

# Avista Corporation's Standards of Conduct Implementation and Compliance Procedures<sup>1</sup>

These procedures explain in detail the measures taken by Avista Corp. and its affiliates to implement and comply with the Federal Energy Regulatory Commission (“FERC” or “Commission”) Standards of Conduct, as promulgated in Order No. 717. A copy of these written procedures is posted on the Open Access Same-time Information System (“OASIS”), and a copy of these procedures has been distributed to employees of Avista Corp. and its affiliated marketing employees in accordance with the Commission’s regulations.<sup>2</sup> These procedures are designed to assist company employees, the FERC staff, and the public in understanding how the company is addressing FERC’s rules governing relationships between Transmission Providers and their Marketing Affiliates.

While these procedures explain how Avista Corp. is implementing the Standards of Conduct, a complete description of the rules and FERC’s stated interpretation of those rules is contained in an internal Avista Corp. Standards of Conduct intranet website. The internal Avista Corp. Standards of Conduct intranet website will be updated following revisions or clarifications as issued by FERC, and employees should refer to them on a regular basis.

## A. General Rules

- (1) *Compliance.* All employees of Avista Corp. and its affiliates shall at all times comply with the Standards of Conduct and the implementation and compliance procedures set forth herein. These procedures are consistent with the FERC Standards of Conduct regulations.<sup>3</sup> <http://www.oatioasis.com/avat/index.html> Transmission function employees, marketing function employees, officers, directors, supervisory employees, and other employees of Avista Corp. and its affiliates who are likely to become privy to transmission function information are required to be trained under the Commission’s regulations.<sup>4</sup> Avista Corp. has trained these employees, and as part of that training, the employees have certified that they understand the Standards of Conduct compliance requirements, and that any knowing failure to comply with the Commission’s Standards of Conduct may result in immediate disciplinary action.<sup>5</sup>
  
- (2) *Independent functioning.* By complying with the procedures set forth herein, Avista Corp.’s transmission function employees will function independently from its marketing function employees.<sup>6</sup>

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<sup>1</sup> A division of Avista Corporation known as “Avista Utilities” provides FERC-jurisdictional services. For simplicity herein, Avista Corporation and Avista Utilities are referred to jointly as “Avista Corp”.

<sup>2</sup> 18 C.F.R. § 358.8(b)(2).

<sup>3</sup> 18 C.F.R. § 358.

<sup>4</sup> 18 C.F.R. § 358.8(c).

<sup>5</sup> 18 C.F.R. § 358.8(c)(1).

<sup>6</sup> 18 C.F.R. § 358.5.

- (3) *Non-discrimination.* By complying with the procedures set forth herein, Avista Corp.'s transmission function employees will treat all transmission customers, whether affiliated or not, on a non-discriminatory basis and will not operate the transmission system to preferentially benefit any Avista Corp. marketing function employee or Marketing Affiliate.<sup>7</sup>

## **B. Identification of Transmission Function Employees and Employees of Marketing and Energy Affiliates**

- (1) *Transmission function employees.* Avista Corp.'s transmission function employees include all employees, contractors, consultants and agents who actively and personally engage on a day-to-day basis in transmission functions.<sup>8</sup> Avista Corp.'s organizational charts clearly reflect which employees Avista Corp. has identified as transmission function employees for purposes of Standards of Conduct compliance.<sup>9</sup> <http://www.avistacorp.com/org/>

- (2) *Marketing function employees.* Avista Corp.'s marketing function employees include all employees, contractors, consultants and agents who actively and personally engage on a day-to-day basis in marketing functions.<sup>10</sup> Avista Corp.'s organizational charts clearly reflect which employees Avista Corp. has identified as marketing function employees for purposes of Standards of Conduct compliance. <http://www.avistacorp.com/org/>

- Avista Corp. maintains on its OASIS site under Provider Information the names and addresses of all its affiliates that employ or retain marketing function employees.<sup>11</sup>

## **C. Facilities Access Restrictions**

Avista Corp.'s transmission function operates from the Avista Corp. headquarters, which is located at 1411 East Mission Avenue, Spokane, WA 99220-3727. All Avista Corp. affiliated marketing employees (who are employed within Avista Utilities' Energy Resources department) also operate from the Avista Corp. headquarters.

