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November 20, 2006

Ms. Jaclyn A. Brillling
Secretary
New York State Department of Public Service
3 Empire State Plaza
Albany, New York 12223-1350

RE: Response to RFP Regarding Consolidated Edison Electric Emergency Outage Program (Case: 06-M-1078)

Dear Ms. Brillling:

The team of James Lee Witt Associates, a part of GlobalOptions Group, Inc. (JLWA) and Barrington-Wellesley Group, Inc. (BWG) is pleased to submit our proposal to perform a review of Consolidated Edison Company of New York's Electrical Emergency Outage Program. Our team is uniquely positioned to provide the New York State Department of Public Service with this service.

The proposal contained herein is a firm offer for 180 days (or more, as maybe necessary). On behalf of our firms I am certifying that the information contained in this proposal is accurate, that our firms are committed and able to perform the work contained in this proposal, and that we will comply with all of the RFP requirements.

The following person is the authorized contact person for our team:

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Please do not hesitate to contact us if you have any questions or comments regarding our qualifications and this proposal.

Sincerely,

James Lee Witt
Chairman & CEO

PROPOSAL FOR AN AUDIT OF CONSOLIDATED EDISON COMPANY OF NEW YORK'S ELECTRIC EMERGENCY OUTAGE PROGRAM

By

James Lee Witt Associates
and
Barrington-Wellesley Group, Inc.

In response to an RFP
Issued October 18, 2006
Related to Case No. 06-M-1078



Submitted To:
Jaclyn A. Brillong
New York State
Department of Public Service
3 Empire State Plaza
Albany, NY 12223-1350

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1. INTRODUCTION

This proposal is in response to the New York State Department of Public Service (NYSDPS, the Department or the Commission) Request for Proposal (RFP) dated October 18, 2006 concerning an audit of the Consolidated Edison Company of New York, Inc. (Company or Consolidated Edison). This RFP is related to Case 06-M-1078 and seeks

“...an independent consultant to audit Consolidated Edison Company of New York, Inc.'s... system-wide operations, practices, and procedures as they relate to electric emergency planning, response to outages, and restoration of service.

For this audit, James Lee Witt Associates (JLWA), recognized by public and private organizations for emergency management consulting and by the utility industry for the 2003 Pepco Report, and the Barrington-Wellesley Group, Inc. (BWG), with vast management audit experience for public utility commissions, have collaborated to provide the best mix of capabilities and experience to address the issues described in the RFP and are pleased to offer this proposal. JLWA will be the prime contractor, providing the overall perspective on the emergency management performance of the utility as well as best practices in the industry, including the interaction with public sector emergency management officials. As described below, BWG will perform a major role in the audit as a subcontractor. References below to the “JLWA/BWG” partnership reflect the proposed structure.

Background

Consolidated Edison customers have endured four major power outages; at times thousands of customers waited anywhere from five to nine days for power to be restored. There was significant customer and governmental dissatisfaction with the company's responses to these outages. Numerous complaints were received regarding the utility's slow responses, delayed restoration of power, poor communications, inaccurate recorded customer service messages, and lack of information provided to customers. Questions have arisen about the timeliness of Consolidated Edison's restoration of service and the ability of its customers and public officials to obtain accurate information about the extent and duration of an outage. Given these outage experiences, a thorough examination of Consolidated Edison's management of its electric emergency planning, outage response, and power restoration operations was requested by the NYSDPS Commission (Commission).

Proposal Organization and Content

This proposal is divided into the following eight (8) sections:

1. **Introduction:** This section describes the purpose of the proposal, a brief background of the issues involved, the organization of this proposal, and a brief description of the companies that have combined their talents for this effort.
2. **Scope and Objectives:** This section describes the scope and objectives of the proposed audit and the general approach and methodology that JLWA/BWG will utilize to address that scope and achieve those objectives.
3. **Approach, Methods, Procedures, and Project Management:** This section identifies the specific work tasks and processes that JLWA/BWG will utilize to accomplish the

proposed efforts and describes how it will manage/coordinate those efforts internally and with the Company and the Staff.

4. **Areas and Issues for Review:** This section describes how JLWA/BWG will address each audit area and the resources that will be applied to accomplish them.
5. **Consultant Staff Organization:** This section describes the functional manner and the specific personnel JLWA/BWG has chosen to implement this audit: provides a brief description of each team member's abilities and accomplishments as they relate to the proposed audit, and provides detailed résumés for each team member.
6. **Schedules and Budgets:** This section provides the "not-to-exceed" cost for the proposed audit and schedule. Costs are provided by task and all audit milestones are identified.
7. **Qualifications:** This section provides JLWA's and BWG's qualifications for performance of the proposed audit.
8. **Exhibits:** This section contains sample work products by JLWA and BWG.

Consultant Companies

This proposal incorporates the combined efforts and capabilities of two premier consulting firms. We believe that the issues involved in this audit benefit from this collaboration of resources. JLWA will take the lead in this effort, utilizing their unique expertise in the areas of emergency management, preparation and response, the appropriate interaction with government emergency management officials, and best practices in the industry. BWG will contribute its technical expertise and extensive management audit experience to specific issues under review. A brief overview of both companies is below.

James Lee Witt Associates

Founded in 2001, James Lee Witt Associates (JLWA) is a national, leading crisis and emergency management support and consulting firm based in Washington, DC. with offices in Atlanta, GA; Chicago, IL; Little Rock, AR; and Sacramento, CA. JLWA builds on James Lee Witt's more than 30 years of experience in emergency management, including eight years as the Director of the Federal Emergency Management Agency (FEMA). In September 2004, General Wesley Clark (ret.) and former Secretary of Transportation Rodney Slater joined JLWA, creating an unparalleled team of expertise and reputation. The JLWA team includes over 30 full-time staff and over 100 internationally renowned subject matter experts in crisis management to assist businesses and governments in preparing for, responding to, recovering from, and mitigating against all types of crises. On March 10, 2006 James Lee Witt Associates joined with GlobalOptions Group, Inc., increasing the firm's capacity by providing additional risk management and security services.

JLWA is comprised of two main practice areas: Strategic Advisory Services and Crisis and Consequence Management.

Strategic Advisory Services: JLWA provides strategic advisory services to state and local governments, universities, hospitals, and a variety of Fortune 500 companies. JLWA's experience provides our clients with the knowledge and techniques necessary to achieve their goals, while preparing for and preventing crises before they occur. JLWA provides planning assistance, building coalitions that link agencies, first responders, and communities, and fostering open lines of communication between diverse organizations through targeted media outreach, strategic planning and marketing, crisis communication plans, grassroots coalitions and effective partnership development.

Crisis and Consequence Management: JLWA offers a full range of planning, mitigation, and prevention consulting services to better prepare organizations before disaster strikes. JLWA assists public and private sector organizations in identifying threats that could impact operations and developing effective continuity management programs. JLWA's pre- and post-disaster services include developing or updating emergency management plans; training programs; communication plans for employees, clients and/or residents; and oversight of engineering and construction services. JLWA provides on-site assistance in the event of a disaster (including staff and equipment), expert coordination and evaluation and estimation of damages.

Independent Audits: Governments and organizations have repeatedly turned to JLWA for a comprehensive investigation by a third-party respected for its expertise, integrity and independence. JLWA has conducted an audit of the evacuation plans for the Indian Point Nuclear Power Plant for the State of New York, a review of the emergency preparedness of the City of Philadelphia including interaction with the utilities which serve the area, and a comprehensive audit of the restoration performance of Pepco Holdings Inc. (Pepco, Atlantic Energy and Delmarva Power) following Hurricane Isabel in 2003. Many of JLWA's recommendations from the Pepco report were adopted as policy by the Maryland Commission.

Since the company was founded in 2001, JLWA experts have played an integral role in nearly every major disaster, including the 2004 Tsunami, and the 2001, 2003, 2004 and 2005 Hurricane Seasons. Our professionals have been credited with expediting recovery efforts and providing assistance in all areas related to disaster recovery.

This audit will be led by Charles Fisher, Managing Director of JLWA's Utility and Critical Practice and former Executive Director of the Illinois Commerce Commission, where he oversaw several management audits. In addition to managing the audit, Mr. Fisher, as well as all assigned on this project will be active in the audit itself.

This audit calls for a review of Consolidated Edison's emergency management performance. JLWA believes strongly that when a utility is restoring power, it is an integral player, along with emergency management and other officials, in restoring the community's ability to function. Therefore our reviews focus on the utility's internal operations and performance *as well as* its interaction with public officials. Laura Hagg, Managing Director of JLWA's State and Local Government Practice will lead the external review. Ms. Hagg led JLWA's project in Philadelphia. The Commission has noted the importance of reviewing Consolidated Edison's compliance with the National Incident Management System (NIMS).

Ken Mallette, who actively participated in the development of NIMS and provides NIMS related training to front-line workers and officials throughout the country, will serve on the team.

Barrington-Wellesley Group

The Barrington-Wellesley Group, Inc. is a general management-consulting firm serving the utilities industry. BWG specializes in assisting its regulatory agency clients in fulfilling their oversight responsibilities by performing management, operations, financial and regulatory audits and providing other services to help formulate regulatory policy and test compliance. BWG provides innovative solutions appropriately tailored to its clients' needs and the changing dynamics of the industry. BWG has a reputation for the professionalism, independence and objectivity that it brings to each assignment and has worked for regulators throughout the United States. BWG maintains offices throughout the United States, including New Hampshire, Indiana, New Jersey, Florida, Nebraska, North Carolina, Texas, Michigan and Georgia.

BWG's partners and staff are regulatory and utility specialists. They have substantial utility industry and consulting experience and possess a breadth of functional knowledge in the following areas: utility management, operations and performance, accounting, finance, auditing; utility regulation; affiliate transactions; electric industry restructuring; stranded cost assessments, power procurement, prudence reviews, litigation support, and expert witness support. A number of BWG's professionals are Certified Management Consultants or are members of the Institute of Management Consultants who have pledged to comply with the Institute's Code of Professional Responsibility.

In addition to its partners and staff, BWG augments its capabilities through the use of a number of independent consultants with whom BWG has established relationships. As described in **Sections 3 and 5**, BWG will be using Mr. John Nelson as lead technical consultant on this project. Mr. Nelson is an accomplished professional engineer with over thirty years' utility consulting and industry experience. He is an expert in utility transmission and distribution planning, design, startup, testing, operation, maintenance, and inspection and has been involved in over fifty (50) electrical power systems projects and studies spanning generation, transmission, distribution and utilization of electric energy. He has extensive experience in the application of planning, engineering, construction and maintenance standards in T&D systems. Mr. Nelson managed the complex and comprehensive investigation of the T&D system condition ordered by the Illinois Commerce Commission following the massive power outages experienced by Commonwealth Edison in 1999. Additionally, he has completed several technical analyses to support litigation pertaining to electrical failures and accidents.

BWG combines the advantages of large firm expertise needed to successfully perform complex and sensitive assignments with small firm responsiveness, competitiveness and creativity. BWG has the specialized consulting skills and experience necessary to evaluate all aspects of a utility's management and operations effectively and objectively.

1. **BWG knows the utility industry.** Through past studies and prior work experience, BWG consultants have gained a thorough understanding of utility operations, as well as the nature, strengths, and limitations of utility regulation.

2. **BWG is experienced in providing support to regulators.** BWG has successfully performed numerous regulatory audits and has extensive experience in determining the reasonableness of expenditures and evaluating utility programs. BWG is adept at communicating results in a clear and understandable manner that will stand up to public scrutiny.
3. **BWG is experienced in providing testimony.** BWG has provided expert testimony to support its audit findings before Commissions and/or Legislators in numerous states including California, Connecticut, New Jersey, Pennsylvania, and Texas, and before the Federal Energy Regulatory Commission (FERC).
4. **BWG has a broad management perspective and a reputation for objectivity.** BWG has worked with clients on a wide range of financial, organizational, management, operations and industry restructuring issues.
5. **BWG has performed numerous management and operations audits.** BWG's partners have extensive experience in the conduct of management and operations audits for state regulatory commissions or other state agencies. BWG partners have testified regarding the results of our audits and provided expert support in the quantification of improvement recommendations.

BWG Auditing: Since its founding in 1990, BWG has conducted over 25 audits for regulatory agencies and utilities. BWG performs its audits in accordance with generally accepted government auditing standards (GAGAS) as set forth in the booklet entitled *Government Auditing Standards, 1994 Revision* developed by the Comptroller General of the United States and published by the United States General Accounting Office (*The Yellow Book*). These standards pertain to auditors' professional qualifications and, among other things, require auditor independence and that the audit be carefully planned and performed in accordance with a written work plan. In addition, audit findings and conclusions are required to be properly documented in working papers and results are to be communicated in a written report. In accordance with *The Yellow Book*, BWG successfully completed its most recent peer review in 2002.

As part of its audits, BWG is frequently asked to assess the efficiency and effectiveness of utility operations, including emergency preparedness and response to outages. For example, in 2003, on behalf of the South Carolina Public Service Commission, BWG conducted an assessment of the Duke Power Company's response to an ice storm that affected almost 1.4 million customers. In 2002 BWG conducted a diagnostic review of the management and operations of the United Illuminating Company on behalf of the Connecticut Department of Public Utility Control. That study included an examination of the utility's response to a severe wind storm that caused several hundred thousand customers to be out of service for several days. We are currently conducting an audit of the FirstEnergy operating companies of Pennsylvania, on behalf of the Pennsylvania Public Utility Commission (PAPUC). The single most important issue in that audit is an evaluation of FirstEnergy's compliance with more than forty specific PAPUC requirements for improving electric system reliability.

Representative BWG engagements, including references, are provided in **Section 7** of this proposal.

2. SCOPE AND OBJECTIVES

The Commission is concerned about the effectiveness of the Company's Emergency Outage Program based, in part, upon customer complaints regarding the Company's performance and in response to electric emergency outages in January 2006, July 2006¹ and September 2006. Effective and efficient electric emergency preparedness, mobilization, execution, communications with customers and prompt restoration are essential in times of electric emergency outages, whether they are storm related or due to other electric system events.

The broad parameters of the scope of this audit were identified in the Commission's September 8, 2006 Order:

"...the Commission determines that there is a need to initiate a proceeding and to conduct an independent audit of the Company's system-wide operations, practices and procedures as they relate to emergency planning, response to outages, and restoration of service²

JLWA and BWG will review Consolidated Edison's electric emergency outage restoration capabilities from three primary perspectives:

- **Planning/Preparedness** – This element centers on the Company's current planning efforts for electric emergency outages. It incorporates a review of the policies and procedures that form the framework for the Company's response to electric emergency outages. As part of this effort JLWA/BWG will perform the following:
 - a. Review the extent of Consolidated Edison's planning and preparedness with the local governments and emergency management officials it serves including compliance with federal, state and local emergency management protocols.
 - b. Review the organization and staffing of the utility, particularly those departments responsible for designing, constructing, maintaining, monitoring and managing the electric T&D system and responding to outages.
 - c. Evaluate the data collection and reporting systems used to monitor outage status and overall emergency outage restoration performance.

¹ In July 2006, the Commission instituted a proceeding and directed a Staff investigation of all issues associated with the failure of feeders and the outages in the Company's Long Island City electric network. Case 06-E-0894, Proceeding on Motion of the Commission to Investigate the Electric Power Outages In Consolidated Edison Company of New York, Inc.'s Long Island City Electric Network, issued July 26, 2006.

² Case 06-M-1078, Proceeding on Motion of the Commission to Audit the Performance of Consolidated Edison Company of New York, Inc. In Response to Outage Emergencies, Order Instituting Proceeding and Directing Audit, issued September 8, 2006, page 2.

d. Examine Consolidated Edison's historical emergency outage performance and determine the extent to which lessons learned have been incorporated into current practices.

- **Performance/Effectiveness** – This element focuses on the Company's ability to mobilize adequate resources, establish critical priorities, effectively execute plans with the agility needed to quickly make adjustments in response to changing circumstances and the effectiveness of the Company's communications with customers, other responders, stakeholders, etc. Included in this review will be a detailed assessment of past restoration activities and the extent to which they demonstrate an ability to function effectively within the Incident Command System as required by the National Incident Management System or similar framework and protocols.
- **Best Practices** – This aspect of the audit will compare the Company's electric emergency outage planning and restoration activities to industry "best practices" appropriate to the Company's operating environment. The audit will identify best practices that the Company is, or should, consider employing in the area of electric emergency outage response. JLWA/BWG will rely upon these best practices to identify opportunities for improvement.

Planning/Preparedness

This aspect of the review will focus on the adequacy of the Company's overall electric emergency preparation and response planning process and Consolidated Edison's Emergency Response Plan. These efforts should be designed to assure that there is effective response and prompt restoration of electric service in response to an electric emergency outage. The review of the planning process will address the actions the Company takes in anticipation of an event that may result in an electric emergency outage (storm or sustained hot weather) and what steps can be taken to reduce the impact of the outage. Recent changes in the planning and response processes will be identified and assessed.

The review will include an organizational assessment of the Company's internal structure for managing service interruptions and the adequacy of the Company's overall resources (personnel, equipment³ and facilities, as well as resources from third party providers such as rental generators) that are available for electric emergency outages. With respect to the organizational structure, the audit will assess the reporting relationships established and the roles and responsibilities of organizations and personnel involved in electric emergency outage planning, response and restoration. Training is an important component of planning, and the audit will review and assess the adequacy of the Company's training efforts for electric emergency outages.

The review will include an evaluation of the Company's planning criteria and operating policies, plan activation thresholds, as well as the personnel and equipment available (both

³ For example, are crews prepared in the event of an emergency? Is response time extended by not having equipment already available on site (i.e. do crews need to request/obtain supplies and equipment prior to dispatch)?

in-house and from outside providers, including other utilities) to the Company to respond aggressively to large-scale outage emergencies and the Company's planning efforts associated with deploying and managing these resources in an optimal manner. The audit will include a thorough review of how the Company collects the data regarding outages/interruptions, including the accuracy and integrity/independence of the data and how that data is used. The review will include an assessment of load reduction plans/policies incorporated in the Company's planning models and/or policies and procedures. The review will also assess the ability of the Company to manage and respond to multiple and simultaneous large-scale outages occurring in different operating areas.

The audit will identify the effectiveness of systems and procedures the Company employs for determining the extent of damage incurred, number of customer outages and developing service restoration estimates. Consideration will be given to the internal communication process and the use of data information systems for restoration planning purposes. The audit will address the potential availability of information from other sources as to individual retail customers impacted by an outage. The audit will also review the Company's procedures for obtaining assistance from other utilities, equipment providers and contractors and its ability to effectively deploy and manage these additional resources.

Finally, this aspect of the audit will ascertain if the Company's plans and procedures provide for effective communication and outreach efforts on a regular basis, including its policies and procedures for providing services and accurate information to customers, local officials, state agencies and the public throughout the electric emergency outage event.

In addition to the scope of work presented in the RFP, JLWA will determine whether Consolidated Edison's emergency preparedness and outage response procedures adequately reflect the lessons learned from past emergency outage performance and the extent to which additional or outside data can be effectively utilized to augment data sources currently used.

We will also examine the extent to which the Company identifies and incorporates changes which will improve preparedness based on historical events and experience. Concurrently, the audit will assess the adequacy of the Company's staff, both in terms of the qualifications of key personnel and in work force strength to implement the emergency plans.

