared with such employees or agents under the Code of Conduct.

2. To control personnel access to APS offices and facilities at Two Arizona Center, the 502 building, the Deer Valley complex, the Paradise Valley complex and any other APS office or facility as may be designated from time to time by the Pinnacle West Security Department, APS shall utilize one or more security systems. Employee access to these facilities will be granted through security-coded photo identification badges or similar devices. Each business entity's badges shall provide identification of the different business entities.
3. All employees, contractors, visitors, and vendors shall be required to wear identification badges in full view when on secured property. Persons without identification badges will be required to obtain a temporary daily visitor badge.
4. The Pinnacle West Security Department shall maintain control over the coding of access available to employees. Pinnacle West Security, or any business group or Affiliate, may request that the Pinnacle West Business Practices Department or such successor department as is designated by Pinnacle West from time to time, make determinations on the status of employee access, as necessary.

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THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 8	CODE SECTION NO. X.D.
SUBJECT: Shared Officers and Directors	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Line Officers**” means officers directly responsible for operational matters, such as President, Energy Delivery and Sales; President, Generation; Senior Vice President, Nuclear; or Vice President, Fossil.

“**Pinnacle West Business Practices Department**” means the department, or any successor department as designated by Pinnacle West Capital Corporation (Pinnacle West) from time to time, responsible for administering the corporation’s Business Practices Program, or any successor program, that includes the Code of Conduct and the Business Practices HelpLine.

“**Policies and Procedures**” or “**P&P**” means those policies or procedures developed by APS to implement the Code of Conduct.

“**Support Officers**” means officers responsible for corporate support services, such as General Counsel, Treasurer, or Chief Financial Officer.

**Purpose:**

The purpose of this policy is to establish appropriate measures to ensure that APS satisfies Section X.D. of the Code of Conduct. That provision allows officers and directors of APS to also serve as officers and directors of a Competitive Electric Affiliate for purposes of common oversight and governance where sufficient mechanisms are in place so that such sharing does not result in circumventing any of the Code of Conduct provisions.

**Policy:**

1. An officer or director of APS may serve as an officer or director of a Competitive Electric Affiliate for purposes of common oversight and governance under the conditions of this policy.
2. **Officers.** Subject to the conditions below, the Chief Executive Officer of APS may also serve in that capacity with any Competitive Electric Affiliate. Additionally, APS may share Support Officers, but shall not share Line Officers, with a Competitive Electric Affiliate.
3. **Directors.** Subject to the conditions below, a director of APS may also serve as a director of any Competitive Electric Affiliate, provided that the director is not also an officer that is not permitted to be shared under this policy.
4. The sharing of the officer or director shall not result in cross-subsidization, nor shall the sharing of the officer or director result in unfair preferential treatment or unfair competitive advantage over other ESPs, in a manner prohibited by the Code of Conduct. The shared support provided by the officer or director shall be priced, reported, and conducted in accordance with APS' Code of Conduct and the Policies and Procedures implementing the Code of Conduct, including APS' Affiliate Accounting Policies.
5. The shared officer or director shall not allow or facilitate the transfer of information from APS to a Competitive Electric Affiliate if the transfer of such information is prohibited by the Code of Conduct and its implementing Policies and Procedures.
6. The shared officer or director shall review the Code of Conduct and its implementing Policies and Procedures upon becoming such shared officer or director or anytime there is a change to the Code of Conduct. The shared officer or director shall also sign a statement of affirmation which states that
  - a. the officer or director has read and understands the Code of Conduct and its implementing Policies and Procedures;
  - b. the officer or director understands the ramifications for violating the Code of Conduct and its implementing Policies and Procedures; and
  - c. the sharing of the officer or director satisfies the provisions of the Code of Conduct and its implementing Policies and Procedures.
7. The Pinnacle West Business Practices Department, or such successor department as is designated by Pinnacle West from time to time, shall retain at its offices signed statements of affirmation for a period of five years.

8. At the request of the Pinnacle West Business Practices Department, a shared officer or director may be asked to periodically reaffirm a statement of affirmation.
9. Information obtained from APS and known or retained by such shared officer or director, that cannot be shared with a Competitive Electric Affiliate under the Code of Conduct, shall not be conveyed to any other officer, director, or to any employee of a Competitive Electric Affiliate.

**TAB**

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THE POWER TO MAKE IT HAPPEN™

CODE OF CONDUCT POLICY NO. 9	CODE SECTION NO. XIII.B
SUBJECT: Training Policy	

**Definitions:**

“**APS**” means Arizona Public Service Company as it currently exists, as its name may be changed, or as any successor enterprise.

“**Code of Conduct**” means the APS document directing the implementation of the portion of the Electric Competition Rules as described in A.A.C. R14-2-1616.

“**Competitive Electric Affiliate**” means APS Energy Services or any business enterprise related to APS that is also an Electric Service Provider.

“**Electric Competition Rules**” (the Rules) means A.A.C. R14-2-1601 to –1617 including all future amendments and modifications.

“**Electric Service Provider**” (ESP) means an entity providing competitive electric services at retail (“Competitive Services”) as described in A.A.C. R14-2-1601(15).

“**Pinnacle West Business Practices Department**” means the department, or any successor department as designated by Pinnacle West Capital Corporation (Pinnacle West) from time to time, responsible for administering the corporation’s Business Practices Program, or any successor program that includes the Code of Conduct and the Business Practices HelpLine.

“**Policies and Procedures**” or “**P&P**” means those policies and procedures developed by APS to implement this Code of Conduct.

“**Utility Distribution Company**” (UDC) means the electric utility entity regulated by the Commission that operations, constructs, and maintains the distribution system for the delivery of power to the end user point of delivery on the distribution system.

**Purpose:**

The purpose of this policy is to establish appropriate training mechanisms to ensure that APS and its employees understand and comply with the Rules and the Code of Conduct and its Policies and Procedures.

**Policy:**

**Program Description:**

The Code of Conduct Training course content includes:

1. A review of the Rules.
2. The identification and discussion of the sections of the Code of Conduct.
3. The identification and discussion of the Code of Conduct's implementing Policies and Procedures.
4. The use of participatory exercises that reflect some of the typical workplace scenarios which employees may encounter. Employees must identify the Code of Conduct related issues within the scenarios and develop responses that are appropriate and that comply with the provisions of the Rules, Code of Conduct, and Policies and Procedures.
5. A discussion regarding the consequences of non-compliance.

A companion training program is conducted with the Competitive Electric Affiliate's employees and authorized agents.

**Participants:**

All UDC employees and authorized agents need to know the provisions and requirements contained in the Rules, the Code of Conduct, and its Policies and Procedures and understand how those provisions and requirements impact the way they do their jobs.

Those APS employees and authorized agents, whether UDC or not, who have significant customer, Electric Service Provider, and/or public contact are required to attend in-depth training sessions.

Leaders and front-line employees in shared service functions that have significant interface with APS employees and employees of its Competitive Electric Affiliate must also attend the in-depth training.

**New Hire Training Schedule/Reporting:**

For newly hired employees, the employee's Leader shall either arrange for or conduct the requisite training.

**Program/Requirement Changes and Revisions:**

The course content and materials will be updated as developments and changes occur and subsequent training sessions will be conducted as needed.

The Pinnacle West Business Practices Department, or such successor department as is designated by Pinnacle West from time to time, will keep a master file of all changes and updates.