With regard to its headquarters, Avista Corp. has taken steps to facilitate compliance with the Standards of Conduct by restricting access to transmission-related facilities.

- (1) *Access to transmission facilities.* All of Avista Corp.'s transmission function employees work on the fourth floor of Avista Corp.'s headquarters. There are no marketing function employees that work on this floor. Transmission function

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<sup>7</sup> 18 C.F.R. § 358.4.

<sup>8</sup> The use of the term "employees" throughout these procedures is intended to include employees, contractors, consultants and agents unless expressly stated otherwise.

<sup>9</sup> 18 C.F.R. § 358.3(i).

<sup>10</sup> 18 C.F.R. § 358.3(d).

<sup>11</sup> 18 C.F.R. § 358.7(e)(1).

employees share the fourth floor with non-transmission personnel, including employees engaged in customer relations, public relations, strategic planning functions, central dispatch and risk management.

Transmission function employees occupy two areas on the fourth floor of Avista Corp.'s headquarters, both of which are off-limits to employees of Avista Corp.'s marketing function employees and to employees of other transmission customers and potential transmission customers.<sup>12</sup>

The first is the transmission system control center, which is located behind permanent walls and can be accessed only through locked doors, entry through which is controlled by closed circuit video monitoring from the control center. Only transmission employees can access the control center by keycard. A system control center employee must positively identify other individuals wishing to enter the system control center before the door is unlocked, and must register their entry and departure in the system control center log.

Transmission function employees also occupy a separate area on the fourth floor of Avista Corp.'s headquarters, which is used by Avista Corp.'s transmission contracts and planning personnel (approximately twelve employees). Like the control center, this area is behind permanent walls and access is protected by keycard restrictions.

There is a master key that allows access to both areas by facilities management.

Each of these two work areas is also protected by appropriate signage indicating that marketing function employees are prohibited from accessing the transmission function employee work areas.

- (2) *Non-affiliate transmission customers.* The access restrictions set forth immediately above apply to non-affiliated transmission customers and potential transmission customers as well as to the marketing function employees of Avista Corp.
- (3) *Access to Avista Corp.'s trading floor.* Avista Corp. prohibits access to its trading floor by all transmission function employees, both affiliated and non-affiliated. The trading floor is located in the Southwest quadrant of the west wing of the fifth floor at Avista Corp.'s headquarters.

#### **D. Information Access Restrictions**

- (1) *No preferential access to transmission function information.* Avista Corp.'s transmission function employees ensure that affiliated marketing function

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<sup>12</sup> 18 C.F.R. § 358.5(b)(1)(ii).

employees only have access to the same information about the Avista Corp. transmission system that is available to non-affiliate transmission customers (i.e., the information posted on the OASIS).<sup>13</sup>

- (2) *Non-public transmission function information secured in transmission work areas.* Avista Corp.'s Transmission Function employees generally maintain hard copies of non-public transmission information only in the transmission facilities that are subject to the access restrictions described in Section C, above. All workstations set up for use by transmission function employees on the fourth floor are located in secure areas not accessible by any marketing function employees. In addition, in order to secure access to information on individual computer stations, it is Avista Corp.'s policy that employees lock out of their computers before leaving their workstations. Such lock outs are designed to occur automatically after a designated period if employees do not do that themselves. To the extent that non-public transmission function information is circulated to unclassified or shared support employees, the restrictions discussed in Section D(6), below, apply to ensure that such information is not shared with any marketing function employees.
- (3) *SCADA/EMS access restrictions.* Avista Corp. strictly controls access to non-public transmission function information stored on the Supervisory Control and Data Acquisition (SCADA) system and/or the Energy Management System (EMS). Avista Corp. marketing function employees have access to EMS information via web-based displays and two dedicated EMS consoles located at the Power Shift Scheduler's desk on the fifth floor of Avista Corp.'s headquarters; however, such access is limited to load and generation data. Avista Corp.'s marketing function employees do not have the ability to access transmission function information stored on the SCADA or EMS.
- (4) *Common scheduling database restrictions.* Avista Corp.'s transmission function employees and marketing function employees maintain separate passwords for accessing the common scheduling database operated by OATI. Such passwords ensure that marketing function employees do not have access to non-public transmission function information.
- (5) *Firewalls.* Firewalls are in place throughout the Avista Corp. network to control the access of information. Avista Corp.'s transmission functions and marketing functions share firewall security access points. All such access points are developed, maintained and documented by the Avista Corp. IT System Engineering group.
- (6) *Labeling of documents circulated to share or unclassified employees.* To the extent that any internal Avista Corp. documents that potentially contain non-public transmission function information are circulated between the Avista Corp. transmission function employees and unclassified or shared support employees,