Performance/Effectiveness

This aspect of the audit will review the Company's actual electric emergency outage performance including execution of its Emergency Response Plan. There will be a focus on the effectiveness of the Company's electric emergency outage performance and will include detailed information reflecting the Company's historical performance in electric emergency outage restoration activity. JLWA/BWG will review the Company's internal assessments ("lessons learned") of electric emergency outages; the Company reports filed in accordance with Part 105.4c of the New York Department of Public Service's rules, and Department of Public Service Staff reviews of Consolidated Edison Outages from 1999 through 2006 and determine whether the recommendations from these assessments were implemented. Where

necessary, JLWA/BWG will perform an independent analysis of any aspect of the Company's performance during 2006 to make its assessment complete.⁴

The audit will detail the effectiveness of the Company in deploying and managing personnel and equipment in the most optimal manner and its effectiveness in communicating information internally. The review will determine if the Company's policies and procedures were activated appropriately and ultimately followed. The review will verify the accuracy of the data collection systems used for determining the extent of outages, including the number of customers affected and the development of an accurate estimate of the time for service restoration. The audit will review the results of all interruption reporting systems (including customer-based interruption reporting systems) and assess the data collection process and accuracy of such systems.

The audit will assess the incorporation of network supply/load reduction actions taken by the Company to meet the emergency situation(s). The audit will also assess the effectiveness of the Company's procedures for obtaining assistance from other utilities and contractors and its ability to effectively deploy and manage these additional resources. Finally, this aspect of the audit will ascertain the Company's outreach performance during emergencies (and on a regular basis), including its policies and procedures for providing accurate and timely information to local officials, state agencies and the public throughout the electric emergency outage event.

Best Practices

JLWA/BWG will review "best practices" of the industry to identify any significant differences in electric emergency response planning, response, restoration and communications that exist (between Consolidated Edison and "best practices") and the underlying reasons for such variances. This aspect of the review will determine how industry "best practices" are employed within the Company's electric emergency outage program, and if not employed, which areas might be suitable for the adoption of those best practices applicable to the specific attributes of the Company's operating environment. Additionally, JLWA/BWG will identify opportunities for improvements (planning and communication with emergency management officials, tree trimming, undergrounding, rerouting, technical innovations, etc.) in the Company's practices and procedures that would or could mitigate the effects of storms and other events on unplanned outages and reduce the magnitude of such outages and the duration of the subsequent emergency response and service restoration efforts. Findings and recommendations relative to best practices will be presented either as a separate section of the report, or subsumed in each of the function areas identified.

⁴ As noted in its Order of September 8, 2006, the Commission ordered a Staff investigation of the Company's Long Island City Electric Network. Staff also conducted a review of the January 2006 outage and is currently conducting a review of the July and September 2006 outages. The Commission expects that the independent consultant audit of Consolidated Edison's Electric Emergency Outage Program will take into consideration the information, findings and recommendations resulting from these investigations and other internal or external reviews/investigations of Company outages.

Each of the above items will be the foundation of the audit report that JLWA/BWG will prepare to thoroughly document all findings and recommendations. Further, while the scheduled date for the initial draft is August 2007, JLWA/BWG will bring to Staff and the Company's attention any matters of significance in advance of the initial report (as they are identified) that would, if adopted, improve the Company's electric emergency outage response.

3. Approach, Methods, Procedures and Audit Management

JLWA/BWG will conduct this independent management audit of Consolidated Edison's (the Company) performance in response to several outage emergencies and the Company's planning for restoration of service in a carefully planned, thorough, well-documented and cost-effective manner. The following detailed description of the approach, methods, procedures and audit management techniques we plan to utilize to accomplish each of the tasks outlined in Chapter 4, Areas and Issues for Review reflects what JLWA/BWG believes to be the most effective means of meeting the objectives of the New York State Department of Public Service (NYSDPS, the Department or the Commission). Our audit will include, but not be limited to, a complete review of Consolidated Edison's system-wide operations, practices and procedures as they relate to electric emergency planning, response to outages and restoration of service. JLWA and BWG are aware that so far this calendar year, Consolidated Edison customers have endured four major power outages during which hundreds of thousands of customers waited anywhere from five to nine days for power to be restored. Effective preparation for emergencies (including major storms) and efficient and timely outage response and restoration of service, are critical to the provision of safe and reliable service. Given the events over the course of the year, we understand that a thorough examination of the Company's management of its electric emergency planning, outage response, and power restoration operations is warranted to assess the Company's performance and identify opportunities for improvement.

We developed our approach with the following objectives in mind:

- We will provide a unique team of emergency management and utility consultants sized appropriately for the investigation, led by the Managing Director of JLWA's Utility and Critical Infrastructure Practice, with substantial management audit experience as Executive Director of the Illinois Commerce Commission.
- Our emergency management specialists will be led by the Managing Director of JLWA's State and Local Government Practice who has just led a comprehensive assessment of the emergency preparedness for the City of Philadelphia, including the electricity, gas and water utilities.
- JLWA/BWG's internal review team leader served as project manager for a review of Duke Power Company's emergency preparedness and response for the South Carolina Public Service Commission in 2003. He was also lead consultant for and examination all of the management issues related to a massive power outage experienced by customers of Commonwealth Edison (ComEd) during a heat wave in the summer of 1999. He personally prepared six chapters of the final report, which examined communications, staffing levels, work management, customer service, budgeting and organization. Our lead technical consultant was a lead consultant in the Duke Power audit, and managed the ComEd project, which was ordered by the Illinois Commerce Commission (ICC). Another of our lead consultants evaluated Duke Power's communications and customer service performance during that audit. Our entire project team consists of consultants with a wide range of management

and/or consulting experience. All of the consultants have experience with utilities and audits.

- We will maximize the value of input from both Commission and Company personnel in assisting with the completion of the investigation while minimizing the disruption of regular operations through our practice of scheduling interviews and on-site fact-finding. In addition, the use of a small team of highly experienced consultants facilitates the coordination of activities.
- We will base our evaluations on demonstrated performance, best practices, and, when appropriate, qualitative and quantitative metrics rather than arbitrary standards.
- We will eliminate surprises by keeping the NYSDPS Staff informed of our activities, findings and conclusions throughout the investigation.

The remainder of this chapter is divided into the following sections:

- A. Project Approach and Preliminary Work Plan
- B. Schedule and Task Timing
- C. Work Products and Deliverables
- D. Project Management and Quality Control Practices

A. PROJECT APPROACH AND PRELIMINARY WORK PLAN

JLWA/BWG has developed an effective approach to projects such as this management audit which ensures the delivery of a high quality product in a cost-effective and timely manner. Our approach is designed to promote:

- A focus on the specific need of our client, the NYSDPS
- Full participation by the NYSDPS Staff in the study
- Reliance on quantitative data to support findings
- Open communication among the parties
- Adherence to generally accepted auditing and accounting standards
- Thorough documentation of findings and working papers.

Our approach has four steps: (1) Orientation and Planning, (2) Detailed Analysis and Verification, (3) Report Preparation, and (4) Presentation of Expert Testimony. A general description of the four steps of our approach is provided below.

Step One: Orientation and Planning

The objectives of this first step of the investigation are to (1) review specific NYSDPS objectives for this management audit, (2) develop a clear understanding of the events surrounding the outages that have occurred this year, (3) become familiar with the Company's organization, particularly those departments and groups responsible for communications, customer service, maintenance and construction, human resource planning and emergency preparedness and (4) gain an understanding of the Company's requirements for providing service and communicating with its customers, the media, regulatory bodies and other government agencies. Based on the information we collect in this step, we will develop working hypotheses for each of the areas and issues for review and develop a detailed work plan to guide our efforts during the remainder of the investigation. The orientation and planning step will be completed within the first two weeks and will involve three activities:

- Initial interviews and presentations
- Preliminary data gathering and analysis
- Project planning.

Initial Interviews and Presentations

The project team will interview selected NYSDPS Staff members to gain a clear understanding of the Commission's needs and expectations. These interviews will be done before any interviews with Company personnel so that we are fully aware of the Commission's needs when developing questions for Company interviews.

To quickly become familiar with Consolidated Edison's organization and its design, construction, maintenance, emergency response, customer service and communication mechanisms and practices, we will request presentations from the senior executives of the Company describing their organizational structure, functional responsibilities and management and operating procedures. In particular, we will ask the Company to describe its methods and procedures related to the specific areas mentioned above.

These presentations will be followed up with interviews with key management personnel (e.g., VP Distribution Operations, VP Customer Service, VP Communications, VP Human Resources, etc.). We expect that preliminary interviews would require approximately one to two hours each to complete.

During these interviews we will:

- Explore the events surrounding the 2006 outages.
- Discuss the methods and procedures used by the Company to prepare for and respond to the outages.

- Discuss the methods and procedures used by the Company during the outages for communicating with emergency preparedness agencies.
- Examine the inability of Consolidated Edison to provide timely and accurate information to its customers related to estimated restoration times.
- Discuss Consolidated Edison's preventive maintenance practices, including its pole and cable restoration program and policies.
- Review trends in staffing levels.
- Develop focused initial data requests and review, analyze and document responses in support of hypotheses.

Preliminary interviews will also be conducted with key local officials such as the New York Office of Emergency Management and others in order to identify potential areas of focus.

Following completion of these presentations and preliminary interviews, JLWA/BWG will submit supplemental data and interview requests to the Company for additional information pertaining to the individual areas of the investigation.

Preliminary Data Gathering and Analysis

Prior to beginning our on-site work, we will review material supplied by the Company in response to our initial data request. The exhibit below provides a preliminary information request for this investigation. JLWA/BWG will expand and refine this list to incorporate information gained through preliminary fact finding shortly following commencement of the assignment. To facilitate the investigation, we recommend that the Commission issue instructions requiring the Company to make these documents available immediately following the start of the assignment, as early access to this information will facilitate subsequent activities. Initial responses should be made available for review by the consultants in the area of the Company's general office that will be made available as office space for the project team.

Preliminary Information Requests

- All emergency preparation, management and response plans.
- Complete description of the events surrounding the 2006 outages and Consolidated Edison's activities in responses to the outages, including any reports submitted to the NYSDPS.
- Complete set of all policies and procedures used by the T&D organization, including emergency preparedness, operations and maintenance, customer service, communications, work management, human resources planning and emergency preparedness.
- Organization charts showing responsibility assignments and reporting relationships for all positions having T&D operations and maintenance, customer service, and communications responsibilities. Describe any organizational changes that have been implemented during the last five years.
- Job descriptions for all above personnel.
- Resumes for all personnel holding management responsibilities within these organizations.
- Operating and maintenance budgets for all T&D organizations for the last five years.
- Actual O&M expenditures for all T&D organizations for the last five years.
- Statements of missions, goals and objectives for all T&D organizations for the last five years.
- Staffing levels for all T&D, customer service and communications organizations, including the number of personnel at each management, supervisory and skill level.
- Description of the work management and manpower planning tools used by the T&D organizations.
- Description not of communication systems used by T&D organizations for routine system operation, maintenance, and emergency conditions.
- Customer call center and district office locations.
- Customer call center performance records for the last five years.
- Design, construction and operating specifications for all electrical equipment.
- List of the 10 largest outages during the last five years within Consolidated Edison's retail electric service area, including details regarding restoration for each and lessons learned documents.
- Copies of all public announcements, press releases and other external

- Any communication issued during or related to the 2006 outages.
- Copies of any internal or external reports or analyses issued following the 2006 outages addressing lessons learned or improvements to be made as a result of the Company's experience.
- Description of the transmission and distribution system in Consolidated Edison's retail electric service area.
- Five year trends of capital spending by category; such as new business, system expansion, system replacement, etc.
- Five year trends for maintenance spending by category, such as repair, preventive maintenance and capital replacements.
- Comparisons of actual to budgeted capital expenses for the last five years

Project Planning

At the conclusion of the orientation phase of the audit we will modify the work plan contained in this proposal. We will prepare a detailed work plan to guide the detailed analysis and verification step of the investigation process (described below), which focuses our efforts on key issues and concerns of the Commission. In preparing the detailed work plan we will confer with Staff subsequent to the initial orientation meetings described above. We will submit an initial and final draft work plan to the Staff for approval. The drafts will outline in detail the scope and methods we will employ during the course of the engagement as well as a detailed schedule (including milestones) for the remainder of the review. We will modify the initial draft after giving due consideration to Staff's comments, and will then submit a final draft work plan to Staff for approval. Approval of the work plan by Staff will authorize JLWA/BWG to execute the tasks as stated therein. The detailed work plan will include:

- Task activities in each area of the investigation
- Personnel and hours assigned to each activity
- List of interviews, including name of interviewee and topics to be discussed
- Schedule for each activity
- Deliverables for each activity

Step Two: Detailed Analysis and Verification

This step involves the principal investigation and data collection that will be performed during the audit. Its purpose is to gather data needed to examine and assess the issues described in the Work Tasks in the Commission's request for proposals. The project teams will integrate and summarize information gained during this step and develop preliminary findings, conclusions and recommendations. Specific Work Tasks will include, at a minimum, the following:

- Conduct detailed interviews with appropriate local government and emergency management officials.
- Review and analyze Consolidated Edison's emergency response and power restoration procedures, specifically as they pertained to outages in the Company's electric retail service territory. Our analysis will include a review of any and all of the Company's service related emergency procedures, operations manuals, system restoration plans and service regulations.
- Review and analyze the Company's public information and other communications procedures associated with providing timely and accurate data and information concerning power restoration timetables and activities to its electric retail

customers, other agencies and organizations responsible for public health and safety as well as emergency preparedness entities.

- Review and analyze the Company's activities and performance leading up to and including the restoration of retail electric service associated with power disruptions and outages resulting from the 2006 outages as well as outages that occurred in the last several years.
- Perform a critique of the effectiveness of Consolidated Edison's actions and activities related to the 2006 outages. This critique will encompass, but not be limited to:
 - The extent to which Consolidated Edison was prepared for the outages.
 - The Company's performance in restoring power in a timely manner.
 - The effectiveness of Consolidated Edison's communications with emergency preparedness agencies.
 - The Company's ability to provide timely and accurate information to its customers related to estimated restoration times.
 - The Company's compliance with its own procedures and the degree of compliance with the National Incident Management System and other local emergency response protocols.
- Review and consider the information, findings and recommendations resulting from the investigations and other internal or external reviews/investigations of Company outages conducted by the NYSDPS Staff. (As noted in its Order of September 8, 2006, the Commission ordered a Staff investigation of the company's Long Island City Electric Network. Staff also conducted a review of the January 2006 outage and is currently conducting a review of the July and September 2006 outages.)
- Perform an exhaustive review and critique, associated with the 2006 outages, of Consolidated Edison's system design and construction standards, preventive maintenance programs, and staffing levels, incorporating an analysis of the extent to which they may have impacted the Company's ability to prepare for and respond to the outages.

In formulating our conclusions, we will focus on substantive management issues. Our conclusions will reflect areas where the Company has made positive accomplishments as well as areas where improvement is needed. We will review our conclusions with the NYSDPS Staff and Company personnel prior to drafting our report to ascertain that our facts are correct and that nothing major has been overlooked. We view this as a cooperative task that will benefit greatly by keeping all parties informed. However, JLWA/BWG will retain

full responsibility over the findings, conclusions and recommendations contained in the report.

A table of conclusions, supporting evidence, and possible recommended actions will be developed for each area of the audit. After we develop our conclusions, we will prepare a series of recommendations that, in our professional judgment, will help management improve the Company's performance in similar situations in the future. Our recommendations may take a variety of forms. For example, they may point to changes in organizational structure, policies, processes, or information to improve the effectiveness of Company management. Or they may specify changes design criteria or maintenance practices. Other recommendations may require additional studies in some areas of the Company to identify specific opportunities.

Where possible, we will quantify the anticipated cost saving or performance improvement expected, as well as provide an estimate of the cost of implementation. If it is not possible to quantify the benefits, we will provide a qualitative justification.

Step Three: Report Preparation

We will prepare and submit to the NYSDPS staff a draft report covering each focus area of the investigation at least fourteen days prior to the due date of the final report. The draft report will describe each focus area, our evaluative criteria, findings and conclusions, and our recommendations for improvement (including cost/benefit analysis and justification). The draft report will be a complete description of the results of our review of the respective task areas. In preparing the final report, the only changes JLWA/BWG will make to the draft report will be in response to specific comments from the NYSDPS Staff. Any Company requests for changes to the draft report must be approved by the NYSDPS.

JLWA/BWG's final report will provide a detailed analysis for each of the areas and issues for review set forth in the Commission's request for proposals. The report will include an executive summary to provide a comprehensive, concise and rendering of JLWA/BWG's analysis, results, conclusions and recommendations. The report will include a complete record of our analysis and work activities in accomplishing the requirements of the Commission's request for proposals. Our results, conclusions and recommendations will be specifically identified and enumerated as well as supported by evidence, facts, data and sound logic. Our final report will be submitted to the NYSDPS Staff by October 2007, and will document our evaluation of each aspect of Consolidated Edison's Electric Emergency Restoration Program as outlined in this RFP and the our approved workplan. Our workpapers will be available for the NYSDPS Staff's review.

B. SCHEDULE AND TASK TIMING

JLWA/BWG is prepared to begin the investigation in February of 2007, in accordance with the RFP or on whatever date the Commission deems appropriate. We anticipate that the investigation will require no more than nine months to complete. Following orientation we will submit a draft workplan in March/April of 2007. We anticipate completing a draft

report in August of 2007. A final report will be submitted to the NYSDPS Staff in accordance with the RFP in October of 2007.

A target start and complete date is provided for each major milestone, based on the dates provided in the RFP. The team will be available to start the project in a timely fashion upon being notified of selection. The team will be on-site in a timely fashion upon approval of the work plan by DPS.

- January 2007 Consultant Selected
- February 2007 Orientation Meetings
- March/April 2007 Draft Work Plan Submitted
- April 2007 Work Plan Approved by DPS
- August 20, 2007 Draft Report Submitted to Staff
- Sept. 18, 2007 Revised Draft Report to Company - Factual Accuracy
- Sept. 16, 2007 Revised Draft Report to Staff/Consolidated Edison
- October 30, 2007 Final Report to NYSDPS

Should the Commission decide to begin the project on a date other than February 2007, we will adjust the project milestone dates as appropriate

C. WORK PRODUCTS AND DELIVERABLES

Adequate documentation of report findings and conclusions must be maintained to ensure that the consultants' work is factually based, that the findings and conclusions formed are supported by relevant data, that professional judgment, where applied, is differentiated from analytical results, and that the results of the investigation are easily traceable to specific consultant efforts. In short, it is important that an "audit trail" be established.

JLWA/BWG consultants are familiar with the need for such an audit trail. Our involvement in numerous proceedings that have called for providing expert witnesses for public testimony has made our consultants well aware of the need to correlate each statement in a report with the working papers and documents that support it.

All reports will be annotated completely and cross-referenced to documents and working papers. JLWA/BWG will use a system which (1) assigns each working paper and document a unique number; (2) identifies the author(s) of the working paper or the source of the document, (3) indicates the supporting documents for a working paper, if applicable; (4) identifies the relevant functional areas of the investigation that the working paper addresses; and (5) indicates the type of working paper referenced (e.g., interview summary, summary of analysis, or finding summary) and (6) cross references working papers and documents to the final report.

In accordance with generally accepted government auditing standards (GAGAS), working papers will be complete and accurate, clear and understandable, legible and neat, and relevant.