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<sup>13</sup> 18 C.F.R. § 358.2(d).

such documents are to be labeled with the following language (either stamped or included in the letterhead):

**“POTENTIAL NON-PUBLIC TRANSMISSION FUNCTION  
INFORMATION. DO NOT DISCLOSE TO MARKETING FUNCTION  
EMPLOYEES OF AVISTA CORP. – 18 CFR 358”.**

Shared or unclassified support employees have been trained that they are not to serve as conduits for the flow of non-public transmission function information from transmission function employees to marketing function employees.<sup>14</sup> Labeling documents with the above language helps support personnel identify non-public transmission function information that cannot be disclosed to any marketing function employee.

**E. Separation of Functions and Prohibited Communications**

- (1) *Independent functioning – general.* Except as may be necessary during system reliability emergencies, Avista Corp.’s transmission function employees are required to function independently from its marketing function employees.<sup>15</sup>
- (2) *Prohibition on marketing function employees from engaging in transmission functions.* Except as may be necessary during system reliability emergencies, only transmission function employees, and not marketing function employees, will conduct transmission functions, including, but not limited to, all activities that involve the administration of Avista Corp.’s Open Access Transmission Tariff (“OATT”).<sup>16</sup>
  - *Exception for emergencies:* In order to ensure the integrity of the transmission system, it is often necessary to curtail loads or drop resources. When this is done because of a transmission system restriction, any communication of the reason for the curtailment or generator dropping must be posted on the OASIS. During emergencies, it may not be prudent to take the time to post on OASIS the reasons behind certain actions. In those cases, it is permissible to communicate with marketing function employees personnel as necessary (and only as necessary) to ensure system security. In cases where the Standards of Conduct are breached due to emergency situations, the deviation must be posted and recorded. See Section G(2)(h).
- (3) *Prohibited off-OASIS communications.* Except in the case of emergencies or in the case of processing transmission service requests discussed in Section E(5), transmission function employees are prohibited from engaging in any off-OASIS communications regarding non-public transmission function information with any

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<sup>14</sup> 18 C.F.R. § 358.2(c).

<sup>15</sup> 18 C.F.R. § 358.5(a).

<sup>16</sup> 18 C.F.R. § 358.5(b)(1)(i).

Avista Corp. marketing function employee, whether such information relates to the Avista Corp. transmission system, the transmission system of another, or any other non-public information obtained in discussions with a transmission customer or potential transmission customer.<sup>17</sup>

- (4) *Permitted interactions and information exchanges.* Avista Corp. transmission function employees and marketing function employees shall be jointly responsible to refrain from any business related contact or communication of non-public transmission function information which is not otherwise permitted by these procedures. Specifically, a transmission function employee and a marketing function employee may exchange certain non-public transmission function information, as delineated immediately below, in which case a contemporaneous record of all such exchanges must be made and the record must also be made available to the Commission upon request, and must be retained for a period of five years:<sup>18</sup>
- Information pertaining to compliance with Reliability Standards approved by the Commission, and<sup>19</sup>
  - Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.<sup>20</sup>

Avista Corp. transmission function employees and marketing function employees when interacting and exchanging any non-public transmission function information relating to the specific permitted interactions listed immediately above, must satisfy the contemporaneous recording requirements and record retention requirements. These requirements are satisfied by the telephone recording systems in use in both the transmission system operations control center and the marketing trading floor of Avista Corp. If actual meetings occur in connection with either of the two permitted exceptions listed immediate above, meeting notes will be taken in the form of Off-OASIS Communications Logs. These Off-OASIS Communications Logs will detail the meeting participants, the meeting subject, a general description of the meeting contents including next steps, and will be forwarded to Avista Corp.'s Ethics and Compliance Manager under the supervision of the Chief Compliance Officer.

While Avista Corp. transmission function employees and marketing function employees are not prohibited from social contact, such social contact shall not involve any exchange of business related information or of transmission function information subject to the Standards of Conduct prohibitions on disclosure. These employees shall be especially cautious of lunchroom, restroom or hallway

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<sup>17</sup> 18 C.F.R. § 358.2(c).  
<sup>18</sup> 18 C.F.R. § 358.7(h)(1).  
<sup>19</sup> 18 C.F.R. § 358.7(h)(2)(i).  
<sup>20</sup> 18 C.F.R. § 358.7(h)(2)(ii).

conversations. In the event of an inadvertent exchange of non-public transmission function information, both the transmission function employee and the marketing function employee must notify the Chief Compliance Officer of the event and the nature of the information communicated so that an OASIS posting may be made, pursuant to the procedures discussed in Section G(2)(g).

In the event that a customer consents in writing to the sharing of non-public transmission function information relating to that customer, Avista Corp. transmission function employees can share such information with affiliated marketing function employees subject to the posting requirements discussed in Section G(2)(i).<sup>21</sup>

- (5) *Discussions pertaining to specific affiliated marketing function employee requests for transmission service.* Avista Corp.'s transmission function employees and marketing function employees are permitted to interact and engage in off-OASIS communications relating to the specific marketing function employee requests for transmission service previously submitted over the Avista Corp. OASIS.<sup>22</sup>
- (6) *Books and records.* Avista Corp. and its affiliates maintain separate books and records, and all such books and records are available for Commission inspection.<sup>23</sup>

## **F. Unclassified Employees and Employee Transfers**

- (1) *Officers and members of the board of directors.* Certain officers and members of the board of directors of Avista Corp. have shared responsibilities for transmission functions and marketing functions. These unclassified or shared officers and directors cannot, and do not, participate in the planning, directing, organizing or carrying out of day-to-day transmission operations. While unclassified or shared officers and directors can receive non-public transmission function information that is necessary to perform corporate governance functions, to the extent that any unclassified or shared officer or director actually receives non-public transmission function information, he or she cannot, and will not, act as a conduit for the exchange of such non-public transmission function information with any Avista Corp. marketing function employee.<sup>24</sup>
- (2) *Risk management employees.* Although the transmission function shares risk management employees with the marketing function of Avista Corp., these employees are not actively or personally engaged on a day-to-day basis in either transmission functions or marketing functions. These employees serve only to manage corporate-wide risk exposure of Avista Corp. and are not involved in

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<sup>21</sup> 18 C.F.R. § 358.7(c).

<sup>22</sup> 18 C.F.R. § 358.5(b)(5).

<sup>23</sup> 18 C.F.R. § 358.8(d).

<sup>24</sup> 18 C.F.R. § 358.6(a) and (b).

either transmission function operations or marketing function operations in their response to any risks identified.