Interview Requests and Interview Guidelines. -- Interviews with Company personnel will be normally requested at least five working days in advance through the use of an interview request form submitted to the NYSDPS Staff and the Company. When requesting an interview, we will specify the desired date and time, interview duration, and topics to be discussed (interview guide). We will be quite flexible in setting interview schedules to accommodate the normal responsibilities of Company personnel.

Data Requests. -- Throughout the investigation we will provide the Company and the NYSDPS Staff with written requests for documents and other information. These document requests will clearly specify the information or document we seek and, if possible, the person most likely to have access to the document or information. All data requests will receive a unique number which will allow us to track the status of the request and to reference our report to the information contained in each document request.

Interview Summaries. -- JLWA/BWG will prepare summaries of each interview, including participants' conclusions and observations, data requests generated, and follow-up required by the fifth working day after each interview. These summaries will be made available to the NYSDPS Staff and will become part of the working papers of this investigation.

Audit Trail/Working Papers. -- Working papers will provide documentation and support for all findings and conclusions presented in our report. These working papers will contain interview summaries, data request responses, any special analyses prepared by JLWA/BWG consultants, fact sheet verification forms, and "findings/conclusions working paper summary" forms identifying:

- Source of information
- Nature and extent of the work done, and conclusions reached
- Cross references to an indexed copy of the report.

To preserve the audit trail, JLWA/BWG will deliver all working papers, including supporting data, with the submittal of the final report to the NYSDPS Staff.

Presentations. JLWA/BWG will meet with the NYSDPS Staff prior to the start of the engagement. Upon request, JLWA/BWG will meet with the NYSDPS Staff to present its findings, conclusions, and recommendations.

Draft Report. The draft report will be made up of findings and conclusions, management summary, and recommendations. Adequate copies of the draft report will be submitted to the Commission and the Company for review and comment.

Final Report. The final report will contain an executive summary and a detailed analysis consisting of our findings, conclusions and recommendations related to each area of the Commission's request for proposals. A detailed index identifying where each area is addressed will be included.

Project Reports. We will submit invoices to the NYSDPS Staff as required. Invoices will provide sufficient detail to allow the Staff to identify work completed and will include:

- Hours expended by project personnel
- Hourly rates
- Includable billed expenses

D. PROJECT MANAGEMENT AND QUALITY CONTROL PRACTICES

Project Management

Effective project management requires the development of a logical and efficient work plan that is clearly understood by the project team, the Commission and the Company. The Project Director will closely manage the cost and schedule of this investigation through careful planning and the use of proven project controls. Project management activities will include defining tasks, estimating staff hours and preparing schedules to complete each task, and specifying task dependencies so that interdependent tasks will be completed in the appropriate sequence. To ensure that the analysis is controlled at all times, the Project Director will carefully:

- Review the work in progress including such quality control activities as attending interviews, reviewing the processes used in analysis, testing conclusions, and checking the clarity and completeness of all written materials.
- Compare actual versus estimated hours and expenses by staff for each task defined in the work plan.
- Make project plan adjustments based on the project progress to date, changes in project scope or changes in priorities.
- Enforce documentation standards for project work papers to ensure confidentiality, accuracy, completeness, and consistency.
- Establish a workable set of administrative procedures covering:
 - Requesting, storing, and returning documentation
 - Scheduling interviews and documenting results
 - Reporting project hours and expenses
 - Reporting progress and dealing with exceptions.

Prior to commencing field work, JLWA/BWG will reach agreement with the NYSDPS Staff on the objectives, scope, and study methodologies and procedures for the investigation. As issues are identified, JLWA/BWG will inform the NYSDPS Staff of the issue and the potential impact on the study.

Quality Control

We strive for all our work products to be of high quality. While careful planning is an important task, we believe that the experience and organization of the project team is the most important factor in determining the quality of the final product. Four distinctive features of our proposed team and approach will ensure a quality product:

- The Project Director and Team Leaders are senior consultants with extensive experience managing large and complex assignments.
- The entire project team, including the Project Director, will be deeply involved in the investigation.
- The JLWA/BWG project team will adhere to Generally Accepted Government Auditing Standards in accord with "Government Auditing Standards" ("Yellow Book") issued by the Comptroller General of the United States.
- The JLWA/BWG project team has a demonstrated track record for producing quality products within schedule and budget limits.

Working Relationships

In conducting the investigation, we will maintain a positive and professional relationship with Company personnel and members of the Commission Staff. Our consulting team members are experienced in conducting studies on Company premises and know how to minimize disruption to normal operations. We plan interviews ahead of time, maintain our appointment schedules, and are sensitive to the normal demands placed on a manager's time during the business day.

We are also sensitive to the needs of the Commission in managing the investigation process. We understand that the Commission is the client for whom the investigation is being conducted. Our approach will ensure that the Commission is always up-to-date on the activities of the JLWA/BWG team.

Deliverables

JLWA/BWG will provide the following:

- 1. Work Plan:** Sections 4 and 6 contain our preliminary work plan, but JLWA/BWG will confer with Staff, subsequent to the initial orientation meetings, to develop and issue a Draft work plan. This work plan will outline, in additional detail, the scope and methods JLWA/BWG will implement/employ during the course of this engagement, as well as a detailed schedule (including milestones) for the remainder of the review. JLWA/BWG recognizes that it may need to modify the draft work plan, after giving due consideration to Staff's comments, and will then submit a final work plan to Staff for approval. Approval of the work plan by Staff will authorize JLWA to execute the tasks as stated therein. The anticipated dates for issuance and approval of these work plans are identified in Section 6.
- 2. Briefings:** JLWA/BWG will provide regular briefings to Staff on the progress of the audit and identify discussion issues germane to the audit's success. The frequency of these briefings will be established during formulation of the work plan.
- 3. Initial Draft Report:** JLWA/BWG will issue an initial draft report during August 2007 as set forth in the schedule in Section 6. This initial draft report will document the specific findings from our review and identify our recommendations.

4. Revised Draft Report: JLWA/BWG will prepare and issue, during September 2007, a revised draft report to Staff which incorporates the results of the initial draft review. Subsequently, at Staff's direction, a copy of the draft report will be forwarded to the Company for factual verification. After factual verification, and at the discretion of the Commission of Public Service, a hearing on the report may be convened. If such a hearing is convened, JLWA will present its revised draft report including findings and recommendations within the context of this formal hearing.

5. Final Draft Report: JLWA/BWG will prepare a final report during October 2007. This report will incorporate the results of prior reviews and hearings and will document the JLWA's evaluation of each aspect of Consolidated Edison's Electric Emergency Restoration Program as outlined in this proposal and the approved work plan.

6. Work Papers: JLWA/BWG will make its work papers available for Staff review.

4. Areas and Issues for Review

JLWA/BWG will conduct this audit in a carefully planned, thorough and cost-effective manner. The preliminary work plan outlined in this Section reflects what we believe to be the most effective means of meeting the NYSDPS's objectives with regard to the areas and issues for review identified in the RFP. Our approach is designed to accomplish the following:

- Focus on the specific needs of the NYSDPS and ensure full participation by the Staff in the audit.
- Minimize disruption to company operations by scheduling interviews and on-site fact-finding to meet the availability of Consolidated Edison and NYSDPS Staff to the extent possible.
- Base evaluations on demonstrated performance and best practices, not arbitrary standards, and rely on quantitative data to support findings.
- Eliminate surprises by keeping the NYSDPS Staff and Consolidated Edison informed of our activities during the review through formal and informal communications.
- Adhere to generally accepted auditing standards and provide thorough documentation of findings.
- Issue a stand-alone final report which provides findings and conclusions in a succinct yet comprehensive manner and which will withstand public scrutiny in regulatory proceedings.

Our project team is organized so that a lead consultant will be responsible for each major area and issue as defined in the RFP.

We have organized our review into three areas and issues, based on the information provided in the RFP:

- Electric Emergency Outage Planning/Preparedness
- Electric Emergency Outages – Performance/Effectiveness
- Electric Emergency Outage Planning – Best Practices

In this Section, we provide objectives and preliminary work tasks for each review area, and describe the responsibilities of the consultants assigned to the review area. A detailed résumé of each of our proposed project team members, as well as a summary of project team personnel experience as it relates to specific requirements of the review, are included in Section 5, Consultant Staff Organization.

Emergency Outage Planning/Preparedness RFP Objectives:

- Seek the input of emergency management officials regarding the utility's performance and compare that with the utility's internal procedures and policies.
- Review the organization and staffing of the utility, particularly those departments responsible for designing, constructing, maintaining, monitoring and managing the electric T&D system and responding to outages
- Evaluate the data collection and reporting systems used to monitor outage status and overall emergency outage restoration performance
- Examine Consolidated Edison's historical emergency outage performance and determine the extent to which lessons learned have been incorporated into current practices

Work Tasks:

1. Evaluate the adequacy of the Company's overall electric emergency preparation and response planning process and Consolidated Edison's Emergency Response Plan
2. Determine whether Consolidated Edison can effectively respond to outages and promptly restore electric service to its customers during and/or following an emergency electric outage
3. Review Consolidated Edison's planning process and evaluate the actions the Company takes in anticipation of an event that may result in an electric emergency outage (storm or sustained hot weather)
4. Evaluate the steps Consolidated Edison normally takes to reduce the impact of an emergency electrical outage
5. Identify and assess any recent changes in Consolidated Edison's planning and response processes
6. Conduct an organizational assessment of Consolidated Edison's internal structure for managing service interruptions and the adequacy of the Company's overall resources (personnel, equipment and facilities, as well as resources from third party providers such as rental generators) that are available for electric emergency outages
7. Assess the adequacy of the Company's staff, both in terms of the qualifications of key personnel and in work force strength to implement the emergency plans
8. Determine whether crews are prepared and equipment and supplies are ready in the event of an emergency electrical outage
9. Assess the reporting relationships established and the roles and responsibilities of organizations and personnel involved in electric emergency outage planning, response and restoration
10. Review and assess the adequacy of Consolidated Edison's training efforts for electric emergency outages
11. Evaluate the Company's planning criteria and operating policies, plan activation thresholds

12. Determine the extent to which Consolidated Edison appropriately uses personnel and equipment available from outside providers (including other utilities) when responding to large-scale outage emergencies
13. Evaluate the Company's planning efforts associated with deploying and managing outside resources in an optimal manner
14. Examine how Consolidated Edison collects the data regarding outages/interruptions, including the accuracy and integrity/independence of the data and how that data is used.
15. Assess Consolidated Edison's load reduction plans/policies and the extent to which they are incorporated into the Company's planning models and/or policies and procedures
16. Assess Consolidated Edison's ability to manage and respond to multiple and simultaneous large-scale outages occurring in different operating areas
17. Evaluate the effectiveness of systems and procedures Consolidated Edison employs for determining the extent of damage incurred during outages, the number of customer outages and developing service restoration estimates
18. Examine Consolidated Edison's internal communication process and the use of data information systems for restoration planning purposes
19. Determine whether Consolidated Edison appropriately uses information available from other sources (e.g., cable TV providers) as to individual retail customers impacted by an outage
20. Review the Company's procedures for obtaining assistance from other utilities, equipment providers and contractors and its ability to effectively deploy and manage these additional resources
21. Ascertain if Consolidated Edison's plans and procedures provide for effective communication and outreach efforts on a regular basis, including reviewing its policies and procedures for providing services and accurate information to customers, local officials, state agencies and the public throughout the electric emergency outage event
22. Determine whether Consolidated Edison's emergency preparedness and outage response procedures adequately reflect the lessons learned from past emergency outage performance and the extent to which additional or outside data can be effectively utilized to augment data sources currently used
23. Examine the extent to which the Company identifies and incorporates changes which will improve preparedness based on historical events and experience.

Consultant Responsibilities

Mr. John Nelson will be the lead consultant for the internal review. Mr. Nelson has served as lead consultant or project manager in a number of other large audit projects. He will be assisted by Mr. Mark Fowler, who will focus on procedures, and by Mr. Mike Joyner, who will assess organizational issues and staffing. Mr. Charlie Fisher will review and assess customer service and communications. Mr. Robert McMaster will provide technical assistance and conduct data analysis as necessary. Mr. Nelson will also incorporate the lessons learned by the consultants from the other two specific review areas.

Ms. Laura Hagg will lead the interaction with local officials, assisted by Mr. Ken Mallette and Mr. James Jones.

Emergency Outage Performance/Effectiveness

RFP Objectives:

- Examine Consolidated Edison's ability to mobilize adequate resources, establish critical priorities, and effectively execute plans with the agility needed to quickly make adjustments in response to an emergency electrical outage.
- Assess the effectiveness of the Company's communications with customers, other responders, stakeholders, etc. during an emergency electrical outage.
- Conduct a detailed assessment of Consolidated Edison's past restoration activities and the extent to which they demonstrate an ability to function effectively within the Incident Command System or similar framework and protocols.

Work Tasks:

1. Examine in detail Consolidated Edison's effectiveness in deploying and managing personnel and equipment during the 2006 emergency electrical outages.
2. Assess Consolidated Edison's effectiveness in communicating emergency electrical outages information internally during the 2006 outages.
3. Determine whether the Company's policies and procedures were appropriately and ultimately followed.
4. Verify the accuracy of the data collection systems used for determining the extent of outages, including the number of customers affected and the development of an accurate estimate of the time for service restoration.
5. Review the results of all interruption reporting systems (including customer-based interruption reporting systems) and assess the data collection process for and accuracy of such systems.
6. Assess the incorporation of network supply/load reduction actions taken by the Company to meet the emergency situation(s) that occurred during the 2006 outages.
7. Assess the effectiveness of Consolidated Edison's procedures for obtaining assistance from other utilities and contractors and its ability to effectively deploy and manage these additional resources.
8. Evaluate the effectiveness of Consolidated Edison's outreach performance during the 2006 emergencies (and on a regular basis), including its policies and procedures for providing accurate and timely information to local officials, state agencies and the public throughout each electric emergency outage event.

Consultant Responsibilities

Mr. Mark Fowler will be responsible for leading the assessment of Consolidated Edison's performance and effectiveness during the 2006 outages. Mr. Fowler will be assisted by Mr. Nelson with respect to system design, construction and maintenance issues, Mr. Joyner for organization and staffing and Mr. Charles Fisher and Mr. Arun Mani for customer service and communications. Mr. McMaster will provide technical assistance and conduct data analysis as necessary.

Ms. Laura Hagg will lead the interaction with local officials, assisted by Mr. Ken Mallette and Mr. James Jones.

Best Practices

RFP Objectives:

Compare the Company's electric emergency outage planning and restoration activities to industry "best practices" appropriate to the Company's operating environment.

- Identify best practices that the Company is, or should, consider employing in the area of electric emergency outage response.
- Based upon these best practices, identify opportunities for improvement.

Work Tasks:

1. Review "best practices" of the industry.
2. Identify any significant differences in electric emergency response planning, response, restoration and communications that exist (between Consolidated Edison and "best practices") and the underlying reasons for such variances.
3. Determine how industry "best practices" are employed within Consolidated Edison's electric emergency outage program, and if not employed, which areas might be suitable for the adoption of those best practices applicable to the specific attributes of the Company's operating environment.
4. Identify opportunities for improvements (tree trimming, undergrounding, rerouting, technical innovations, etc.) in the Company's practices and procedures that would or could mitigate the effects of storms and other events on unplanned outages and reduce the magnitude of such outages and the duration of the subsequent emergency response and service restoration efforts.

Consultant Responsibilities

This effort will be led by Charles Fisher. All team members will contribute.

5. Consultant Staff Organization

Summary of Personnel Experience

Name	Project Role	Education	Related Project Experience
Charles Fisher	Project Director	B.A., Western Illinois University	<ul style="list-style-type: none"> • Pepco • Delmarva • Atlantic Energy • City of Philadelphia • KUA
Laura Hagg	External Review Leader	B.A., Smith College	<ul style="list-style-type: none"> • National Capital Region • Pepco • City of Philadelphia
Ken Mallette	Lead Emergency Management Technical Consultant (Incident Command and NIMS expert)	Benedictine College Seton Hall University FBI National Academy	<ul style="list-style-type: none"> • National Incident Command System Training Curriculum Steering Committee • NIMS and ICS training
James Jones	Emergency Management Technical Consultant	George Mason University	<ul style="list-style-type: none"> • City of Philadelphia • Virgin Islands
Michael Joyner	Internal Review Lead	B.S., General Engineering, U. S. Naval Academy	<ul style="list-style-type: none"> • Duke Power Outages • ComEd Power Outages • UI Trans. & Dist. • LADWP Trans. & Dist. • SBC/Ameritech Merger
John Nelson	Lead Consultant: Planning/Preparedness	B.S.E.E., University of Illinois MSEE, University of Colorado	<ul style="list-style-type: none"> • Duke Power Outages • ComEd Power Outages • ComEd Rate Case
Mark Fowler	Lead Consultant: Performance/Effectiveness	B.S., University of Tulsa M.B.A. University of Tulsa	<ul style="list-style-type: none"> • ComEd Power Outages • Indianapolis Power & Light Outage Performance • Colorado Springs T&D
Arun Mani	Consultant: Planning/Preparedness Performance/Effectiveness	B.A., Denison University	<ul style="list-style-type: none"> • Duke Power Outages • Asset Optimization • Mergers and Acquisitions

Robert McMaster	Consultant: Planning/Performance Performance/Effectiveness	B.S., Texas A&M	<ul style="list-style-type: none"> • Nuclear Plant Project Controls Analyst • Sunk Cost Audit Analyst • Management Review Coordinator
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JLWA/BWG has assembled an exceptionally qualified team for this audit led by Charles Fisher, Managing Director of our Utility and Critical Infrastructure Practice. All consultants are professionals who are experienced in their areas of review. Our consultants have worked on reviews of Pepco, Delmarva Power, Atlantic Energy, Duke Power, and Commonwealth Edison. We are proposing an experienced project team having the following attributes:

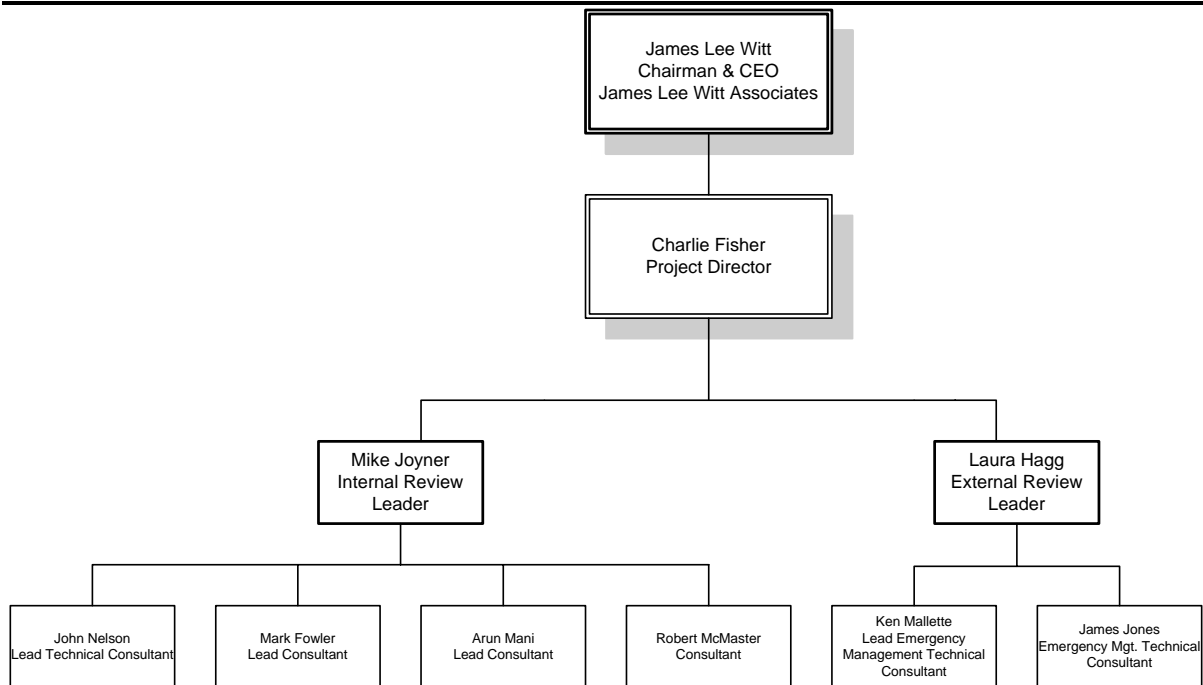
- *A Project Director*, Charlie Fisher, with extensive utility and consulting experience including managing utility audits and the practice for JLWA as well as serving as Executive Director of the Illinois Commerce Commission where he oversaw several major management audits of electric utilities including Commonwealth Edison. He has spoken at numerous conferences for utilities and regulators regarding emergency management.
- *An Internal Utility Review Leader*, Michael Joyner, having over twenty years of utility and consulting experience who has directed a large number of management reviews for utilities and regulators and who has testified before state regulators regarding utility management, technical performance and affiliate transactions in a variety of matters. In 2003, he managed the efforts of BWG's team that evaluated the emergency preparedness and outage response performance of Duke Power Company for the South Carolina Public Service Commission. Prior to that, he served as lead consultant for examining all of the management issues related to a massive power outage experienced by customers of ComEd during a heat wave in the summer of 1999. He personally prepared six Sections of the final report, which examined communications, staffing levels, work management, customer service, budgeting and organization. Two years later, he served as project manager for a rate case regarding the prudence of ComEd's electricity delivery expenditures on behalf of the ICC.
- *A Lead Technical Consultant*, John Nelson, who is an accomplished professional engineer with over 30 years utility consulting and industry experience. He is an expert in the application of planning, engineering, construction and maintenance standards in T&D systems. As a member of BWG's project team, he evaluated the design, construction and maintenance policies and procedures of Duke Power Company during our audit of Duke's response to a major ice storm in late 2002. Previously, he managed the complex and comprehensive investigation of the T&D system condition ordered by the ICC following the massive power outages experienced by ComEd in 1999. (This is the same project in which our proposed project manager played a key role. Together they wrote or directed the preparation of approximately ninety percent of the final report.)