- (3) *Lawyers.* Avista Corp. employs in-house lawyers that provide legal services to both the transmission function operations and the marketing function operations of Avista Corp. In addition, these groups employ services from the same outside legal firms. None of the unclassified or shared lawyers, however, are actively or personally engaged on a day-to-day basis in either transmission functions or marketing functions. The unclassified or shared lawyers are employed only to provide legal or regulatory advice in their traditional roles.
- (4) *Other support employees.* Avista Corp.'s transmission function employees share certain other support employees, and field and maintenance employees with its affiliated marketing function employees. None of these additional unclassified or shared employees, however, are actively or personally engaged on a day-to-day basis in either transmission functions or marketing functions. The categories of employees who are unclassified and shared between Avista Corp. transmission function employees and its marketing function employees include, but are not limited to, the following:
- **Chairman of the Board, President & CEO**
    - Executive Officers
    - Internal Auditing
  - **Finance & Accounting**
    - Accounts Payable
    - Remittance Payments
    - Resource Accounting
    - Corporate Risk Management
    - Tax Services
    - Corporate Finance & Cash Management
    - Energy Delivery Accounting
    - Finance, Analysis, Budget, Forecast
  - **Operations**
    - Central Dispatch
    - Meter Shop (Electric & Gas)
    - Relay Shop
    - Substation Support & Construction
    - Plant Operators
  - **Resources**
    - Construction (Plant & Line)
    - Forestry
    - Hydro Licensing, Environmental & Admin
    - Maintenance
    - Production & Generation & Gen. Engineers

- Regional Power Issues
- **Technical Services**
  - Application Support
  - IS/IT Network & Infrastructure Services
  - Telecommunications
  - Substation Design
  - Electric & Gas Engineering
  - Real Estate
- **Corporate Services**
  - Corporate Communications
  - Government Relations
  - Customer Solutions & Market Services
  - Planning, Analysis & Special Projects
  - Economic & Community Relations
  - Strategic Business Development
  - General Services
  - Rates & Tariffs
- **Human Resources/Corporate Secretary**
  - Benefits
  - HR Comp & Labor & Employee Relations
  - Safety & Craft Training
  - HRIS/Payroll

All unclassified or shared employees have received training tailored to the specific Standards of Conduct requirements that apply to unclassified or shared employees, and such training will continue on an annual basis, as well as on an ongoing basis as new hires and changes in employment status require, as described in Section I.

All unclassified or shared employees understand that, to the extent that any unclassified employee receives non-public transmission function information, they cannot, and will not, act as a conduit for the exchange of such non-public transmission function information with any Avista Corp. marketing function employee. If an unclassified employee inadvertently discloses non-public transmission function information with any marketing function employee of Avista Corp., they are directed to immediately notify the Chief Compliance Officer who will take steps to post the information on the OASIS.

- (5) *Employee transfers.* If an employee of Avista Corp.'s transmission function transfers into an affiliated marketing function role, or vice versa, no such transfer is to be used to circumvent the Commission's Standards of Conduct. Such

transfers are subject to the posting requirements discussed in Section G of these procedures below.<sup>25</sup>

**G. Posting Requirements <http://www.oatioasis.com/avat/index.html>**

- (1) *Overseen by Chief Compliance Officer.* The Avista Corp. Chief Compliance Officer shall be responsible for overseeing the timely posting and updating of each of the required postings listed below in Section G(2).
- (2) *Information to be posted.* The following information will be posted in a form that is easily accessible on the Avista Corp. OASIS site. To the extent applicable, all postings must comply with the Commission's OASIS regulations.<sup>26</sup> All postings shall include the date of the most recent update. The Chief Compliance Officer will see that the following information is posted on the OASIS:
  - (a) The names and addresses of all current affiliates that employ or retain marketing function employees.<sup>27</sup>
  - (b) A complete and current list of facilities shared by transmission function employees and its affiliated marketing function employees.<sup>28</sup>
  - (c) *Identification of employee information.* A complete and current listing of all transmission function employee job titles and job descriptions.<sup>29</sup>
  - (d) *Merger information.* Information concerning potential merger partners as affiliates that may employ or retain marketing function employees is posted on the OASIS within seven days after the announcement of the potential merger.<sup>30</sup>
  - (e) *Employee transfers.* Notice of any employee transfers between the Avista Corp. transmission function and any affiliated marketing function roles, or vice versa, is posted on the OASIS.

Such notice shall include the name of the transferring employee, the titles held while performing each function, and the effective date of the transfer.