- *An external review leader*, Laura Hagg, with fourteen years of experience in implementing public safety and public outreach strategies for state and local governments. Working in close conjunction with a broad range of both city and outside experts, she managed the JLWA review of Philadelphia's emergency preparedness and response capabilities. She was responsible for coordinating all aspects of the review including recommendations guiding the City on how it can better prepare for disaster. Previously, she managed the Emergency Preparedness Public Awareness and Education Campaign for the National Capital Region, participated in the review of Pepco Holdings' response to Hurricane Isabel, and authored a variety of texts, including a policy manual on emergency management for state legislators.
- *Senior technical consultants and analysts* having extensive experience in consulting for and managing electric utilities with specific technical expertise in T&D operations and maintenance and other operational issues required to address the scope of work included in this audit.
- *Senior emergency management experts* with years of experience working with public and private sector officials.
- *A team appropriately sized for the investigation* that has key members whose combined careers include a wide range of utility management and/or consulting experience, whose skills complement each other, and who have a demonstrated ability to perform high quality work for their clients.
- *A T&D Asset Optimization Modeling Methodology* that has previously been successfully applied on other consulting projects to clearly identify and quantify key value drivers that impact customer satisfaction

Section A of this Section describes the proposed consulting team organization and consultant qualifications for providing the support required. Section B presents résumés for each project team member.

TEAM ORGANIZATION

Exhibit 5-1 provides an organization chart of our proposed project team. A brief description of the relevant experience of each member of the project team is provided below.



**Senior Principal
James Lee Witt**

The leader of our firm and a nationally recognized expert on emergency preparedness will lead the formal presentation of the audit results to the Commission and Staff.

**Project Director
Charles Fisher**

Mr. Fisher will serve as director of the project. He will also conduct investigations in certain areas including customer service. He has extensive experience with audits of utilities, leading the JLWA Utility and Critical Infrastructure Practice and through his service as executive director of the Illinois Commerce Commission, managing and overseeing several major management audits. **Specifically, he led the internal utility review of Pepco Holdings, Inc.**

**Internal Utility Review Team Leader
Michael C. Joyner, BWG Director**

Mr. Joyner will serve as the internal review team leader. In this role he will be responsible for day-to-day management of the internal review team's work activities and for reporting to and coordinating efforts with the NYSDPS Staff. Mr. Joyner has over twenty years of utility consulting and industry experience and has managed a large number of complex projects on behalf of utility regulatory agencies. He is an expert in electric utility operations and recently managed a review of Duke Power's outage restoration performance and procedures for the South Carolina Public Service Commission.

He also recently completed reviews of the T&D operations of the United Illuminating Company for the Connecticut Department of Public Utility Control, and of the Los Angeles Department of Water and Power for the City of Los Angeles. He served as lead consultant for an examination of capital and operating and maintenance expenditures for improving the transmission and distribution infrastructure of the Commonwealth Edison Company on behalf of the Illinois Commerce Commission. The report from the examination was used in a rate proceeding to determine the extent that the utility was reimbursed.

Mr. Joyner is currently managing BWG's audit of the FirstEnergy Pennsylvania operating companies on behalf of the Pennsylvania Public Utility Commission. He also recently participated in an audit of the deferred balance accounts (expenses related to deregulation and customer choice) of one of the largest electric utilities in New Jersey for the New Jersey Board of Public Utilities. His other areas of specialization include affiliate relations, productivity improvement, operations planning, strategic planning, organization, project management, and budgeting.

Lead External Review Leader

Laura Hagg, Managing Director for JLWA's State and Local Government Practice

Ms. Laura Hagg has twelve years of experience in implementing public safety and public outreach strategies for state and local governments. Working in close conjunction with a broad range of both city and outside experts, she managed the JLWA review of Philadelphia's emergency preparedness and response capabilities. Ms. Hagg was responsible for coordinating all aspects of the review including recommendations guiding the City on how it can better prepare for disaster. Previously, Ms. Hagg managed the Emergency Preparedness Public Awareness and Education Campaign for the National Capital Region, participated in the review of Pepco Holdings' response to Hurricane Isabel, and authored a variety of texts, including a manual on emergency preparedness for state legislators.

Lead Consultant

John Nelson, NEI Electric Power Engineering, Inc.

Mr. John Nelson is an accomplished professional engineer with over thirty years utility consulting and industry experience. He is an expert in utility transmission and distribution planning, design, startup, testing, operation, maintenance, and inspection and has been involved in over fifty electrical power systems projects and studies spanning generation, transmission, distribution and utilization of electric energy. He has extensive experience in the application of planning, engineering, construction and maintenance standards in T&D systems. Mr. Nelson participated in BWG's audit of Duke Power on behalf of the South Carolina Public Service Commission. Previously, he also served as a subcontractor to BWG in an audit of FirstEnergy's Pennsylvania operating companies on behalf of the Pennsylvania Public Utility Commission. He also managed the complex and comprehensive investigation of the condition of the Commonwealth Edison T&D system ordered by the Illinois Commerce Commission following the massive power outages experienced in 1999. Additionally, Mr. Nelson has completed several technical analyses to support litigation pertaining to electrical failures and accidents.

Lead Consultant

Mark Fowler, BWG Subcontractor

Mr. Fowler has twenty years of utility consulting and industry experience. An expert in utility operations, his areas of specialization include operations planning, logistics, organization, staffing levels, productivity improvement, technology deployment project management, and budgeting. He has played a lead role in over thirty specialized and general utility management audits. He has recently worked on outage reviews of Commonwealth Edison and Indianapolis Power and Light. Mr. Fowler is a subcontractor to BWG and is currently serving as lead consultant in a BWG engagement to improve the efficiency and effectiveness of operations for a large northeastern utility.

Lead Consultant

Arun Mani, BWG Director

Mr. Arun Mani has more than ten years of utility and management consulting experience. As a member of BWG's team that audited Duke Power's response to the ice storm of 2002, he evaluated the utility's customer service and communications policies, and procedures and performance. He has worked with a large number of electric and gas utility clients, attorneys and investment bankers to offer a wide spectrum of consultative services including strategy development, testimony preparation, financial analysis, business process design and implementation. Mr. Mani recently developed a capital asset management process and decision toolkit for a large east coast transmission and distribution company. The toolkit incorporated the capability to assess project and program value on an annual and multi-year basis and identified over \$160M in reductions in capital expenditures over a five-year period with no decline in customer satisfaction and reliability metrics. The toolkit also provided the client with the ability to assess the long-term financial impact of various strategies such as moving to a reliability-centered maintenance philosophy, implementation of vegetation management and introduction of new information technology architecture. Mr. Mani also has experience in business optimization and business process reengineering.

Technical Assistant

Robert Mc Master, BWG Consultant

Mr. McMaster has over twenty-five years of hands-on and consulting/auditing experience in project management, project controls, information systems, rate case/prudence review, and contract litigation support. He has designed and implemented cost and schedule control systems for complex projects in the areas of engineering, construction, startup, and retrofit/maintenance. He also designed and implemented several customized databases and systems to better manage complex informational requirements, analyze performance, and assure/assess management success.

Ken Mallette

Lead Emergency Management Technical Specialist

Mr. Mallette is retiring as a Captain with the New Jersey State Police, is a member of the National Incident Command System Training Curriculum Steering Committee, and provides ICS training to domestic and international organizations. He will provide expertise required to assess the utility's compliance with the National Incident Management System.

James Jones

Emergency Management Technical Specialist

Mr. Jones has extensive experience with emergency management and business continuity. He served as a subject matter expert for JLWA's review of the City of Philadelphia preparedness assessment. He has prepared disaster response exercises in the Virgin Islands. He will interview emergency management officials in the areas served by the utility.

Project Team Availability

JLWA/BWG can commit the project team members identified in this proposal. All consultants will be employed on the Consolidated Edison audit at approximately half time. No audit team member will be deleted from the project without prior written approval of the Commission staff.

6. Schedules & Budgets

JLWA/BWG is prepared to begin the investigation in February of 2007, in accordance with the RFP or on whatever date the Commission deems appropriate. We anticipate that the investigation will require no more than nine months to complete. Following orientation we will submit a draft workplan in March/April of 2007. We anticipate completing a draft report in August of 2007. A final report will be submitted to the NYSDPS Staff in accordance with the RFP in October of 2007.

A target start and complete date is provided for each major milestone, based on the dates provided in the RFP. The team will be available to start the project in a timely fashion upon being notified of selection. The team will be on-site in a timely fashion upon approval of the work plan by DPS.

- January 2007 Consultant Selected
- February 2007 Orientation Meetings
- March/April 2007 Draft Work Plan Submitted
- April 2007 Work Plan Approved by DPS
- August 20, 2007 Draft Report Submitted to Staff
- September 18, 2007 Revised Draft Report to Company - Factual Accuracy
- September 16, 2007 Revised Draft Report to Staff/Consolidated Edison
- October 30, 2007 Final Report to NYSDPS

Should the Commission decide to begin the project on a date other than February 2007, we will adjust the project milestone dates as appropriate

The following is our not-to-exceed cost proposal:

	NAME	PROJECT ROLE	PROFESSIONAL RATE	COMMITMENT IN HOURS	TOTAL
EXTERNAL TEAM	James Lee Witt	Senior Principal	\$ 500.00	10	\$ 5,000.00
	Charles Fisher	Project Manager	\$ 275.00	355	\$ 97,625.00
	Laura Hagg	External Review Lead	\$ 200.00	490	\$ 98,000.00
	Ken Mallette	Lead EM Technical Consultant	\$ 290.00	490	\$ 142,100.00

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	James Jones	Emergency Management Technical Consultant	\$ 150.00	360	\$ 54,000.00
	To be hired on-site	Operations Support for document control	\$ 75.00	300	\$ 22,500.00
INTERNAL REVIEW	Michael Joyner	Internal Review Lead	\$ 200.00	460	\$ 92,000.00
	John Nelson	Lead Consultant: Planning & Preparedness	\$ 200.00	470	\$ 94,000.00
	Mark Fowler	Lead Consultant: Performance & Effectiveness	\$ 200.00	470	\$ 94,000.00
	Arun Mani	Consultant	\$ 200.00	200	\$ 40,000.00
	Robert McMaster	Consultant	\$ 150.00	400	\$ 60,000.00
				Total	799,225.00
				*Expenses	\$ 159,845.00
				Total	\$ 959,070.00

*JLWA/BWG would be reimbursed for all out-of-pocket expenses reasonably associated with services performed. Out-of-pocket costs include, but are not limited to: lodging, rental vehicle, airfare/train, per-diem and/or actual subsistence dependant upon person, normal office supplies as required, etc. JLWA uses the federal per diem schedule for daily meals and incidentals. Lodging and transportation costs will be reasonable.

Our project team is organized so that a lead consultant will be responsible for each major area and issue as defined in the RFP.

7. Qualifications of Individual Consultants

Charles Fisher Managing Director, Utility & Critical Infrastructure Practice James Lee Witt Associates

SUMMARY OF QUALIFICATIONS

Mr. Fisher is the Managing Director of JLWA's Utility and Critical Infrastructure Practice. He has led independent investigations of several utilities, including JLWA's assessment of Pepco Holdings Inc. He recently led the review of utilities and critical infrastructure in the City of Philadelphia. He served as Executive Director of the Illinois Commerce Commission during a period of major changes in the utility industry, including restructuring, selling of generation assets, mergers, consolidation, competition, and reliability problems. He oversaw several management audits during that period. He also worked closely with utilities and state and local officials to improve emergency preparation and response. He understands the perspective of regulators, governments, customers and the utilities that provide service to them.

REPRESENTATIVE EXPERIENCE

He led the utility review component of JLWA's independent investigation of Pepco Holdings Inc as well as for other utilities. He has provided advice and training in best practices to utilities.

He played a leading role in JLWA's recent assessment of the emergency preparedness readiness for the City of Philadelphia, including assessments of the Philadelphia Water Department, Philadelphia Gas Works and the working relationships with PECO Energy and Verizon. He is currently managing JLWA's efforts to assist the City implement the recommendations from our report including development of a major exercise designed to test utility and government response to a major power outage.

Mr. Fisher has extensive experience overseeing investigations of utility reliability and service quality. Prior to joining JLWA, Mr. Fisher founded the Lakeside Business Group, which specialized in utility, transportation and public policy issues.

From 1995-2001, Mr. Fisher served as the Executive Director of the Illinois Commerce Commission, the State public utility commission, during an era of tumultuous change in the electric, natural gas, and telecommunications industries. In this role, he worked with local officials and electric utility executives to address reliability issues.

Mr. Fisher served as a member of the National Association of Regulatory Utility Commissioners' Executive Management Committee. He has testified on utility reliability and restructuring issues before Congressional, state, and local legislative bodies, as well as the National Governor's Association. He has assisted regulators and utility executives in five countries in Eastern Europe and Asia and has addressed business groups and utility officials in this country.

EMPLOYMENT HISTORY

2004 – Present	Managing Director, Utility and Critical Infrastructure Practice James Lee Witt Associates
2001 – 2004	Principal, Lakeside Business Group (consulting on utility, telecommunications and transportation issues including as subcontractor to JLWA)
1995 – 2001	Executive Director, Illinois Commerce Commission
1991 – 1995	Various senior level positions for the Illinois Department of Revenue Including chief financial officer, director of planning, coordinator of tax policy, systems integration project manager and business process reengineering director
1978 – 1991	Various middle management positions with the Illinois Department of Revenue

EDUCATION

- Western Illinois University in 1978 with a Bachelor of Business, concentrating in economics
- Extensive graduate work at the University of Illinois at Springfield.

Laura Hagg
Managing Director, State & Local Practice
James Lee Witt Associates

SUMMARY OF QUALIFICATIONS

Ms. Hagg currently serves as Managing Director for JLWA's State and Local Practice, developing and implementing public safety and public outreach strategies for state and local governments. She also brings her knowledge of state and local government issues to corporate clients to facilitate the creation of public private partnerships and to expand marketing and business development opportunities.

Ms. Hagg has more than a dozen years of emergency management and environmental policy, management and outreach experience. She has researched and written a number of educational, policy, and instructional papers and articles on emergency management including a handbook on emergency management for state legislators. As the Project Manager for a public outreach campaign on air quality, she was responsible for designing and implementing outreach strategies targeted for citizens, government and business leaders. Having worked in the private, public and non profit sectors, Ms. Hagg understands their relative nuances and is able to craft the best solution possible for her clients.

REPRESENTATIVE EXPERIENCE

Prior to joining JLWA, Ms. Hagg was the Public Outreach and Communications Specialist for the Regional Air Quality Council (RAQC) in Denver, Colorado. She served as the Project Manager for metropolitan Denver's Voluntary Ozone Reduction Campaign. She managed the RAQC's media relationships and served as spokesperson. She created outreach materials on air quality issues, wrote and edited newsletters and media releases. She developed strategic communication tactics for air quality issues and increased the media coverage of ground-level ozone pollution issues for the RAQC.

As a Governmental Affairs Research Analyst for Xcel Energy in Denver, Ms Hagg read, analyzed and monitored state and federal bills during the legislative session and wrote fact sheets on legislation distributed to state legislators and legislative staff. She helped develop the company's utility restructuring policy strategy. She also established an employee grassroots network and helped manage the political action committee for the company.

Before joining Xcel Energy, Ms. Hagg was a Policy Associate for the National Conference of State Legislatures, in their Energy, Science and Natural Resources Program. She researched and wrote policy reports and magazine articles on natural disasters, utility restructuring and renewable energy issues. While earning her Masters at the University of Colorado, Denver, Ms. Hagg was an intern in the City Manager's Office for the City of Westminster, Colorado, where she worked with staff on the city budget and planning issues and handled citizen complaints.

EMPLOYMENT HISTORY

- Managing Director, State and Local Practice, James Lee Witt Associates
- Project Manager, National Capital Region Emergency Preparedness Public Awareness and Education Campaign
- Logistics Coordinator, Private Client, Hurricane Katrina
- External Communications Lead, Pepco Holdings Inc. Evaluation
- Client Manager, State and Local Outreach, Nextel Communications
- More than a dozen years of Emergency Management, Environmental Policy, and Public Outreach Experience including:
 - Public Outreach and Communications Specialist, Regional Air Quality Council
 - Government Affairs Analyst, Xcel Energy
 - Policy Associate, National Conference of State Legislatures
 - City Manager's Office, City of Westminster, Colorado

EDUCATION

A.B. History with Honors, Smith College;

Masters of Public Affairs, University of Colorado, Denver

Masters of International Policy and Practice, The George Washington University, expected 2007.

Ken Mallette

SUMMARY OF QUALIFICATIONS

Captain Ken Mallette is a Captain with the New Jersey State Police and is assigned to the Administration Section.