Such notice of an employee transfer shall remain on the Avista Corp. OASIS for at least 90 days.<sup>31</sup>

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<sup>25</sup> 18 C.F.R. § 358.7(f)(2).  
<sup>26</sup> 18 C.F.R. Part 37.  
<sup>27</sup> 18 C.F.R. § 358.7(e)(1).  
<sup>28</sup> 18 C.F.R. § 358.7(e)(2).  
<sup>29</sup> 18 C.F.R. § 358.7(f)(1).  
<sup>30</sup> 18 C.F.R. § 358.7(e)(3).  
<sup>31</sup> 18 C.F.R. § 358.7(f)(2).

- (f) *Waivers.* Any waiver of a tariff provision that is granted in favor of an affiliate must be posted on the OASIS, unless such waiver has been approved by the Commission. The posting must be made within one business day. A log of the acts of waiver must be maintained for a period of five years, and must be made available to the Commission upon request.<sup>32</sup>
  - (g) *Prohibited disclosures.* Any non-public transmission function information disclosed in violation of the Standards of Conduct disclosure prohibitions, discussed in Section E(3) and E(4), above, will be posted immediately on the OASIS.<sup>33</sup>
  - (h) *System emergencies.* In the event of an emergency, Avista Corp. may suspend the posting requirements and contemporaneous recording requirements of the Standards of Conduct. If the disruption lasts longer than one month, Avista Corp. will notify the Commission and may seek a further exemption from the posting requirements.<sup>34</sup> The posting requirements and contemporaneous recording requirements that may have been deviated from during an emergency will be resumed and recorded as soon as practical after the fact.<sup>35</sup>
  - (i) *Consent to sharing of customer information.* Any written customer consent to the sharing of non-public transmission function information relating to that customer, as discussed in Section E(4), above, is posted on the OASIS, along with a statement that Avista Corp. did not provide any preferences, either operational or rate-related, in exchange for such consent.<sup>36</sup>
  - (j) *Written procedures.* The current version of these compliance procedures is posted on the OASIS at all times.<sup>37</sup>
- (3) *Timing requirements of postings.* The Chief Compliance Officer oversees the process that ensures the updating of all of the above information within seven business days of any change, or within the time noted in the specific posting requirements discussed in Section G(2), immediately above, if such time requirement is different than the general requirement that updates be made within seven business days.<sup>38</sup>

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<sup>32</sup> 18 C.F.R. § 358.7(i).  
<sup>33</sup> 18 C.F.R. § 358.7(a)(1) and (2).  
<sup>34</sup> 18 C.F.R. § 358.7(g)(2).  
<sup>35</sup> 18 C.F.R. § 358.7(h)(1).  
<sup>36</sup> 18 C.F.R. § 358.7(c).  
<sup>37</sup> 18 C.F.R. § 358.7(d).  
<sup>38</sup> 18 C.F.R. § 358.7(g)(1).

## H. Non-Discrimination Requirements

- (1) Avista Corp. strictly enforces all OATT provisions relating to the sale or purchase of transmission service.<sup>39</sup>
- (2) To the extent the Avista Corp. OATT permits any discretionary action, such discretionary action is taken in a fair and impartial manner.<sup>40</sup>
- (3) Avista Corp. does not give any undue preference to any person in matters relating to the sale or purchase of transmission service.<sup>41</sup>
- (4) Avista Corp. processes all similar requests for transmission in the same manner and within the same period of time.<sup>42</sup>

## I. Training

- (1) *Annual Training.* Avista Corp. will provide annual Standards of Conduct training to all transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information. Avista Corp. conducted its 2009 annual training on January 20 and January 21, 2009.
- (2) *New Employee Training.* Avista Corp. will provide Standards of Conduct training to new employees listed above in Section I.(1) within the first 30 days of their employment.
- (3) *Employee Transfers.* Employees transferring between business units within Avista Corp. may also receive Standards of Conduct training at the time of the transfer if the Chief Compliance Officer deems such training necessary.
- (4) *Training materials.* Each employee attending Standards of Conduct training receives a copy of the Avista Corp. Standards of Conduct Training Materials that is also available on the internal Avista Corp. Standards of Conduct intranet website. Updated Standards of Conduct information will also be available on Avista Corp.'s Standards of Conduct intranet page, and Standards of Conduct updates may also be disseminated to employees by e-mail.
- (5) *Signed certification.* All employees receiving Standards of Conduct training sign a statement certifying that they have been trained regarding the Commission's Standards of Conduct requirements.<sup>43</sup>

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<sup>39</sup> 18 C.F.R. § 358.4(a).