Capt. Mallette is a member of the National Incident Command System Training Curriculum Steering Committee, sponsored by the National Wildfire Coordinating Group, Boise, Idaho. Capt. Mallette was a member of the I-95 Technical Review Committee and the Federal Highway Administration Technical Review Committee for the development of the "Highway Incident Management Handbook." Capt. Mallette was the co-chairman on the USCG's NY & NJ Area Committee Strategic Planning Training, Exercise & ICS Working Group. Capt. Mallette is one of ten validated instructors for the United States Department of Defense, Domestic Preparedness Program, focusing primarily on the briefing of senior officials in selected jurisdictions. In this capacity he has provided Weapons of Mass Destruction training to senior policymakers in over sixty major cities throughout the U.S.

Capt. Mallette is also a member of the Jackson Fire Department, Jackson, N.J. He has been in this career/volunteer department for the past 25 years and has served in all ranks including District Commissioner and was the departments' Chief for seven years.

REPRESENTATIVE EXPERIENCE

- Provided incident management technical support and has acted as an incident command system (ICS) advisor for the 1993 National Governor's Conference in Princeton, N.J.
- Assigned as the ICS advisor to the command staff for the 1994 World Cup Soccer Games, New Jersey venue in 1994.
- Facilitator for the TWA Flight #800 Multi-Agency post incident evaluation held in Brookhaven, N.Y.
- Conducted the State's security planning activities for the Republican National Convention (RNC) and OpsSail 2000 / International Naval Review to be held in Philadelphia and New York in June and July of 2000.
- Assigned to the FEMA/USAR Incident Support Team to assist with the command and control of sixteen USAR teams from around the country at the WTC disaster of September 11, 2001.

- Instructed and spoken on the use of ICS at the National Hurricane Conference Atlantic City, National Urban/Search and Rescue Conference Boston Mass., State Emergency Management Conferences and private industry.
- Taught ICS to public entities like, the Province of British Columbia, Canada, United States Coast Guard, US Department of Agriculture, Territory of the Virgin Islands, Territory of Puerto Rico, Iowa Office of Emergency Management, Massachusetts Office of Emergency Management, New Mexico Office of Emergency Management, the National Interagency Training Center, Boise Idaho, the Emergency Management Institute, FEMA, NTSB, Nassau County Police, N.Y., Academy of Certified Hazardous Materials Managers (CHMM) and others at the local, state and federal level.
- Provided incident management and ICS training for private sector organizations like, the Philadelphia's Mayor and his Cabinet, the National Response Corporation, Marine Spill Response Corporation, AT&T, Sony Corporation, United States Olympic Committee Atlanta Summer Olympics, Amoco Petroleum, Exxon Petroleum, CITGO Petroleum, Pennzoil, Huvensa LCC., TOSCO Refinery, Orange & Rockland Power Company, Maine Central Power & Light, Port Authority of NY/NJ, Consolidated Edison, NY, NYC, New Jersey Turnpike Authority, New Jersey Highway Authority, Delaware River & Bay Authority, Pennsylvania Turnpike Commission, I-95 Corridor Coalition, Delaware Valley Regional Planning Commission, several international oil/shipping clients and others.

EMPLOYMENT HISTORY

Capt. Mallette is a Captain with the New Jersey State Police and is assigned to the Administration Section. Capt. Mallette is the Executive Officer and is responsible for the day-to-day operation the State Police budge operations, fiscal control, human resources, logistics and overall administrative functions of the State Police. Capt. Mallette was previously assigned as a Deputy Troop Commander for Troop "A" South Jersey, Bureau Chief of the Emergency Management Bureau, Station Commander and supervisor for the Incident Management Unit. As the Incident Management Coordinator he was responsible for the coordination of major incident responses and special event planning for the State Police. Capt. Mallette was previously assigned to various field assignments as a general road duty Trooper, spent four years as an instructor and course manager for specialized training at the State Police Academy. He was assigned to the State Office of Emergency Management and this assignment offered Capt. Mallette the opportunity to work as the State's Exercise Training Officer, Hazardous Material Response Unit and supervise the North Region Field Unit.

Capt. Mallette is an adjunct instructor at Ocean County Community College and instructs in the Fire Science and Criminal Justice Programs.

EDUCATION

Undergraduate work, Benedictine College, Kansas

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M.A., Professional Education, Seton Hall University, New Jersey

213th class of the FBI National Academy

James Jones

SUMMARY OF QUALIFICATIONS

Mr. Jones has experience in various law enforcement and management specialties at local, state, and federal levels. His areas of accomplishment include: membership by invitation on strategic planning committees for four different agencies during tenure in seven different positions; successfully updated and implemented operational procedures that enhanced the efficiency and effectiveness of the D.C. Lottery's Security Department. Successfully designed formal disaster recovery /business continuity plans for private and public sector agencies, to include response and recovery operations at multiple sites. While assigned to the National Security Special Event Team, assisted in the development, planning, and execution of Office of Domestic Preparedness funded tabletop, functional, and full-scale federal, state, and jurisdictional domestic preparedness exercises. Participation on planning committees in development of HSEEP MSEL/exercise scenarios for the Democratic and Republican National Conventions and the G-8 Summit, the Presidential Inauguration, and the National Capital Region Command Post Exercise.

REPRESENTATIVE EXPERIENCE

- Completed risk mitigation activities agency sites, identifying and addressing vulnerable points to include information security, access control, fire alarm and CCTV systems, existing policies and procedures; and while increasing agency awareness to emergency preparedness and business continuity methodology, through strategic planning; designing and providing in-house training, as well as, coordinating training (via contracted vendors) for Senior Management, Disaster Recovery Team Members, Investigators, Security Specialists, and Special Police Officers.
- Trained in performance management; Program Evaluation and Analysis, developed performance evaluations and yearly performance plans. Strong Project Management, Process Analysis, and Business Communication Skills. Also trained in Crisis Management, Organizational Diagnosis, and Risk Assessment.
- Conducted business impact analyses and designed business continuity plans to specifically address the critical business processes of each of the DC Lottery's and Community Research's departments/divisions. In addition, provided disaster recovery briefings/training to support vendors/contractors involved in day-to-day operational support efforts.

EMPLOYMENT HISTORY

Vice-President, Coronus, Inc. (2004 – present)

- Business development and program management in the fields of HSEEP, Risk and Vulnerability Assessments, Program Evaluation and Analysis, Business Continuity.
- Provides training and designed policy and procedures relative to core services provided to clients.
- Represents corporation at Federal, State and local events, while also serving on professional association committees that are focused on the enhancement of private and public security.

Associate II, Community Research Associates, Inc. (2004)

- Assigned to National Security Event Team, assisting in the design/development, execution, and evaluation of Federal, state, and jurisdictional domestic preparedness exercises; to include Senior Executive biological tabletop, chemical functional exercises, regional law enforcement tabletop exercises, full-scale exercises, with experience in preparation of the Lessons Learned and After-Action Reports.
- Experience in assisting local, State, and Federal agencies with preparing for biological terrorist events.

Case Manager/Background Investigator, Omniplex International (2003 – present)

- Responsible for review of Personnel Security Investigations and the production of final Reports of Investigation for various U.S. Government clients, contacting and advising Investigators in the conduct and reporting of background investigations, scoping and evaluating investigative leads in accordance with published guidelines and contract requirements, conducting quality assurance reviews, analyzing and executing necessary actions to complete cases.
- Evaluating Investigator work performance and monitoring pending cases to ensure compliance with delivery due dates. Presently provides case management and investigative assistance when needed.

Active Top Secret Security Clearance

Director of Security, D.C. Lottery & Charitable Games Control Board (1998 – 2003)

- Planned and directed the physical security program of the Lottery, including all external and internal investigations (criminal and administrative). Directs and oversees internal and external operations to protect and preserve the integrity of the existing.
- Oversaw the development and implementation of the Lottery's physical security program, including internal and external access controls, data security, and violation detection.

- Formulated agency policies and procedures to ensure appropriate levels of security in all phases of agency operations.
- Served on Agency's evaluation committees and provides oversight of Agency-wide operations.
- Managed the Agency's disaster recovery/business continuity program, the emergency response/ evacuation program, and oversight of contracts related to external audit and special police officer services.

Criminal Investigator, D. C. Lottery & Charitable Games Control Board (1997 – 1998)

- Conducted both administrative and criminal investigations. Provided operations and procedures training for new Security Department employees.
- Initiated plans and procedures to ensure repayment of funds owed to by Lottery's retail agents. Devised, implemented, and coordinated routine monitoring procedures, plans, and techniques for ensuring compliance with internal and external processes.
- Developed and maintained records pertaining to the interpretation and application of past practices, contractual agreements, legislative and regulatory rulings impacting on the agency's dissemination, collections, productions, deposits, and reporting controls.
- Assisted in development and oversight of Lottery's OSHA and Disaster Recovery Programs.

Background Investigator, Omnisec International (1997 – 1998)

- Contracted as an independent investigator performing background investigations and security clearances for individuals seeking employment, or updated clearances within various federal agencies.
- Acquired Top Secret Security/with Poly Clearance.
- Responsible for monitoring state regulated administrative compliance and procedures for over 240 licensed retail establishments in specific Northern Virginia territory.
- Conducted over 300 alcohol and narcotic related state and Federal investigations in different localities throughout the State of Virginia.
- Conducted background investigations pertaining to the suitability of corporate officers and businesses seeking state issued licenses.

- Assisted in federal drug tasks force investigations throughout the state of Virginia.

EDUCATION

Professional Education Certificate Program, Essentials of Project Management (PMI), Villanova University, Villanova, Pennsylvania

Bachelor of Individual Studies, Law Enforcement Management, George Mason University, Fairfax, VA

Graduate Certificates in Strategic Planning, Government Program Evaluation and Analysis, Project Management, and Information System Security Management, the Performance Institute, Arlington, VA

LICENSES AND PROFESSIONAL AFFILIATIONS

- Professional certification, Professional Disaster Recovery/Business Continuity Planner. Experience in all 10 DRII knowledge areas.
- Trained in President's Management Agenda Methodology, with knowledge and skills in evaluating, analyzing, and aligning Federal, State, and Local strategy with mission goals and objectives. Professional Certification Candidate in Performance Management- The Performance Institute.
- Participant on ABC Board Strategic Planning Committee in 1993 and 1996 to develop and evaluate policies and procedures.
- Certificates received in Program Evaluation and Analysis and Information Security Management
- Served on D.C. Lottery's Computer System Evaluation Committee
- Served on D.C. Lottery's Y2K Contingency Planning Committee
- Member- ASIS International
- Member- Business Recovery Association of Virginia
- Member- Association for Contingency Planners
- Member- Mid Atlantic Disaster Recovery Association, Inc.
- Member- International Association of Emergency Managers
- Served on D C Lottery Strategic Planning Committee- 1998-2003
- Designed Community Research Associate's and DC Lottery's first Disaster Recovery/Business Continuity Plan
- Served on Mayor's Domestic Preparedness Task Force, Facilities Subcommittee

- Served on District Government Security Council
- Certified Train the Trainer – Community Emergency Response Team-State of Virginia

MICHAEL C. JOYNER
Senior Consultant

BARRINGTON-WELLESLEY GROUP

SUMMARY OF QUALIFICATIONS

Mr. Joyner has more than twenty years of utility consulting and industry experience. An expert in utility operations, his areas of specialization include productivity improvement, operations planning, strategic planning, organization, staffing levels, project management, and budgeting. He has played a lead role in over twenty utility management audits. He is currently serving as Project Manager for a rate case regarding the prudence of electricity delivery expenditures of the Commonwealth Edison Company on behalf of the Illinois Commerce Commission. Mr. Joyner has served on a wide assortment of large and complicated assignments, and has demonstrated his effectiveness in analyzing complex business processes and finding opportunities for improvement. His vast experience has made him acutely aware of the constantly changing environment faced by today's electric transmission and distribution companies, as well as the need to respond to those changes.

REPRESENTATIVE EXPERIENCE

Utility Management and Operations Audits

- Project Manager for an audit of Duke Power Company's power restoration and maintenance procedures on behalf of the South Carolina PSC. The audit included an extensive review of the company's preventive maintenance programs, an analysis of the effect of personnel cutbacks in contributing to extended outages, as well as any adverse affects stemming from the company's pole and cable replacement program and tree trimming activities. (2003)
- Lead Consultant for a Management and Operations Review of United Illuminating (UI) on behalf of the Connecticut Department of Public Utility Control (CDPUC). Area of responsibility included transmission and distribution (T&D). Reviewed reliability of the T&D system, construction and maintenance practices (including tree trimming), budgeting, staffing and organization. The review included examination of the utility's response to a wind storm in the fall of 2002. (2002)
- Lead Consultant for an evaluation of the electric transmission and distribution operations of the Los Angeles Department of Water and Power. Assessed the company's effectiveness and cost in providing reliable service to its customers. Reviewed the entire T&D process, including planning, engineering and construction, maintenance, and response to trouble calls. Prepared recommendations for improvement to assist the company in maintaining its competitive cost position while improving service levels. (2002)

- Reviewed planned improvements to the work management processes, systems and tools of the Energy Delivery Department of the Rochester Gas and Electric Company. Reviewed the electric and gas transmission and distribution business processes and evaluated changes being made to the work procedures and new technologies being introduced in order to lower cost and improve efficiency. Made recommendations to ensure new systems and tools are implemented effectively, on time and in accordance with the budget. (2002)
- Lead Consultant in the Review and Analysis of Pacific Gas and Electric's cost management activities in conjunction with the CPUC sponsored study of PG&E in connection with the California energy crisis. Also examined the gas supply portfolio and related storage and peaking facilities in the context of the cash crisis to assure continued reliable gas supply for PG&E customers for the remainder of the 2001 winter. The study also examined PG&E's financial hedging activities. (2001)
- Lead Consultant for a Management Audit of a large municipal gas distribution company, on behalf of the Pennsylvania Public Utility Commission. Areas of responsibility included Staffing Levels and Support Services. Recommendations regarding Staffing Levels were selected as the subject of an implementation project. Currently working with company personnel to develop and implement a comprehensive time reporting, work management and manpower planning program. (2001)
- Lead Consultant for a focused audit of the merger between Ameritech and the Southwestern Bell Corporation, on behalf of the Illinois Commerce Commission. Areas of responsibility include evaluating the efforts of Ameritech and Southwestern Bell merger teams which identified savings that will result from the merger, and determining whether the merger teams appropriately accounted for savings that will be realized by Ameritech Illinois. (2001)
- Lead Consultant for a focused investigation of the Transmission and Distribution Systems of the Commonwealth Edison Company on behalf of the Illinois Commerce Commission. The audit was prompted by massive outages experienced by the utility's customers during a heat wave in 1999. Areas of responsibility included organization, budgeting, staffing, work management, customer service and communications. (2000)
- Lead Consultant in a Management Audit of the Central Hudson Gas and Electric Company. Evaluated the effectiveness of the Corporate Human Resources Planning Process. Examined the use of tools and procedures in the field and at the home office, followed by recommendations for their improvement. (1992)
- Lead Consultant in a Management Audit of the New York State Electric and Gas Company. Evaluated the effectiveness of the company's strategic and corporate planning methods and procedures. Reviewed personnel qualifications as well as tools and systems used in support of each function. Made recommendations for improving and modernizing procedures and effectiveness. (1991)

- Lead Consultant for a Management and Operations Audit of the Kentucky Power Company. Evaluated the engineering and construction methods and procedures utilized by the parent company, American Electric Power Corporation, on behalf of the utility. The evaluation required a thorough study of the parent company's resource allocations in response to the changing needs of its subsidiaries. (1988)
- Lead Consultant in three areas of a Management Audit of Orange and Rockland Utilities, Inc. Evaluated the effectiveness of the company's construction program planning methods and procedures. Also conducted a thorough study of gas operations and gas dispatch. Reviewed tools and systems used in support of each function. Made recommendations for improving and modernizing procedures and systems. (1987)
- Project Manager for a Management and Operations Study of the West Penn Power Company on behalf of the Pennsylvania Public Utilities Commission. In addition to a Technical Review of the utility's operations and management, conducted a focused study of several special issues: Affiliate Costs, Staffing and Compensation, Information Services, Bulk Power Transactions, Engineering and Construction, Transmission and Distribution, Acid Rain Planning, and Power Interruptions. Provided testimony in a subsequent rate case regarding staffing levels. (1990)

Utility Prudence Assessments

Project Manager for a rate case regarding the prudence of electricity delivery expenditures of the Commonwealth Edison Company on behalf of the Illinois Commerce Commission. Aside from coordinating the day-to-day activities of a team of consultants and maintaining relationships with the company and its regulators, areas of responsibility included communications, customer service, organization, budgeting, staffing, and work management. (2002)

- Prepared testimony in support of a rate case regarding the shut down and closing of a nuclear power generating facility on behalf of the Bangor Hydro-Electric Company. Reviewed and analyzed the information and decision-making process used by the utility's Executive Management and the plant's Board of Directors in deciding to shut down and eventually close the facility. Assisted the utility in preparing to defend the decision before state and national regulatory bodies. (1997)
- Assisted in the reconstruction and analysis of an extended outage schedule for a nuclear power generating facility owned by the Houston Lighting and Power Company. Prepared a written report in support of litigation and rate case proceedings. Responsibilities also included helping the utility to prepare for and manage an audit conducted by another consultant on behalf of the state public utility commission. (1994)
- Assisted in the reconstruction and analysis of an outage schedule for a nuclear power generating station owned by Northeast Utilities, Inc. Responsibilities included evaluation of the utility's performance in planning and managing the outage and preparation of a written report in support of litigation regarding power replacement costs. (1991)

- Assisted in the development of an "as-built" schedule for a nuclear power generating station owned by the Illinois Power Company. Responsibilities included analysis of schedule information and preparation of a written report in support of litigation and rate case proceedings. (1986)

Other Representative Engagements

- Served as consultant to a large northeastern electric and gas utility preparing for deregulation and restructuring. The purpose of the engagement was to evaluate measures taken by the company in order to comply with preliminary rules for implementing customer choice. The project included development of a formal compliance plan that was to be submitted to the state regulatory agency once final rules were promulgated. (1999)
- Facilitated the development of procedures and framework for the Strategic Plan for the Allegheny Electric Cooperative and Pennsylvania Rural Electric Association. The project was initiated in response to impending deregulation and increasing competition. The effort resulted in updated goals and objectives and operating plans for pursuing lower cost sources of electricity for the organizations' customers. (1995)
- Served as personal consultant to the Senior Vice President responsible for natural gas and electric power transmission and distribution and customer services of the Rochester Gas and Electric Corp. During an eighteen month period, facilitated the reorganization of approximately two-thirds of the company by providing advice, evaluating ideas and offering innovative suggestions for the new structure. The effort was successful in reducing management levels, opening lines of communication and better aligning work groups with functions performed. (1994)
- Conducted a thorough review of the work management and manpower planning systems and procedures used at the nuclear generating station of a major New York utility. The review included recommendations for enhancing and expanding the systems, further automating procedures, and linking the plant's systems together with those of the company's other departments. (1988)

EMPLOYMENT HISTORY

- Barrington-Wellesley Group, Inc. (2001-present).
- Independent Consultant (1988 - 2001).
- Managing Associate, Theodore Barry & Associates (1984 - 1987).
- Administrative Supervisor for capital improvement projects, Virginia Electric and Power Co. (1982 - 1984).
- Lead Engineer - Startup Planning and Scheduling Department, V.C. Summer Nuclear Plant (1980 - 1981).