<sup>40</sup> 18 C.F.R. § 358.4(b).

<sup>41</sup> 18 C.F.R. § 358.4(c).

<sup>42</sup> 18 C.F.R. § 358.4(d).

<sup>43</sup> 18 C.F.R. § 358.8(c)(1).

- (6) *Maintenance of training records.* The Chief Compliance Officer will maintain records of all training sessions held, including the date, time and list of attendees, and will make such records and the signed employee certifications available for Commission inspection upon request.
- (7) *Written procedures.* These written procedures will be updated as necessary, and the most current version of these written procedures will be posted on Avista Corp.'s OASIS at all times.<sup>44</sup>

## **J. Chief Compliance Officer**

- (1) *Identification and contact information.* Avista Corp.'s Chief Compliance Officer is Marian Durkin.<sup>45</sup>
  - Marian Durkin can be reached at: (509) 495-8687 or [marian.durkin@avistacorp.com](mailto:marian.durkin@avistacorp.com)
- (2) *General duties and functions.* In addition to answering employee questions and coordinating audits and investigations with FERC Staff, the Chief Compliance Officer is responsible for ensuring:
  - (a) that all transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information receive annual Standards of Conduct training.<sup>46</sup>
    - i. that these written Standards of Conduct compliance procedures are distributed to this same set of employees.<sup>47</sup>
    - ii. that all employees receiving Standards of Conduct training sign a document certifying that they have been trained regarding the Standards of Conduct requirements.<sup>48</sup>
    - iii. that records relating to training, including the certifications noted immediately above, are maintained.
  - (b) that reports are filed with FERC in the event that Avista Corp. deviates from the Standards of Conduct pursuant to an emergency.<sup>49</sup> See G(2)(h) above.

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<sup>44</sup> 18 C.F.R. § 358.7(d).

<sup>45</sup> 18 C.F.R. § 358.8(c)(2).

<sup>46</sup> 18 C.F.R. § 358.8(c)(1).

<sup>47</sup> 18 C.F.R. § 358.8(b)(2).

<sup>48</sup> 18 C.F.R. § 358.8(c)(1).

- (c) that all information required to be posted pursuant to the Standards of Conduct, which is listed and described in Section G, is timely posted and retained.
- (d) that these written compliance procedures are kept current and posted at all times on the OASIS.
- (e) that a written log is maintained that lists the acts of waiver of a tariff provision that it grants in favor of an affiliate, and that the notice of such waivers are posted on OASIS within 24 hours.<sup>50</sup>
- (f) that the Off-OASIS Communications Logs discussed in Section E(4) above is maintained.
- (g) that periodic internal spot checks are conducted within Avista Corp. to assure compliance with regulatory requirements.

**K. Who to contact for Questions or Clarification**

- (1) In addition to Avista Corp.'s Chief Compliance Officer as listed in Section J.(1) above, you may also contact Avista Corp.'s Ethics and Compliance Manager, whose contact information is listed immediately below:

James McDougall  
Ethics and Compliance Manager  
Avista Corporation  
1411 East Mission MSC-12  
P.O. Box 3727  
Spokane, WA 99220-3727  
Office: 509-495-2547  
Mobile: 509-279-3099  
Fax: 509-495-8469  
James.Mcdougall@AvistaCorp.com

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<sup>49</sup> 18 C.F.R. § 358.7(g)(2).

<sup>50</sup> 18 C.F.R. § 358.7(i).