- Lead Engineer - Planning and Scheduling Department, Westinghouse Hanford Fast Flux Test Facility (1979 - 1980).
- Officer, US Navy; specialized in intelligence and anti-submarine warfare (1972 - 1979).

EDUCATION

B.S. (General Engineering)
U.S. Naval Academy

LICENSES and PROFESSIONAL AFFILIATIONS

American Nuclear Society
National Telephone Cooperative Association

JOHN P. NELSON, PE

NEI Electric Power Engineering, Inc.

SUMMARY OF QUALIFICATIONS

Mr. Nelson is an accomplished professional engineer with over 30 years utility consulting and industry experience. He is an expert in utility transmission and distribution planning, design, startup, testing, operation, maintenance, and inspection and has been involved in over 50 electrical power systems projects and studies spanning generation, transmission, distribution and utilization of electric energy. Mr. Nelson has extensive experience in the application of planning, engineering, construction and maintenance standards in T&D systems. Mr. Nelson managed the complex and comprehensive investigation of the T&D system condition ordered by the Illinois Commerce Commission following the massive power outages experienced by Commonwealth Edison in 1999. Additionally, Mr. Nelson has completed several technical analyses to support litigation pertaining to electrical failures and accidents. Mr. Nelson earned a BSEE from the University of Illinois – Urbana-Champaign and an MSEE from the University of Colorado. He is a registered Professional Engineer in eight states.

REPRESENTATIVE EXPERIENCE

- Lead consultant for technical issues in an audit of Duke Power Company's power restoration and maintenance procedures on behalf of the South Carolina PSC. The audit included an exhaustive review of the company's preventive maintenance programs, including analysis of the impact of personnel cutbacks in contributing to extended outages, as well as any adverse affects stemming from the company's pole and cable replacement program and tree trimming activities.
- Project Manager for the 1999-2000 ComEd T&D investigation resulting from massive power outages experienced by ComEd during the Summer of 1999. The ICC commissioned a study to investigate the planning, design, construction, operation and maintenance of the ComEd transmission and distribution system as it pertained to the 1999 system conditions. Project Manager responsibilities included the investigation and review of the T&D system, comparison of the T&D system with other comparable utilities and making recommendations on how the system could be improved. The study involved over 150 interviews with executives, engineers and other employees; field inspection of the T&D facilities including transmission lines, distribution lines, substations and dispatch centers; review of standards and procedures; over 1000 data requests; and contact with other similar utilities. The study resulted in a comprehensive report and numerous recommendations covering such issues as tree trimming; distribution planning, design, construction, maintenance and operations; transmission planning, design, construction, maintenance and operations, system protection, substation design, lightning protection, customer service, reliability and so forth. The project was completed on time and within budget.

- As an additional part of the ComEd project, the utility experienced a massive 138 kV, oil circuit breaker failure at the Jefferson Substation in October 2000. Mr. Nelson was heavily involved with the investigation of the failure and assisted ComEd in determining its cause.
- As follow-up action to the 1999-2000 T&D Investigation, Mr. Nelson is presently involved at ComEd to monitor the implementation of recommendations from the 1999-2000 study.

OTHER T&D PROJECTS

- Denver International Airport - Power System study, reliability assessment, protection coordination, field engineering, energy audit.
- Denver Metro Wastewater Electric Power Reliability assessment, system studies, and detail design
- Tri-State G&T - Sidney 230kV Substation Interface with 200 MW DC Tie for East – West interconnection. and North Yuma 230-115kV Substation
- Amoco Wattenberg 1000 kVA Cogeneration Plant
- Amoco ARE 60 MVA Cogeneration Plant and 138kV interface with Utah Power and Light
- Forensic Engineering with several clients
- Consultant to Adolph Coors Company
- Consultant to Chevron USA, Inc. Design & Construction Department
- Consultant to Chevron USA, Inc., Denver Quality Assurance Department
- Substation and Distribution testing and maintenance training for Amoco Production
- Brigham City Corp. - Relay and Recloser Testing / Hydro Electric Plant Upgrade
- Shell Oil Company - Legal department - Houston, TX
- Peterson AFB Switchgear Coordination Study
- Rocky Mountain Energy - NEMO Coal System Study
- MEI - 2500 KVA Geothermal Plant
- Amoco ARE Cogeneration (4 MW) and ARE - Coordination Study
- Lakewood Hydro Project for the City of Boulder, CO
- Amedee Geothermal Project, Susanville, CA
- 50MW IPP Cogeneration Plant
- Owner's Representative for University of Colorado 30MWCogeneration Plant
- Brigham City BIID 10/12.5 MVA Substation
- Niagara of Wisconsin Synchronizing and Coordination Project
- Rio Blanco Taylor Draw Hydro (2 MW)
- System Studies for the Country of Belize
- United Power 230-34.5 W Substation: conceptual and detail design and commissioning
- Metro Wastewater Retrofit Upgrade of the Entire Power Distribution System, Emergency
- Power Requirements, Conceptual System Study

- Provo City 138 – 12.47 kV, 20.00/26.67/33.33 MVA Westgate substation
- Ryckman Creek 138-4.16kV, 40 MVA substation and distribution system
- Telluride 115x69-12.5kV, 20 MVA substation
- North Mesa 115-12.5kV, 12.5 MVA substation
- Watkins 34.5-12.5kV, 5 MVA substation
- Whitney Canyon 138-4.16-12.5kV, 40 MVA substation
- Carter Creek 138-13.8kV, 84 MVA substation
- Canyon Compression 138-4.16kV-480V, 40 MVA substation
- Painter 138-13.8kV, 62.5 MVA substation
- Frontier 25-4.16kV, 6.25 MVA substation
- ARE Nitrogen 138-12.47-4.16kV, 140 MVA substation and distribution system
- ARE Production 138-4.16kV, 40 MVA substation
- Sulfur Terminal 138-13.8kV, 9.4 MVA substation
- Brigham City Electrical System Expansion Study
- Brigham City Expansion
- 138-44kV, 25 MVA substation addition
- 44kV line (5 miles)
- 12.5kV line (10 miles)
- Two - 44-12.5kV, 12.5 MVA substations
- Placid 230-13.8-4.16.kV, 84 MVA substation
- Beaver Creek 69-25kV, 40 MVA substation
- Beaver Creek 4.146-25kV Cogeneration intertie
- Whitney Canyon 138kV Sectionalizing
- Canyon Compression 138kV Sectionalizing
- Carter Creek 138kV Sectionalizing

EMPLOYMENT HISTORY

1984 - Present	NEI Electric Power Engineering, Inc., Colorado President
1979 - 1983	Power Line Models, Inc., Colorado Project Manager/Vice President
1969 - 1979	Public Service Company of Colorado Senior Engineer, Fuel Supply Development Division; Senior Engineer, Engineering Services Department; Senior Engineer, Electrical Engineering Department; Engineer, Electrical Engineering Department; Engineer, Electric System Planning Department

EDUCATION

1976 - 1979	University of Colorado - Graduate Studies in Business Administration
1972 - 1975	University of Colorado - MSEE
1965 - 1970	University of Illinois, Urbana-Champaign – BSEE

LICENSES AND PROFESSIONAL AFFILIATIONS

Registered in the states of Arizona, California, Colorado, Louisiana, New Mexico, Utah, Wisconsin, and Wyoming.

OTHER EXPERIENCE

- Development of fuel sources, fuel contracts and alternative energy sources
- Served on numerous committees for the advancement of IEEE
- Served and chaired several technical committees for a major electrical utility
- Performed numerous in-plant inspections on major electrical equipment
- Provided safety and training seminars to employees and clients regarding the design, operation and maintenance of electrical power systems
- Provided technical assistance on industry/utility interface between electrical substations and Cogeneration plants with the electric utility
- Presented and published over twenty papers in IEEE PCIC/IAS Transactions and other national/international conferences. Taught numerous short courses for training engineers and technical personnel.

PROFESSIONAL ACTIVITIES AND HONORS

- 1997 Elected to IEEE Fellow Grade, for “*Significant Contributions to the Protection of Electrical Equipment and Personnel Safety in the Petroleum and Chemical Industry*”
- 1984 IEEE Centennial Award
- 1975 Active member of local Denver Section of IEEE and national organization of PCIC/IAS.

Mark D. Fowler
Consultant

BARRINGTON-WELLESLEY GROUP

SUMMARY OF QUALIFICATIONS

Mr. Fowler has twenty years of utility consulting and industry experience. An expert in utility operations, his areas of specialization include productivity improvement, operations planning, logistics, organization, staffing levels, technology deployment project management, and budgeting. He has played a lead role in over thirty specialized and general utility management audits. Mr. Fowler has recently worked on outage reviews of Commonwealth Edison and Indianapolis Power and Light.

REPRESENTATIVE EXPERIENCE

Utility Management and Operations Audits

- Consultant on two Management Reviews of Southern California Gas performed for the California PUC. Areas of review included affiliate transactions and relationships, gas transmission and distribution, engineering, and construction. The second of these reviews focused exclusively on affiliate transactions
- Lead Consultant on a Focused Review of several significant outages which occurred at Commonwealth Edison. These outages were widespread and prolonged. The audit examined the specific causes of the outages and well as looking for systemic problems in maintenance, capital programs and work practices.
- Lead Consultant on a three year audit of the outage performance of Indianapolis Power and Light. The audit examined call center performance and the underlying reporting statistics over each quarter of the three year period. The audit also examined the actual outage performance in terms of outage indices.
- Engagement Director and Project Manager on a review of the Affiliate Transactions of Pacific Gas and Electric. The review includes all utility affiliates including gas pipelines, gas trading and electric generation.
- Lead Consultant in a review of Southern Connecticut Gas for the Connecticut Department of Public Utility Control. Responsible for review of the non-regulated charges to the operating company and for the review of the support-services and operations functions including work planning, materials, purchasing, MIS, and facilities.
- Consultant on Management Audit of Central Hudson Gas & Electric Corporation for the New York Department of Public Service. Areas of review included corporate budgeting and the management of contractors.

- Consultant on a Management Audit of the fuel procurement activities of Potomac Electric Power Company for the Maryland Public Service Commission. Areas of review included fuel inventory management, gas and oil procurement, transportation, and storage.
- Consultant for a Comprehensive Management and Operations Audit of Potomac Edison. The audit reviewed manpower planning, productivity, and staffing functions for the Maryland Public Service Commission. The review focused on all areas of Potomac Edison, including contractors, with special emphasis on distribution and plant fuel procurement.
- Lead Consultant on an assignment to provide technical assistance and hands-on management assistance for a cogeneration heating and cooling operation for Ahlstrom USA. This 18 month assignment included analysis and implementation of boiler replacement, development of a new hot and chilled water plant for the National Park Service, designing and implementing an early retirement offer, decommissioning of unprofitable plant and development of rates and negotiation of rates with major customers. (1993-1994)
- Lead Consultant in a series of team facilitations for Colorado Springs Utilities designed to analyze the operations of materials management groups in coordination with electric T&D, generation, water and gas departments. The study looked at material forecasting, material marshaling, yard and warehouse utilization and satellite storage.(2000-2001)
- Lead Consultant in a review of the Maintenance Management Planning and Implementation Process of Edmonton Power. The review included maintenance at fossil fuel plants and in T&D operations with an effort towards better coordinating major maintenance and improving the maintenance planning systems.
- Lead Consultant in an 18-month reengineering and organizational review for Belize Electric Limited. The review addresses organizational realignment and process improvements in new service installation, materials management, distribution, and management information systems.

EMPLOYMENT HISTORY

- Independent Consultant (1990-2002, 2003-present).
- Manager Business Development, North America, Hansen Systems USA (2002-2003).
- Senior Consultant, RCG, Hagler, Bailey (1989-1990)
- Senior Consultant, MCI/Impell Pacific (1986-1989)
- Senior Financial Analyst, Plains Electric G&T, (1985-1986)

- Williams Pipeline/Buckeye Gas Products (1980-1985)

EDUCATION

B.S. University of Tulsa (Operations Research Emphasis)
M.B.A University of Tulsa

LICENSES AND PROFESSIONAL AFFILIATIONS

Utility Arborist Association
American Public Power Association

ARUN MANI
Consultant

BARRINGTON-WELLESLEY GROUP

SUMMARY OF QUALIFICATIONS

Mr. Arun Mani has nine years of utility and management consulting experience. He has experience in Business Optimization, Business Process Reengineering, Mergers and Acquisitions, and Business Strategy Development. Mr. Mani is certified in the *Michael Hammer Reengineering Methodology* and an author of Deloitte Consulting's *Reengineering Tool Kit*. He has worked with electric and gas utility clients, attorneys and investment bankers to offer a wide spectrum of consultative services including strategy development, testimony preparation, financial analysis, business process design and implementation.

REPRESENTATIVE EXPERIENCE

Business Optimization

- Lead Consultant for customer service and communications issues in an audit of Duke Power Company's power restoration and maintenance procedures on behalf of the South Carolina PSC. The audit included an exhaustive review of the company's preventive maintenance programs, including analysis of the impact of personnel cutbacks in contributing to extended outages, as well as any adverse affects stemming from the company's pole and cable replacement program and tree trimming activities.
- Developed a Capital Asset Management Process and Decision Toolkit for a large east-coast transmission and distribution company. The Toolkit incorporated the capability to assess project and program value on an annual and multi-year basis. A special user interface was built to enable the client to utilize the tool-kit on an on-going basis to prioritize capital projects. The Toolkit identified over \$160M in reductions in capital expenditures over a five-year period with no decline in customer satisfaction and reliability metrics. The Toolkit also provided the client with the ability to assess the long-term financial impact of various strategies such as moving to a reliability-centered maintenance philosophy, implementation of vegetation management and introduction of new information technology architecture. (2003)
- Developed a strategic framework to evaluate the value creation of an operating nuclear power plant. Value determination was based on the economic value created by the nuclear power plant under a variety of scenarios such as early shutdown and repowering with a similar sized base-load coal plant or PLEX with power up-rate and capital improvement options. Built a stochastic model assessing over 100 value drivers to determine the discrete and expected values of the financial impact of the nuclear power plant for various strategies. In addition to quantifying the direct economic impact of the nuclear power plant, a regional economic assessment was also conduct to estimate the impact on the surrounding region caused by a shutdown vs. PLEX. Techniques included utilizing IMPLAN multipliers to develop an econometric financial model that identified the value created over a 30-year timeframe. Project deliverables included presentation to senior executives and development of excel-based business optimization models. (2002)

- Presented a business case that assessed the economic viability of a 12% power up-rate to an operating nuclear power plant. Built a stochastic model that identified key value drivers, potential de-rate scenarios and risks and benefits for implementing power up-rate. The model also analyzed the best use of capital and O&M expenditures on the basis of improving capacity and/or efficiency or both and reducing plant outage time. Techniques included utilizing probabilistic modeling to develop a financial model that identified the value created over a 30-year timeframe. (2002)
- Lead Consultant evaluating all aspects of optimizing field services including construction and maintenance functions and service restoration. Evaluated historical work-orders, work distribution, inventory location, crew size and location and travel time from service centers to the various areas classified by zip code and circuit ID. Developed a spreadsheet to assess closure of facilities and redeployment of crews and the associated financial and operational benefits and trade-offs in undertaking each of the various scenarios. (2001)

Business Process Re-engineering

- Reengineered all major operational and customer related business processes for a northeastern electric and gas distribution company, to reduce total O&M expenses by 25% and reduce capital expenditures by approximately 10%. The project involved identifying current state issues and opportunities, benchmarking performance and cost metrics with other peer utilities and developing process redesign recommendations. Interviewed staff to develop detailed process maps to identify hand-offs between the various groups. Developed target performance metrics and job descriptions that would be process oriented. Evaluated best practices and technology enablers to optimize process performance and reduce costs. The project resulted in the creation of a centralized organization model to eliminate duplication of activities and a four-month implementation plan for process changes in various areas. (1995)
- Reengineered business processes for an International Generation Company to eliminate errors in payroll calculations and improve employee human resources data tracking. The project involved conducting focus group sessions, process mapping, data analysis, and developing an implementation plan and a business case for change. The project resulted in the creation of a “one-stop shop” customer service center enhancing employee satisfaction, and reduction of pay and benefits errors yielding financial savings of approximately 20% to O&M expenses. (1999)
- Implemented end-to-end Business Process Redesign across all facility and real estate functions for an international electric utility. The engagement required managing 30 client team personnel, developing current-state and future-state process maps, performing financial analysis, developing business cases and implementing process-oriented recommendations. Project resulted in 30% cost savings from gross departmental budget costs. (1999)
- Evaluated process requirements, financial benchmarks, and determined requirements for selecting vendors for various processes and areas targeted for outsourcing for an international electric utility. Conducted vendor evaluation, developed performance

measures and designed Service Level Agreement (SLA) requirements. A preferred vendor was identified based on the study findings and the project resulted in a 20% annual O&M savings in the real estate area. (1998)

- Developed shared services strategy for sharing operational and customer related services between a Midwestern electric utility and a Midwestern gas distribution utility. Designed detailed operational models and cost allocation methodology in the areas of customer care and field services. Activities included analyzing joint field services, joint call center and joint meter reading opportunities for identifying synergies and quantifying potential benefits. The project resulted in over \$70M in NPV O&M savings over five years and one-time avoided capital costs of approximately \$15M. (1996)
- Performed a comprehensive review of company-wide purchasing and materials management functions for a Northeastern Electric and Gas Combination Utility. Project encompassed evaluating minimum reorder points, vendor consolidation and inventory turns in the order fulfillment process. Major activities included identification of “As-Is” and “To-Be” process flows, developing workflow models and requirements documentation for the implementation of a materials management system to increase management information, reduce paper flow, and streamline process. (1994)

Mergers and Acquisitions

- Testified as an Expert Witness on merger synergies in a civil litigation case between two gas utilities. Directed consulting team of four associates in the analysis of potential combination of two large gas utilities. Assessed operational synergies that included identification of corporate, field, gas management, and non-core savings. Benchmarked findings with prior industry transactions to develop a business case to be used for court proceedings. Testified on potential merger synergies, synergies assessment methodology, non-regulated revenues and estimated total damages to the ratepayers of Arizona, Nevada and California. The synergy methodology was accepted by the District Court. (2001)
- Served as Consultant for merger integration of three northeastern gas utilities. Activities included interviewing over 60 staff across 15 functions from all three companies to identify issues and opportunities. Savings were quantified in the areas of corporate and administrative functions, field functions, gas supply and non-regulated products and services. The business case reflected annual O&M savings, one-time capital savings and also implementation costs and associated timing to achieve proposed benefits. The business case was used by the new entity to file for a rate adjustment with the Public Utilities Commission. (2001)
- Lead Consultant in the merger integration involving two large electric utilities. Activities included developing common process vision, standard performance metrics, designing the future state for customer service processes and implementing the process changes. Worked with utility staff from both companies developing common business processes for Human Resources, Accounting and Finance and Information Technology functions for the new entity. (1996)

- Evaluated the potential combination and subsequent disaggregation of two medium-sized electric utilities. Activities included modeling the detailed breakdown of financial statements of stand-alone and combined companies, valuation of disaggregated entities, recovery of stranded assets and the potential impact on earnings and shareholder value. (1996)
- Participated in a Joint Client and Consulting Team Review of regional competitors for a medium-sized combination utility. The analysis included developing a screening process from which to evaluate potential combination targets. The analysis focused on identifying the strategic benefits, strategic risks, and transaction complexity associated with each competitor. Other activities included identification of available operational cost savings, assessment of customer impacts, and projection of financial results. (1997)
- Participated in the potential merger of a medium-sized gas utility with a small electric utility. All business and support processes were analyzed and merger benefits identified. Merger synergies were identified in areas such as corporate/operations labor, corporate programs, customer service, supply chain, and capital avoidance. (1997)

Business Strategy Development

- Developed a five-year corporate strategy for a mid-size electric utility in the Midwest. Served as the Lead Consultant in developing a Portfolio Management Model that utilized probabilistic analysis to forecast the value of various investments and growth opportunities. Worked with several senior management client staff to identify, evaluate and prioritize investments and growth options. The engagement encompassed all aspects of the energy value chain. (2002)
- Developed a strategic plan for a Midwestern electric utility to guide the internal determination of the best going-forward strategy associated with owned generation. Activities included reviewing strategic options, identifying the requirements for an economic assessment model, stakeholder value proposition, risk management and implementation strategies. Built a market price forecasting model that projected going-forward electricity prices for MAIN, MAPP, ECAR, PJM, and SPP taking various parameters such as demand, supply, fuel costs, transmission constraints, plant economics, etc. into consideration. This information was used to identify the appropriate generation strategy based on the economics in the various regions. The project also required a regional competitor assessment to evaluate the various components of the Generation Value Chain in determining strengths and weaknesses. (2000)
- Developed a Strategy and an Implementation Plan for sharing administrative and corporate support services between multiple generating plants for one of the largest IPPs in the US. Developed the organization structure for a shared services business unit and also identified the requisite performance measures to be put in place. Activities included financial analysis of corporate services, evaluation of business processes and technology systems in place and development of a shared services agreement. The effort resulted in a 25% annualized savings. (1999)

- Developed a Strategic Marketing Plan focused on customer retention and financial growth. Key activities included identifying, analyzing and documenting various marketing, sales and communications processes, identifying performance gaps, and developing recommendations for a Midwestern electric utility transitioning to a market-based utility. Supporting research was also performed to identify best-in-class organizations with successful marketing and sales processes. The strategic plan focused on analyzing the current market situation, evaluating existing processes and products, defining take-to-market strategies, and identifying an implementation plan to achieve goals and strategies. Strategies and initiatives were developed for each market segment based upon customer type, products and services and customer requirements. (1998)
- Developed Customer Contact Inventory Plan for a Midwestern electric utility focused on all the various points of contact that an external customer has with a utility. Key activities included interviewing over 150 staff personnel from 35 departments to document various processes, communication vehicles, and customer needs and complaints. Results from the study were used to develop the corporate advertising and branding campaign for the utility. (1997)

EMPLOYMENT HISTORY

- Navigant Consulting, Inc. (1997-2003)
- Deloitte Consulting (1994-1997)
- PaineWebber Inc. (1993)

EDUCATION

B.A., Economics and Mathematics, Denison University (Graduated with Honors)

Process Reengineering Certification from Michael Hammer & Company

Decision Analysis Modeling from Strategic Decisions Group

Supply Chain Management Certification from CAPS Logistics

Robert R. McMaster
Associate Consultant

BARRINGTON-WELLESLEY GROUP

SUMMARY OF QUALIFICATIONS

REPRESENTATIVE EXPERIENCE

- Over twenty five years of hands-on and consulting/auditing experience in project management, project controls, information systems, rate case/prudence review, and contract litigation support.
- Supported rate cases for six nuclear projects and provided litigation support for six construction and operations-related cases involving decision analysis, management issues, and quantification/evaluation of damages utilizing various analytical techniques.
- Designed and implemented cost and schedule control systems for several nuclear projects in the areas of engineering, construction, startup, and retrofit/maintenance.
- Designed and implemented several customized databases/systems to better manage complex informational requirements, analyze performance, and assure/assess management success.

Areas of Specialization

Management Audits - Reviews and analyses of organizations, plans, and processes (from as-planned and as-implemented perspectives) to assist management in identifying areas of improvement and deviations from management directives. Such audits have proved beneficial to managing and non-managing partners of large projects by providing an independent assessment of project plans and implementation.

Litigation Support - Primary emphasis on analysis of project cost/schedule and damages quantification aspects of cases utilizing industry standards through:

- Review of project/industry documentation,
- Evaluation of installation rates and productivity,
- Development of as-built project critical paths,
- Modeling of project schedules absent liability issues, and
- Development of probabilistic project costs and schedules.

Litigation support efforts have included project management and performance issues at three nuclear projects, two major pipeline projects, and a coal-fired electric generating plant modification. Rate Case support efforts are similar to the Litigation Support efforts.

Rate Case Support - Assessments of nuclear power projects used in preparation of utility rate cases utilizing:

- Interviews with project personnel
- Document searches and analysis
- Comparisons to industry practices in the time frames involved

Rate case consulting assignments have included work on five nuclear projects in the following areas:

- Preparation of direct and rebuttal testimony concerning management decisions and processes
- Assessment of management prudence regarding cost and schedule
- Assessment of construction and startup management performance

Assignments

Project Controls Analyst on Nuclear Plant Decommissioning Audit – Analyzed historical cost, schedule, and project management documentation to assist in determining the prudence of management actions and quantifying the impact of imprudent actions. Summarized detail project schedules to simplify the project approach/methodology and to identify critical project work areas. Developed “As-Built/Planned” and “Should-Have-Been” schedules to quantify schedule delay. Provided general audit support to other team members. (2005)

Analyst on Sunk Cost Audit of a Nuclear Power Plant - Analyzed historical cost data to determine whether or not costs were justified and should be included in the capital costs of the project. (1998)

Coordinator on Management Review of a Major Northeast Utility - Coordinated response to questions raised with respect to a critical management audit report and ongoing reviews. (1997)

Analyst on Pipeline Tariff Evaluation - Quantified the increased project costs associated with an extended lapse of design control. (1997)

Analyst on Nuclear Plant Litigation (Maintenance Assessment) - Evaluated historical maintenance records, procedures, and processes to help determine maintenance management prudence. (1996)

Schedule Analyst on Nuclear Plant Engineering/Construction Management Litigation - Analyzed historical schedule data (as-planned and as-completed) and developed "Should-Have-Been" schedule based on industry and reasonably expected performance to quantify damages. (1994)

Auditor/Consultant on Pumped-Hydro Power Project - Assessed management performance during engineering and construction. (1993)

Analyst on Coal Plant Modification Litigation - Analyzed modification and maintenance records to evaluate contractor performance. (1992)

Consultant to Tennessee Valley Authority (Special Projects Group) - Supported TVA in development of its strategy for compliance with the Clean Air Act Amendment of 1990. Provided general strategy support, developed implementation plans, and supported presentations to the TVA Board of Directors on the status of Clean Air strategies and implementation. (1992)

Consultant to Kansas Gas and Electric Company (Wolf Creek) - Developed program and accompanying procedures to convert the Nuclear Department's project control philosophies and methods to those which would better support ongoing operations and maintenance of the Wolf Creek Generating Station. Emphasis was on development of outage management systems for scheduling and cost tracking. (1985)

Consultant to Cincinnati Gas and Electric Company (Zimmer) - Developed a welding records database under stringent quality requirements to be used for determining weld quality, welder qualification, procedure qualification, and inspector performance. Efforts included system design, algorithm design, program definition with necessary procedures, and supervision of group controlling input to system and distribution of procedures. (1983)

Consultant to Duke Power Company (Catawba) - Member of diagnostic team working with utility to evaluate existing construction organization to make recommendations on improvements and changes along with those that should be considered on Duke's next nuclear project. (1986)

Consultant to Houston Lighting and Power Company (South Texas Project) - Developed area management control system for construction and supervised engineering cost and schedule control. Duties included program development and implementation through structured procedures and organizations. (1982)

Assistant to the Project Manager, (Waterford 3) - Evaluated project cost and schedule information, recommended changes to those systems, and worked on special projects for project manager. During this effort, was loaned to another project to consult on startup scheduling of BWR project in Mexico (Laguna Verde).

Startup Controls Supervisor (Waterford 3) - Designed and implemented cost and scheduling systems for use by startup and operations groups at LP&L's Waterford 3 Nuclear Plant. Responsibilities also included interfacing with construction organization for establishment of system turnover priorities.

Scheduling Engineer - Assisted in development of Exxon Nuclear's computerized cost and schedule system used to monitor contractor's performance.

Project Scheduling Engineer (St. Lucie Unit 2) - Designed and implemented construction cost and schedule control systems (work packages and integrated cost/schedule CPM), developed procedures, and supervised scheduling staff.

Project Scheduling Engineer (St. Lucie Unit 1) - Designed and implemented computerized punch listing system and supervised staff responsible for its maintenance.

Construction Scheduling Engineer (St. Lucie Unit 1) - Implemented construction scheduling program through development of CPM schedules, master schedules, and punch lists. Required day-to-day interface with startup, construction and engineering groups.

Startup Engineer (St. Lucie Unit 1) - Developed and implemented procedures for construction testing of reactor systems.

EMPLOYMENT HISTORY

Barrington-Wellesley Group (2004-Present)

Independent Consultant (1992-2004)

Management Analysis Company (1980-1992)

Ebasco Services, Inc. (1979-1980) [Ebasco was purchased by Raytheon Engineers & Constructors]

Exxon Nuclear Company (1977-1979)

Ebasco Services, Inc. (1974-1977) [Ebasco was purchased by Raytheon Engineers & Constructors]

EDUCATION

BS, Nuclear Engineering - Texas A&M University (1969-1974)

LICENSES AND PROFESSIONAL AFFILIATIONS

Registered Professional Engineer, Mechanical - Louisiana (1978 - currently inactive)

COMPUTER SYSTEM EXPERTISE

Various Mainframe and Minicomputer Applications for data analysis, control of cost, schedule, budget, and to support related management objectives such as work packaging, warehousing, design control, and problem identification and resolution.

QUALIFICATIONS OF THE FIRMS

James Lee Witt Associates Corporate Overview

Founded in 2001, James Lee Witt Associates (JLWA) is a national, leading crisis and emergency management support and consulting firm based in Washington, DC. with offices in Atlanta, GA; Chicago, IL; Little Rock, AR; and Sacramento, CA. JLWA builds on James Lee Witt's more than 30 years of experience in emergency management, including eight years as the Director of the Federal Emergency Management Agency (FEMA). In September 2004, General Wesley Clark (ret.) and former Secretary of Transportation Rodney Slater joined JLWA, creating an unparalleled team of expertise and reputation. The JLWA team includes over 30 full-time staff and over 100 internationally renowned subject matter experts in crisis management to assist businesses and governments in preparing for, responding to, recovering from, and mitigating against all types of crises. On March 10, 2006 James Lee Witt Associates joined with GlobalOptions Group, Inc., increasing the firm's capacity by providing additional risk management and security services.

JLWA is comprised of two main practice areas: Strategic Advisory Services and Crisis and Consequence Management.

Strategic Advisory Services

JLWA provides strategic advisory services to state and local governments, universities, hospitals, and a variety of Fortune 500 companies. JLWA's experience provides our clients with the knowledge and techniques necessary to achieve their goals, while preparing for and preventing crises before they occur. JLWA provides planning assistance, building coalitions that link agencies, first responders, and communities, and fosters open lines of communication between diverse organizations through targeted media outreach, strategic planning and marketing, crisis communication plans, grassroots coalitions and effective partnership development.

Crisis and Consequence Management

JLWA offers a full range of planning, mitigation, and prevention consulting services to better prepare organizations before disaster strikes. JLWA assists public and private sector organizations in identifying threats that could impact operations and developing effective continuity management programs. JLWA's pre- and post-disaster services include developing or updating emergency management plans; training programs; communication plans for employees, clients and/or residents; and oversight of engineering and construction services. JLWA provides on-site assistance in the event of a disaster (including staff and equipment), expert coordination and evaluation and estimation of damages.

Since the company was founded in 2001, JLWA experts have played an integral role in nearly every major disaster, including the 2004 Tsunami, and the 2001, 2003, 2004 and 2005 Hurricane Seasons. Our professionals have been credited with expediting recovery efforts and providing assistance in all areas related to disaster recovery.

Independent Audits

Governments and organizations have repeatedly turned to JLWA when a comprehensive investigation by a third-party respected for its expertise, integrity and independence. JLWA has conducted an audit of the evacuation plans for the Indian Point Nuclear Power Plant for the State of New York, a review of the emergency preparedness of the City of Philadelphia including interaction with the utilities which serve the area, and a comprehensive audit of the restoration performance of Pepco Holdings Inc. (Pepco, Atlantic Energy and Delmarva Power) following Hurricane Isabel in 2003. Many of JLWA's recommendations from the Pepco report were adopted as policy by the Maryland Commission.

This audit will be led by Charles Fisher, Managing Director of JLWA's Utility and Critical Practice and former Executive Director of the Illinois Commerce Commission, where he oversaw several management audits. In addition to managing the audit, Mr. Fisher, as well as all assigned on this project will be active in the audit itself.

This audit calls for a review of Consolidated Edison's emergency management performance. JLWA believes strongly that when a utility is restoring power, it is an integral player, along with emergency management and other officials, in restoring the community's ability to function. Therefore our reviews focus on the utility's internal operations and performance *as well as* its interaction with public officials. Laura Hagg, Managing Director of JLWA's State and Local Government Practice will lead the external review. Ms. Hagg led JLWA's project in Philadelphia. The Commission has noted the importance of reviewing Consolidated Edison's compliance with the National Incident Management System (NIMS). Ken Mallette, who actively participated in the development of NIMS and provides NIMS related training to front-line workers and officials throughout the country, will serve on the team.

Representative Engagements

Pepco Holdings, Inc:

Emergency Management Planning and Response
Emergency Management and Customer Relations Planning and Response
Disaster Response and Customer Relations After-Action Report

September 2003 – March 2004

On September 18, 2003, Hurricane Isabel hit the Eastern Seaboard of the United States, causing power outages and flooding throughout the East Coast. Pepco Holdings, Inc. (PHI) serves more than 1.7 million homes and businesses in the District of Columbia, Maryland, Delaware, Virginia, and Southern New Jersey.

JLWA was hired by PHI to review all aspects of the utility company's response to Hurricane Isabel. The report specifically reviewed the response of two PHI companies, Conectiv and Pepco.

The JLWA team examined PHI's internal and external procedures, evaluated its strengths and weaknesses, and aided the company in communicating to the public how they will improve procedures and systems in times of crisis or disaster.

As part of this effort, JLWA conducted a thorough, all-hazards assessment of PHI's emergency management planning and response. JLWA carried out an independent, overarching review, which encompassed all aspects of preparedness, response and recovery—from customer service, to dispatch, to communication to customers and employees. JLWA's experience and recommendations helped guide PHI through the necessary steps for improving emergency management operations and communications.

Many of the recommendations were adopted by the Maryland Public Service Commission.

The report has been well read and applied within the utility industry.

Reference:

Michael W. Maxwell
VP Safety, Security and Preparedness
Utility Operations
Pepco Holdings, Inc.
Atlantic City Electric, Delmarva Power, Pepco
701 Ninth Street, NW Suite 8022
Washington, DC 20068
(Office) 202-872-3055 - Washington, DC

City of Philadelphia Emergency Preparedness Review

Initial Contract (Review): December 2005 – June 2006

Current Contract (Implementation): June – December 2006

JLWA was hired by the City of Philadelphia to assist the Mayor's Emergency Preparedness Review Committee (EPRC) in its all-phases review of the City's emergency preparedness and response capabilities. Philadelphia Mayor John F. Street established the EPRC to examine the City's current state of disaster readiness and charged JLWA to produce recommendations to strengthen the City's disaster preparedness infrastructure and management.

Philadelphia has a population of around 1.5 million people and is a major hub on the East Coast of the United States for shipping, air travel, and tourism. Its population includes a high concentration of special needs groups that would require special assistance during an emergency. Despite that fact, the City's emergency management capabilities had been notably insufficient for a city of its size. Mayor Street decided to take action by sponsoring an unprecedented review of the City's emergency systems by JLWA.

The project consisted of three overarching charges: a fact-finding process that included in-depth interviews with City officials and emergency responders and document reviews of relevant City plans and procedures; a resulting gap analysis report that outlined deficiencies in the City's capabilities and plans; and a recommendations report for future steps to improve the City's disaster management.

For the interview process, our experts identified and interviewed over 200 emergency response staff from City agencies, local industry, and non-profit organizations that were responsible for disaster planning and response throughout Philadelphia. Interviews highlighted City officials' concerns and perceived strengths and weaknesses in emergency management activities.

The knowledge gained from interviews with City officials was reinforced through document reviews of City emergency plans, vulnerability assessments, local and regional laws, public information and education programs and past performance reviews. These plans were compared with industry best practices to determine existing strengths and weaknesses.

From the interview and document review process, JLWA developed a gap analysis report that addresses areas of vulnerability and need within the City's emergency management plans. All areas of emergency management, response, and preparedness were covered including continuity of government/operations, community engagement, evacuation planning, critical infrastructure, legal authority, and issues relating to special needs populations.

In late June, JLWA and the EPRC released a 200-point recommendation report suggesting ways of improving the City's plans based on the gap analysis report. JLWA also prioritized implementation goals and advised the City on how best to put them in place. Based on these results, Philadelphia can now take effective steps to improve its emergency systems and make its communities safer and more resilient in the face of unforeseen disasters.

JLWA is currently assisting with the implementation of the recommendations.

Reference:

Pedro Ramos, Esq.
Managing Director
City of Philadelphia
Municipal Services Building, 14th Floor
JFK Boulevard
Philadelphia, PA 19102
Telephone: 215-686-3482
Fax: 215-686-3479

Kissimmee Utility Authority

Independent assessment of municipal utility's restoration performance

October – December 2004

In August and September of 2004, the town of Kissimmee, Florida, adjacent to the Walt Disney World Complex, was struck by 3 hurricanes within 44 days. The first, Charley, knocked out 100% of their customers. KUA restored the last customer 14 days later.

JLWA was retained to conduct an independent assessment of KUA's performance, similar to that conducted for Pepco. Major findings and recommendations were presented to KUA management, the board and in a formal report.

Reference:

Grant Lacerte
Vice-President & General Counsel
Kissimmee Power Authority
1701 West Carroll Street
Kissimmee, Florida 34741
407-246-2307

Barrington-Wellesley Group, Inc.

The Barrington-Wellesley Group, Inc. (BWG) is a general management-consulting firm serving the utilities industry. BWG specializes in assisting its regulatory agency clients fulfill their oversight responsibilities by performing management, operations, financial and regulatory audits and providing other services to help formulate regulatory policy and test compliance. BWG provides innovative solutions appropriately tailored to its clients' needs and the changing dynamics of the industry. BWG has a reputation for the professionalism, independence and objectivity that it brings to each assignment, and has worked for regulators throughout the United States. BWG maintains offices throughout the United States, including New Hampshire, Indiana, California, Florida, Nebraska, North Carolina and Louisiana.

BWG's partners and staff are regulatory and utility specialists. They have substantial utility industry and consulting experience and possess a breadth of functional knowledge in: utility management, operations and performance; accounting; finance; auditing; utility regulation; affiliate transactions; electric industry restructuring; stranded cost assessments; power procurement; prudence reviews; litigation support; and expert witness support. A number of BWG's professionals are Certified Management Consultants, or are members of the Institute of Management Consultants who have pledged to comply with the Institute's Code of Professional Responsibility.

In addition to its partners and staff, BWG augments its capabilities through use of a number of independent consultants with whom BWG has established relationships. As described in Section III, BWG will be using Mr. John Nelson as lead technical consultant on this project. Mr. Nelson is an accomplished professional engineer with over 30 years' utility consulting and industry experience. He is an expert in utility transmission and distribution planning, design, startup, testing, operation, maintenance, and inspection and has been involved in over 50 electrical power systems projects and studies spanning generation, transmission, distribution and utilization of electric energy. He has extensive experience in the application of planning, engineering, construction and maintenance standards in T&D systems. Mr. Nelson managed the complex and comprehensive investigation of the T&D system condition ordered by the Illinois Commerce Commission following the massive power outages experienced by Commonwealth Edison in 1999. Additionally, he has completed several technical analyses to support litigation pertaining to electrical failures and accidents.

BWG combines the advantages of large firm expertise needed to successfully perform complex and sensitive assignments with small firm responsiveness, competitiveness and creativity. BWG has the specialized consulting skills and experience necessary to evaluate all aspects of a utility's management and operations effectively and objectively.

1. **BWG knows the utility industry.** Through past studies and prior work experience, BWG consultants have gained a thorough understanding of utility operations, as well as the nature, strengths, and limitations of utility regulation.

2. **BWG is experienced in providing support to regulators.** BWG has successfully performed numerous regulatory audits and has extensive experience in determining the reasonableness of expenditures and evaluating utility programs. BWG is adept at communicating results in a clear and understandable manner that will stand up to public scrutiny.
3. **BWG experienced in providing testimony.** BWG has provided expert testimony to support its audit findings before Commissions and/or Legislators in numerous states including California, Connecticut, New Jersey, Pennsylvania, and Texas, and before the Federal Energy Regulatory Commission (FERC).
4. **BWG has a broad management perspective and a reputation for objectivity.** BWG has worked with clients on a wide range of financial, organizational, management, operations and industry restructuring issues.
5. **BWG has performed numerous management and operations audits.** BWG's partners have extensive experience in the conduct of management and operations audits for state regulatory commissions or other state agencies. BWG partners have testified regarding the results of our audits and provided expert support in the quantification of improvement recommendations.

BWG Auditing. Since its founding in 1990, BWG has conducted over 25 audits for regulatory agencies and utilities. BWG performs its audits in accordance with generally accepted government auditing standards (GAGAS) as set forth in the booklet entitled *Government Auditing Standards, 1994 Revision* developed by the Comptroller General of the United States and published by the United States General Accounting Office (*The Yellow Book*). These standards pertain to auditors' professional qualifications and, among other things, require auditor independence and that the audit be carefully planned and performed in accordance with a written work plan. In addition, audit findings and conclusions are required to be properly documented in working papers and results are to be communicated in a written report. In accordance with the Yellow Book, BWG successfully completed its most recent peer review in 2002.

As part of its audits, BWG is frequently asked to assess the efficiency and effectiveness of utility operations. For example, last year BWG conducted a diagnostic review of the management and operations of the United Illuminating Company on behalf of the Connecticut Department of Public Utility Control. Our analysis indicated that several areas of the utility's operations had potential for substantial improvement. As a result, this year BWG will conduct more in-depth studies of those areas in order to identify long-term solutions that will significantly reduce the utility's operating costs and improve its ability to provide service to its customers.

Representative BWG engagements, including references, are described in the following section of this Section.

Representative Engagements

Representative engagements for BWG are summarized below. Detailed descriptions of selected, representative engagements, including references, are provided later in this section. Additional project descriptions can be provided.

Regulatory Audits: BWG has performed the following audits of utilities for regulators since its founding in 1990.

- United Illuminating – Management and Operations – Connecticut Department of Utility Control (2002)
- Los Angeles Department of Water & Power – Operations Productivity – City of Los Angeles (2002)
- Energy Efficiency – Financial – California PUC (2002)
- Pacific Gas & Electric - Liquidity – California PUC (2001)
- SBC/Ameritech - Cost Allocations and Merger Savings - Illinois Commerce Commission. (2000)
- Southern Connecticut Gas - Affiliate Relations - Connecticut DPUC (2000)
- Philadelphia Gas Works – Management and Operations - Pennsylvania PUC (2000)
- California Electric Utilities - Audit of Hourly PX Prices - California PUC (2000 - 2001)
- Nevada Power - Power Systems - Nevada PSC (1994 and 1999)
- Department of Public Works – Comprehensive – Los Angeles Board of Supervisors (1999)
- California Electric Utilities - Audit of Transition Cost Balancing Accounts - California PUC (1998)
- Connecticut Light & Power - Financial Viability - Connecticut DPUC (1998)
- Diablo Canyon - Financial Verification - California PUC (1998)
- Atlantic City Electric - Industry Restructuring Filings- New Jersey BPU (1998)
- Maine Yankee - Prudence - Maine PUC (1997)
- Connecticut Yankee Atomic Power - Economic Viability - Connecticut DPUC and Connecticut Attorney General (1997)
- Metropolitan Water District of Southern California - Burbank City Council San Diego Water Authority and City of San Diego (1996)
- City of Burbank Public Service Department - Comprehensive - Burbank City Council (1996)
- Mountain Water District - Comprehensive - Kentucky PSC (1996)
- Northeast Utilities - Nuclear Operations - Connecticut DPUC (1996)
- Connecticut Light & Power - Diagnostic - Connecticut DPUC (1996)
- US West - Affiliate Transactions - Oregon, Washington, Idaho and Minnesota Commissions (1995)
- Pacific Gas & Electric - Pipeline Expansion - Office of Ratepayer Advocates California PUC (1995)
- Pacific Bell -Customer Service Functions- California PUC (1994)
- Pacific Gas & Electric - Financial-Management Audit of DSM Expenditures - California PUC (1994)

- Los Angeles Department of Water and Power - Best Practices Diagnostic - Los Angeles City Council (1994)
- East Bay Municipal Utility District - Board of Directors (1994)
- Peoples Natural Gas Company -Comprehensive - Pennsylvania PUC (1994)
- Southern California Water Company - Comprehensive – California PUC (1994)
- Southern California Edison Company - Financial-Management Audit of Research, Development and Demonstration Expenditures- California PUC (1993)
- New Jersey Natural Gas Company -- New Jersey Board of Regulatory Commissioners (1993)
- Delta Natural Gas - Comprehensive - Kentucky Public Service Commission (1992)
- Illinois Bell Telephone - Operations and Capital Budgeting- Illinois CC (1992)

REGULATORY AUDITS:

This section provides descriptions of selected regulatory audits performed by BWG since its founding in 1990.

United Illuminating (UI) – Management and Operations

BWG performed a diagnostic review of the various management and operations functions of UI, including documentation of the company's operations, assessment of UI's system of internal controls, and identification of any areas that required more in-depth review. The audit focused primarily on executive management, T&D operations, energy supply, financial management, customer services, support services, affiliate relations and information technology. [2002-Underway]

Reference: David G. Shapiro
Utilities Operations and Management Analysis Unit
Connecticut Department of Public Utility Control
Ten Franklin Square
New Britain, CT 06051
(860) 827-2623

Los Angeles Department of Water and Power (DWP) – Operations Productivity

BWG was engaged to assess the operations and maintenance management issues that could impact on the future viability of supply. The study is looking at plant and transmission operation and maintenance, re-powering programs, renewable energy, (to include solar, micro turbines and fuel cells) public benefits, staffing and succession issues, and the issues affecting the utility from industry restructuring. [2002]

Reference: Ms. Pat Canfield
Chief Deputy Controller

Office of the Controller
City of Los Angeles
200 North Main Street, Room 1200
Los Angeles, CA 90012
213-485-5926

Philadelphia Gas Works (PGW) – Management and Operations

BWG performed a comprehensive management audit of PGW for the Pennsylvania PUC. PGW is the largest municipally owned gas company in the country, and recent legislation transferred responsibility for its regulation from the Philadelphia Gas Commission to the PUC. The study focused on governance, financial, engineering issues, gas supply, support services and customer service issues. [2001]

Reference: Mr. J. Alan Gardocky
Project Officer, Bureau of Audits
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17120
(717) 772-0314

Southern Connecticut Gas Company (SCG) – Affiliate Operations

BWG performed a management audit of SCG's affiliate operations for the Connecticut DPUC. The audit focused on SCG's relationships with its affiliates who are providing customer service systems and off-balance sheet financing as well as its operating relationships with its new owner Energy East. [2000]

Reference: Mr. David Shapiro
Project Manager
Analysis Unit
Connecticut Department of Public Utility Control
Ten Franklin Square
New Britain, CT 06051
(860) 827-2687

Pacific Gas & Electric (PG&E) – Financial Condition

BWG performed an audit of the financial condition of PG&E in the midst of the California energy crisis for the California PUC. The audit covered the following topics: credit and default relationships; power purchases and cash flow; cash conservation activities; accounting mechanisms to track stranded cost recovery; inter-company cash flows; and affiliate earnings in the California energy market. [2001]

Reference: Mr. Kay Kajopaiye, Project Manager

California PUC
505 Van Ness
San Francisco, CA 94102
(415) 703-2557

Northeast Utilities (NU) – Nuclear Operations

BWG completed a focused audit of NU's nuclear operations for the Connecticut Department of Public Utility Control (DPUC) in December 1996. This audit was performed in the midst of a crisis in which NU's three Millstone nuclear units were shut down and placed on the NRC's watch list and its Connecticut Yankee nuclear plant was prematurely shut down. The DPUC retained BWG to monitor NU's improvement efforts, and BWG performed quarterly reviews of NU's recovery efforts. [Study Completed – 1996]

Reference: Mr. Gerald Heffernan
Utility Operations and Management
Analysis Unit
Connecticut Department of Public Utility Control
Ten Franklin Square
New Britain, CT 06051
(860) 827-2623

Maine Yankee Atomic Power – Operations and Maintenance

BWG performed a management audit to determine the prudence of the operations and maintenance of the Maine Yankee nuclear generating station from January 1, 1994 to June 30, 1997 for the Maine PUC. The audit found that Maine Yankee's imprudent management decisions resulted in the incurrence of \$95.9 million in unreasonable costs during the audit period. BWG was subsequently retained to determine if Maine Yankee's decision to shut down the plant prematurely was prudent. [Study Completed – 1997]

Reference: Ms. Joanne B. Steneck
Chief legal Counsel
Maine Public Utilities Commission
242 State Street
August, ME
(207) 287-1390

New Jersey Natural Gas (NJNG) – Management and Operations

BWG performed a comprehensive management audit of NJNG for the New Jersey Board of Regulatory Commissioners. Specific focus areas of the audit were executive compensation, finance and accounting, and affiliated interests. [1993]

Reference: Mr. Art Gallin
Project Coordinator, Division of Audits
State of New Jersey
Board of Regulatory Commissioners
Two Gateway Center
Newark, New Jersey 07102
(201) 648-4437

Los Angeles Department of Water and Power (DWP) –Diagnostic

BWG performed a diagnostic audit of DWP, the largest municipally owned utility in the country with over 1.3 million customers, for the Los Angeles City Council. The audit compared DWP's performance to best practices of other private and public corporations, including utilities. BWG recommended that DWP reduce its staffing levels by 20 to 25 percent, or 2,300 to 2,900 equivalents, to provide annual savings of \$177 to \$223 million. [Study Completed – 1994]

Reference: Mr. Ronald F. Deaton
Chief Legislative Analyst
Room 255, City Hall
200 North Spring Street
Los Angeles, CA 90012
(213) 485-6622

Burbank Public Service Department – Management and Operations

BWG completed a management audit in 1996, and was subsequently engaged to assist the Burbank Public Service Department with the implementation of the audit recommendations. BWG has also designed a strategic planning system, determined stranded costs, and facilitated meetings of a citizen task force organized to develop recommendations relating to management and operations of the utility. BWG subsequently provided assistance to the City Council relating to the governance and operation of its municipal electric and water systems. [Study Completed - 1996]

Connecticut Light & Power (CL&P) – Diagnostic

For the Connecticut Department of Public Utility Control (DPUC), BWG performed a diagnostic management audit of CL&P, Northeast Utilities' (NU) largest operating subsidiary with over 1.1 million customers. NU is the largest electric utility in New England. The audit reviewed CL&P's T&D maintenance procedures, its efforts to attain cost effective reliability, the management of its work force, and its affiliate relations. [Study Completed – 1996]

Atlantic City Electric -- Industry Restructuring Filings

The New Jersey BPU retained BWG to audit Atlantic City Electric's (ACE) unbundled rates, stranded costs, and restructuring plan filings relating to restructuring the Electric Power Industry. The audit evaluated filings to determine if they were responsive to the BPU's and the State's goals with respect to increased competition. These goals included reduced rates, increased customer choice, and maintenance of New Jersey's competitive position in regional, national, and international markets. [Study Completed - 1998]

Reference: Mr. Art Gallin
Project Coordinator--Division of Audits
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-4437

Pacific Bell (PacBell) – Customer Service

BWG performed a comprehensive review of PacBell's customer service operations for the CPUC. A major issue in this review was in determining, to what extent, PacBell's 11 million residential and small commercial customers were affected by increasing competition in the telecommunications industry in California. The audit reviewed the customer accounting, billing, service order, repair processes, and examined customer and employee satisfaction. It also reviewed the budgeting process and the effects of increased spending on new technologies (primarily broadband) in service related activities. [Study Completed – 1995]

Reference: Ms. Linda Vandeloop
Project Coordinator
Pacific Bell
140 New Montgomery
Room 1720
San Francisco, CA 94105
(415) 542-7556

Connecticut Yankee Atomic Power (CY) – Economic Viability

BWG was retained by legal counsel for the Connecticut DPUC and the Attorney General of Connecticut to develop and provide expert testimony for FERC hearings relating to the economic viability of the early shutdown of the CY plant. [Study Completed – 1997]

Reference: Randall L. Speck, Esq.
Kaye, Scholer, Fierman, Hays, & Handler, LLP
901 Fifteenth Street, NW, Suite 1100
Washington, DC 20005-2327
(202) 682-3510

Pacific Gas & Electric (PG&E) – Demand-Side Management (DSM)

In 1994, BWG performed a financial/management audit of PG&E's DSM function for the CPUC. The review focused on the accounting and management of PG&E's DSM expenditures from 1990 – 1992 and recommended proposed adjustments of \$12.1 million which reduced the allowable expenditures by about 2.2 percent from \$542.1 million to \$530.0 million. [Study Completed – 1994]

Southern California Edison (Edison) – Research, Development and Demonstration (RD&D)

BWG performed a financial/management audit of Edison's RD&D expenditures for the CPUC. The review focused on the accounting and management of \$285.4 million of expenditures from 1988 to 1992. The audit found that RD&D expenditures as originally recorded were overstated by about \$20.5 million. However, because Edison improperly capitalized \$17.4 of legitimate expenditures, a net adjustment of \$3.1 million was proposed and accepted by CPUC and Edison. A draft report for this audit was issued to the CPUC within 90 days of the start of the project. [Study Completed – 1993]

Southern California Water (So. Cal Water) – Comprehensive

BWG performed a comprehensive management audit of Southern California Water Company for the CPUC. [Study Completed – 1994]

Public Service Company of New Hampshire (PSNH) – Division Reorganization

BWG facilitated an organizational review of PSNH's division operations organization, which consisted of its distribution and customer service functions. A study group of PSNH managers defined an organizational structure that improved service levels and reduced operating costs consistent with good business practices. [Study Completed – 1992]

Other BWG Experience

This section provides descriptions of other representative studies performed by BWG for utility clients since its founding in 1990.

Public Service Electric & Gas (PSE&G) – Affiliate Interests

BWG assisted PSE&G prepare its affiliate interests compliance plan which was filed with the New Jersey BPU during the second quarter of 2000. BWG also assisted PSE&G in

preparing for a commission-directed audit of its compliance with newly issued affiliate relations standards. [Study Completed – 2000]

Reference: Mr. Michael P. Moscufo
Project Manager
PSE&G
80 Park Place
Newark, NJ 07101
(973) 430-6286

Lakeland Electric – Organization

BWG completed an organization study for the City of Lakeland, Florida to improve governance and management of its municipal utility organization. Issues addressed included the recent separation of electric and water operations, dual management accountability of the City Manager and the Utility Managing Director to the Board of Commissioners, service arrangements between the city and the utility, and organization and staffing. BWG assisted the city with implementation of the recommendations. [Study Completed – 1999]

Zone 7 Water Agency (Zone 7) – Governance

BWG analyzed the costs and compared the benefits and disadvantages of legal separation of the Zone 7 Water Agency from Alameda County, California. A large portion of this study was devoted to soliciting input from all interested parties and stakeholders to facilitate a smooth transition should legal separation prove to be the most viable alternative. [Study Completed 1996]

San Antonio City Public Service Board – Transmission Costs

BWG performed analysis and provided expert testimony defining ratemaking principles applicable to a large municipal electric system in proceedings before the Public Utilities Commission of Texas (PUCT). BWG assessed the company's analysis supporting the unbundling of electric rates. Subsequently BWG determined stranded investment under rules defined by the PUCT applicable to investor-owned utilities in comparison to using municipal rate making principles. [Study Completed 1996]

Pasadena City Council – Electric Restructuring

BWG was retained by the City Council of Pasadena to assist the city's Water and Power Department in developing plans to address electric restructuring in California. BWG reviewed strategic alliance proposals, worked with management and labor organizations to mitigate the impact of deregulation on customers and employees. BWG facilitated a labor-management steering committee, which reviewed organizational options resulting from

deregulation. Additional efforts on employee training and accountability were performed as part of a change management process for the utility. [Original Study Completed – 1996]

References:

Mr. Chris Holden, Former Mayor
City of Pasadena – City Council
City Hall
100 North Garfield
Pasadena, CA 91109
(626) 744-4311

Mr. Sis Tyler, Council Member
City of Pasadena – City Council
City Hall
100 North Garfield
Pasadena, CA 91109
(626) 395-9515

Metropolitan Water District (MWD) of Southern California – Financial Planning

BWG performed an assessment of MWD financial planning and management practices on behalf of an MWD member agency. The project reviewed the linkages and relationships between the strategic planning, integrated resources planning, capital improvement planning, financial planning, and budgets and rate setting processes for purposes of advising the client regarding the propriety and equity of current and projected utility rates. As a result of the study, MWD made refunds totaling \$300 million to member agencies. BWG also reviewed MWD rate proposals and financing of a new headquarters building. [Study Completed 1996.]

Northeast Utilities (NU) – Merger Organization Integration

Subsequent to NU's acquisition of Public Service Company of New Hampshire, BWG developed plans for integrating the operations of the two utilities. The project focused on administrative and financial functions. The project's objectives were to maximize cost savings and retain the best of the cultures of the two organizations. The merger created the largest electric utility in New England. [Study Completed – 1991]

General Public Utilities Corporation (GPU) – M&S Organization

BWG reviewed the organization of the Materials and Services (M&S) operations of GPU's five companies: Jersey Central Power & Light, Metropolitan Edison Company, Pennsylvania Electric Company, GPU Nuclear Corporation and GPU Service Corporation. The study determined how GPU could further reduce the cost of its M&S operations while improving the quality of services provided. This study focused on the support provided to the operating companies' distribution operations by the service company and clarified their respective roles and responsibilities. [Study Completed – 1991]

